A Tale of Two Megacities

At this year’s CGO conference we were pleased to welcome our Nigerian colleague Gordon Abiama. He made two presentations, one on “The Georgist Philosophy, Africa and the Ecovillage Connection” and, along with Lindy Davies, a comparison/contrast of the Nigerian metropolis of Lagos and New York City.

Lagos is a bustling city whose population the state government estimates at 21 million. Lagos is rich in culture, history, economic growth and transformation. Nigeria’s social and economic nerve centre sadly exhibits a stark dichotomy of the stupendously rich and famous and the obscure and embarrassingly poor.

There are many way to think of New York City, that “georgeous mosaic” that Mayor David Dinkins described. One way that is useful for political economists to see it is as a constant see-saw between blight/decay and boom/gentrification. This drive-thru McDonalds sat for over 20 years on the site that is about to hold one of the priciest new towers of the Hudson Yards development. We’ll return to this block ere we conclude.

Lagos was originally inhabited by the Awori subgroup of the Yoruba people. In the 15th century, the Awori settlement was conquered by the Benin Empire and the island became a Benin war-camp called “Eko” under Oba Orhogba, the ruler of Benin at the time. The Yoruba still call the city Eko. Lagos, which means “lakes,” was a name given to the settlement by the Portuguese. Throughout history, it was home to a number of warring ethnic groups who had settled in the area. Following its early settlement by the Awori nobility, and its conquest by the Bini warlords of Benin, the state first came to the attention of the Portuguese in the 15th century.
They are both megacities, but their population densities are of a different order. There are 8.5 million people in the five boroughs of NYC. Though one of every 15 Americans live in the greater NYC area, it includes places as sylvan as Westchester County. The population of Lagos is not precisely known; the state estimates it at 21 million, in an area smaller that that of New York City proper.

According to the UN HABITAT, almost 60% of the urban population in sub-Saharan Africa resides in slums. This is the case in Nigeria’s premier megacity. Slums are heavily populated informal settlements and are identified by sub-standard housing and filth. A population boom resulting from rural urban drift has left large numbers of people without basic infrastructure and services — and without secure tenure even to their meager homes. Shanties are often hurriedly built with materials that cannot withstand heavy rains, high winds and local climate. These single dwellings house multiple families. This is where they sleep, cook and live with conveniences that serve dozens of other families.

After World War I, New York City faced a severe housing shortage. Gov. Al Smith responded by sponsoring a law that exempted new buildings from taxation, through 1931. The land was still taxed — and, due to the influence of Single Tax assessor Lawson Purdy, it was very accurately assessed. This winning economic combination kept NYC growing through the Great Depression, while other cities shrunk.

In the 1970s, New York’s character as a progressive, democratic city was put to a severe test. The days of healthy reliance on land for revenue were long gone. The city faced crime, failing services and near-bankruptcy. Would it no longer be possible to support quality public transport, public housing and a free City College system? Was the Big Apple rotting?
Transportation is big business in Lagos. Air, rail and road transportation has massive private sector involvement. Road maintenance has become a challenge, prompting the government to allow privately-concessioned highway projects. In one of the fastest growing regions in Lagos, significant development has occurred along the Epe Expressway. The company held the right to construct, operate, maintain and toll the 50km Lekki-Epe Expressway. The project won a number of awards and seemed to be a success. However, logistic controversies over the project led to a government buy-out, showing the failure of this project which had been much hailed by the bourgeoisie. The road tax became difficult for most users. There were reports that the concessioning company had wanted to increase toll by 20% as well as the number of toll points, only 10km in between. The estimated total cost of the project was put at N55 billion.

In the 1890s New Yorkers said, “It’s worth your life to cross Broadway!” Long before cars appeared, congestion made public transportation an urban requirement. Elevated transit lines had been operating since 1870, but in 1904 Manhattan got its first subway, and it was a hit! On the first day, 150,000 passengers rode the line. The fare was 5¢, and it stayed that way until 1948. Two private lines, the IRT and BMT, along with the city-built IND, were consolidated into the present huge system. Today, some 7.6 million people ride the NYC subway each weekday. However — despite the subways’ obvious positive effect on land values — recent revenue problems have led to reduced maintenance, more crowding and delayed improvements — though Upper East Side residents finally have their 2nd. Ave. line.
Lagos is Nigeria’s economic focal point, generating a significant portion of the country’s GDP. Victoria Island with its annexe is situated to the south end of Lagos. It has expensive real estate; many new luxury condos and apartments are blooming up everywhere shooting up land values. Along with Ikoyi, Victoria Island occupies a major area in the suburbs of Lagos which boasts of several sizeable shopping districts. On its sea shore along the Atlantic front, there is environmentally reconstructed Bar Beach.

Eko Atlantic City is a planned district of Lagos, being constructed on land reclaimed from the Atlantic Ocean. It is located on Lagos’s Bar Beach. Upon completion, the new island which is still under development is anticipating 400,000 residents and a daily flow of 250,000 commuters. The development also proposes to stop the erosion of the Lagos coastline. The Eko Atlantic City project received global recognition in 2009, as the Lagos State government and its private sector partners on the Project, South Energyx, received the Clinton Global Initiative Commitment Certificate.

We promised to return to this block, to conclude our look at “the real estate capital of the world.” We see the sale prices of all the parcels on the block, including that of the old drive-thru McDonalds (which carried a 2016 property tax load of $174,596 — one tenth of one percent of its selling price). This is part of the giant Hudson Yards development. One of the many municipal contributions to this has been the $2.4 billion spent on extending the #7 subway line to 11th Ave and 34th street. The brand-new station shown here, servicing Hudson Yards, is the only station on this extension. Also, the city taxpayers’ have been willing to cover interest on the developers’ debts until the new buildings are up and running.