

## | RESEARCH ARTICLE

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### GOVERNANCE BUSINESS UNUSUAL POLICY AND POLITICAL ECONOMY OF DEMOLITION IN NIGERIA: ENUGU STATE BUSINESS PREMISES EXPERIENCE

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#### | ABSTRACT

This study examined the political and economic factors driving the demolition of business premises in Enugu State, Nigeria, highlighting the tensions between state-led development initiatives and the interests of local business communities. Guided by Urban Political Economy Theory, this research aims to determine if urban renewal, modernization and gentrification accounted for the demolition of business premises in Enugu State, using a case study design and mixed methods approach combining documentary and focus group discussions.

#### | KEYWORDS

Governance Business Unusual Policy, Urban Political Economy, Demolition of Business Premises, Urban Renewal, Modernization and Gentrification, Inclusive Urban Planning

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This study examined the political and economic factors driving the demolition of business premises in Enugu State, Nigeria, highlighting the tensions between state-led development initiatives and the interests of local business communities. Guided by Urban Political Economy Theory, this research aims to determine if urban renewal, modernization and gentrification accounted for the demolition of business premises in Enugu State, using a case study design and mixed methods approach combining documentary and focus group discussions. Content analysis and participatory observation were employed to identify patterns and themes in the data. Findings revealed that the urban renewal, modernization and gentrification accounted for the demolition of business premises, in line with the thrust of Governance Business Unusual Policy, which is driven by a desire to assert state control over urban spaces, promote neoliberal development agenda, and facilitate gentrification, resulting into significant economic losses, hardship, social dislocation, and human rights violations. It recommended the need for inclusive urban planning, community engagement, and participatory governance to ensure that development initiatives prioritize the needs and interests of local businesses and communities. The study contributes to our understanding of the complex relationships between political power, economic development, and urban space in Nigeria, in particular, Enugu state by highlighting the negative consequences of state-led demolitions which underscores the importance of prioritizing human rights, social justice, and sustainable development in urban governance

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## **Introduction:-**

No doubts, one of the talking points of governor Peter Mbah administration's one year in office celebration was the massive demolition of business premises. If the speed, force, energy and resources that the government deployed in demolishing business premises in Enugu Urban, Gariki market, Eke Emene and OgigeNsukka were matched by those of the implementation of urban renewal and modernization policy, the demolition sites would not have become scrap scrambling harvesting fields and refuse dumps. An eye sore that constantly reminds the victims of these demolitions, that the Enugu state government's action did not only pose a significant threat to their livelihoods but the overall development of the state's business environment, highlighting a critical problem of governance and political economy (Adebanwi, 2016; Nwankwo, 2015). Despite government claims of promoting urban renewal and environmental sustainability (The Guardian, 2020), the demolitions often disregard the rights and interests of local businesses and communities, perpetuating a pattern of state-led gentrification (Harvey, 2008) and displacement of informal traders (Meagher, 2010).

The demolition of business premises in Enugu State, is a complex phenomenon that reflects the intricate relationships between governance, politics, and economics. Research has unesrthed that such actions are often driven by a desire to assert state control over urban spaces (Harvey, 2008) and to promote neoliberal development agendas (Smith, 2002).

In Nigeria, the demolition of markets and business premises, has been a recurring exercise, with some scholars arguing that it reflects a broader pattern of state-led gentrification (Adebanwi, 2016) and the displacement of informal traders (Meagher, 2010). Enugu State, in particular, has experienced several instances of demolition, with the government citing reasons such as urban renewal and environmental degradation (The Guardian, 2020). However, critics argue that these actions are often motivated by political and economic interests, rather than a genuine concern for public welfare (Nwankwo, 2015). But none of the previous demolitions targeted the main sources of livelihoods of the indigenes and residents, such as the 2024's. Studies have also highlighted the impact of such demolitions on local businesses and communities, including loss of livelihoods (Ibrahim, 2017) and displacement of traders (Akinbode, 2018).

The lack of transparency, accountability, and participation in the decision-making process surrounding these demolitions posse concerns about the politicization of urban development and the marginalization of vulnerable groups (Ibrahim, 2017; Akinbode, 2018). Furthermore, the demolitions often occasioned significant economic losses and social dislocation, undermining the state's economic development goals and perpetuating poverty and widening inequality (Smith, 2002).

It is against this backdrop that this study aims to investigate the political and economic factors driving the demolition of business premises in Enugu State, Nigeria, and its implications for governance, business development, and sustainable urban development in Enug u State.

To drive home this research, this research question was formulated; How did urban renewal, modernization and gentrification account for the demolition of business premises in Enugu State?

### **Urban Renewal, Modernization, Gentrification and Demolition of Business Premises**

Urban renewal, modernization, gentrification and demolition of business premises continue to be pressing concerns in urban development. Recent studies suggested the need for community-led and participatory approaches to urban renewal, prioritizing social equity, environmental sustainability, and cultural heritage preservation (Chiodelli, 2022). However, urban renewal efforts often perpetuate gentrification, displacement, and cultural erasure, particularly in marginalized communities (Fields, 2022)

Modernization efforts, driven by technological advancements and neoliberal urbanism, can lead to the homogenization of urban spaces and the displacement of local businesses and communities (Hutton, 2022) [3]. The emphasis on efficiency, sustainability, and economic growth can overshadow social and cultural concerns, resulting in the erasure of urban heritage and community identity (Majoor, 2022)

While, gentrification is a complex and multifaceted phenomenon that has garnered significant attention from scholars, policymakers, and community activists in recent years. At its core, gentrification refers to the process of wealthier, more affluent individuals moving into previously low-income, working-class neighborhoods, leading to increased property values, rents, and changes in the local culture and character (Glass, 1964; Smith, 1996).

Recent studies have highlighted the displacement of long-time residents, particularly people of color, as a result of gentrification (Gonzalez, 2017; Hyra, 2017). This displacement is often attributed to rising housing costs, as wealthier newcomers drive up property values and rents, making it difficult for existing residents to afford their homes (Marcuse, 1986; Newman &Wyly, 2006).

Furthermore, gentrification has been linked to the erasure of community identity and cultural heritage, as small businesses and cultural institutions are replaced by upscale amenities catering to the new, more affluent population (B Zukin, 2010; S. Zukin, 2014).

However, some scholars argue that gentrification can also bring benefits, such as increased investment, improved amenities, and reduced crime rates (Freeman, 2005; Vigdor, 2002).

Demolition of business premises, often justified as necessary for urban renewal and modernization, can have devastating impacts on local economies, communities, and cultural heritage (Graham, 2022) [5]. Alternative approaches, such as adaptive reuse and community-led development, can preserve urban heritage and support local businesses and communities (Lang, 2022) [6].

In conclusion, urban renewal, modernization, gentrification and demolition of business premises require careful consideration of their social, economic, and cultural impacts. More inclusive, sustainable, and community-led approaches are necessary to ensure that urban development benefits all stakeholders.

### **Urban Political Economy Theory:-**

The main idea behind Urban Political Economy (UPE) theory is to understand the relationships between economic and political processes that shape urban development, inequality, and social justice. It emphasizes that urban policies and outcomes are influenced by power dynamics, social relations, and economic interests. This theory, rooted in Marxist and neo-Marxist thought, examines the relationships between political power, economic development, and urban space (Harvey, 2008; Smith, 2002). It highlights how urban development is shaped by the interests of powerful actors, such as government officials, developers, and corporations, often at the expense of marginalized groups.

UPE theory was propounded by David Harvey (Marxist geographer and economist) in his work, *Social Justice and the City*(1973). He laid the groundwork for UPE by analyzing urbanization through a Marxist lens. The theory was popularized by scholars such as Manuel (sociologist) (1977), Saunders (sociologist)(1981) and others, who have contributed to the evolution of Urban Political Economy theory, which continues to influence urban studies, planning, and policy debates.

### **Key concepts of the theory:-**

1. Gentrification: The process of wealthier individuals displacing lower-income residents in urban areas, leading to increased property values and rents (Smith, 2002).
2. Accumulation by Dispossession. The process of acquiring assets, such as land, at below-market prices, often through state-led displacement
3. Uneven Development: The idea that urban development is characterized by unequal distribution of resources, infrastructure, and services, leading to disparities between different areas and populations.
4. Accumulation by Dispossession\*: The process of displacing existing users and owners to make way for new, more profitable developments.
5. Urban Regime Theory: The idea that urban development is shaped by coalitions of powerful actors, including government, business, and other interests.
6. Growth Machine Theory The idea that urban development is driven by a coalition of interests that prioritize growth and profit over other considerations.
7. Spatial Fix The idea that urban development is shaped by the need to fix and stabilize capital in specific locations.
8. Displacement and Replacement: The process of displacing existing users and replacing them with new, more affluent populations.

### **Application**

In Enugu state, urban renewal and modernization efforts may focus on select areas, leaving others underdeveloped and vulnerable to demolition. In this sense, urban renewal and modernization efforts may be driven by a coalition of government officials, developers, and other powerful actors, leading to the demolition of business premises to make way for new projects.

Furthermore, in Enugu state, the demolition of business premises may be driven by a growth machine that prioritizes new development and profit over the needs and interests of existing businesses and residents. Again, urban renewal modernization and gentrification policies may involve fixing and stabilizing capital in selected urban areas, leading to the demolition of business premises to make way for new developments. Gentrification basically involves displacing existing businesses and landlords and replacing them with more upscale developments and new land grabbers(government officials), leading to the demolition of business premises. In line with the above, these concepts have helped to explain the dynamics driving the demolition of business premises in Enugu state, and how urban political economy factors contributed to these processes.

### **Methodology:-**

Qualitative data were sourced using documentary method and focus group discussion(FGD). Affected traders, bankers, agro processing workers, motor parks workers and landlords were interviewed. 36 FGD participants were purposively selected from all the demolition locations in Enugu state. The FGDs were conducted employing 9 unstructured questions to explore their

feelings, opinions and strategies of relocation on the key research question issues, utilizing a Case study design and content analysis and participatory observation were adopted to identify patterns to ascertain the true picture of the motives behind these demolition exercises.

**Urban Renewal, Modernization, and Gentrification Accounted for the Demolition of Business Premises in Enugu State.**

**Table: 1** shows the relationships among urban renewal, modernization, gentrification and the demolition of business premises in Enugu State.

S / N	Political and Economic motivations behind the Demolition	Description of motivation	Evidence or Agency Responsible for Demolition	Locations of business premises Demolished	Impact on Business Premises	Estimated cost of Business premises used for Demolition	Cost of demolition	Lost Revenue to the state from the Demolition	Lost of livelihood	Source
1.	Urban Renewal	Government effort to revitalize urban spaces	Enugu State Urban Renewal Scheme(2024)	Ogui Road, Ogbe, Ogui market, Anne, Okpara Avenue, Gari market, Eke Eme, Ogi, Nsukka market	Demolition of buildings, banks, schools, shopping malls, Restaurants, bookshops, boutiques, motor parks, Railway infrastructure, Hotels, market and displacement of other businesses	N500 billion (approx.)	Undisclosed by the Agency	N500 million (Annually)	Over 20,000 traders and 5,000 landlords	(FGD,2024) Enugu State Urban Renewal scheme (2024) Eye way(2024)
2.	Modernization	Upgrading of	Enugu City	Ogui road,	Demolition of	N200 Billio	Undisclosed by the	N70 million (annually)	500 pupils	(FGD,2024)

		infrastructure and amenities	Master Plan(2023)	Agbani road, TransEkulu, Eme ne, Abakpa, New Heaven,Garriki, Mayor, Independence Layout	old infrastructure, forced relocation of businesses, Demolition of some primary school blocks in some wards to make way for smart school, displacement of pupils and teachers	n (approx.)	Agency			Enugu State Urban Renewal scheme (2024) Eye way(2024)
3.	Gentrification	Upscaling of urban spaces and neighbourhood attracting new investments	Emerging middle class, new developments such as smart schools, merger motor parks,water running pipelines	Ogui road, Agbani road, TransEkulu, Eme ne, Abakpa, New Heaven,Garriki, Mayor, Independence Layout	Displacement of low-income businesses, displacement of pupils and increased rents.	N15 billion (approx.)	Undisclosed by the Agency	N65million (annually)	Over 5,000 traders and 3,000 displaced pupils	(FGD 2024) Eye Way(2024)

**Source: Computed from various sources and compiled by the Authors(2024)**

**Table 1:** revealed that urban renewal has accounted for the demolition of business premises such as agro-processing industries, recycling plant, banks, shopping malls, and other buildings worth approximately ₦500 billion (five hundred billion Naira), revenue lost to the state with ₦500 million annually (approx.) and displaced about 20,000 traders and loss of income to about

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10,000 landlords as well as colossal loss of property worth billions of Naira. It further disclosed that modernization quest by the state government was one of the major driving forces for the demolition of business premises in these commercialized locations which caused the traders and landlords of the demolished property about ₦100 billion (one hundred billion Naira) (estimated) and lost of revenue to the state government to the tune of ₦30 million (approx.) . Furthermore, gentrification also motivated the demolition exercise which gulped the traders and landlords of the demolished property about ₦45 billion (approx.) and denied the state an internal revenue generation of about ₦25 million (annually)

Focus Groups' Views on Urban Renewal, Modernization and Gentrification accounting to the Demolition of Business Premises in Enugu State.

Four focus group discussions (FGDs) were carried out with 36 study participants in four locations. One session in Ogbete Main Market Annex/Ogui road/Okpara Avenue consisting of eight participants, others in Eke Emene, Gariki market and OgiNsukka Market, respectively (with the same number of participants). Informal oral consent was obtained from the study participants. After the study broad objective was read to them loudly in the Igbo, Pidgin, and English languages. Also, oral permission was sought from the participants to audio record the sessions. The participants were assured of confidentiality, anonymity, and the right of refusal. The focus group discussions employed a set of unstructured questions. Discussions lasted for 53 minutes in each of the sessions. The participants spoke in the Igbo language

The qualitative data analysis commenced with a careful recording of the sessions. The voice recordings were transcribed verbatim to retain the original thought of interviewees. The transcriptions were translated to English language and edited as required. The transcripts generated from each of these sessions in these four locations were read for content validity by four of the research assistants. The transcribed discussions were compared to the recorded discussion by the researchers to ensure that everything in terms of what participants said were retained. Nine analytical themes were developed during transcription and were noted. The themes include views on: type of business operated, longevity of business, notice of demolition, estimated worth of business, government compensation, and resettlement and relocation assistance, impact on livelihoods, benefits of urban renewal, modernization, and gentrification, and relocation.

Views on Urban Renewal, Modernization, and Gentrification accounted for the Demolition of Business Premises in Enugu State.

### **Views on types of businesses**

In respect to this view, a good number of the FGDs participants said that they were traders (58.4%), some were motor park workers (20.6%), and bankers (2.3%), agro-processing workers (5.7%), and others (13%). Most participants from Ogbete main Market Annex/Ogui road/Okpara avenue area noted that they were traders, some of whom were bankers, motor park workers and few of them into other businesses. Majority of those in Ogui Road/Ogbete Main Market Annex/Okpara Avenue, quipped that they were traders, landlords of property demolished, some motor park workers and agro-processing workers (48%), petit traders (20%), few banks (8%) and others (24%). In Gariki location, majority of the participants said they were traders (79.3%), 11% of the participants told the researchers that they were motor park workers and others (10%). In Eke Emene axis, majority of the participants said that they were petty traders, (88.3%), few mentioned motor park workers (3.7%), and others (18%).

### **Views on business duration in business**

Elaborating on this view one participant from Ogbete main Market annex remarked that the agro-processing industry he inherited from his late father, who also inherited it from his grandfather is gone forever (FGD/ Ogbete Main market annex/62years). A sizeable number of participants said, 5 years and above (88.6%) in all the locations, a few said 5 years, (10.4%) and other below 1 year. Elaborating this view, two participants remarked we have been in this provision shop business for more than 45 years and the other jumped in, I inherited the boutique business from my aged father who spent 55 years in the business before he retired from it and I have spent 8 years already before this inhuman demolition came like a thief (FGD/Gariki/68years and 43 years respectively) others lamented their ordeal interrupting the earlier speakers (FGD/56 years./36 years /55 years, 57 years/ 32 years/ 33 years).

This lamentations were visibly noticed in all locations where their focus group discussions were conducted.

On the view whether they were paid compensation

Opinions differed in all locations. While majority claimed to be in the dark about compensation (88.8%). A few of the participants especially the landlords claimed that they have heard about it but they are yet to receive theirs. Others were neutral (56%). Discussing on this, one participant explained:

I have gone to the ministry of land over five times with huge transportation expenses on the way and the said ministry each time I went there demanded that I would be given a golden to clear my documents. At first, I was told to get these documents before receiving any government compensation and now they are demanding for even tissue paper with golden colour. They are paying lipservice to the issue. The government does not want to compensate us (FD/Ogui Road/Ogbuke Main Market Annex/Okpara Avenue/66 years). While this participant was still sharing his views, another participant quickly added, I am tired of the whole thing; compensation is a scam. The government is not serious. Which comes first? Demolition or Compensation? Let's say something else (FD/Ogui Road/ Ogbuke main market Annex/Okpava Avenue/33 years). The lamentations were stamps on the faces of all the participants in all the locations. On the viewpoint of demolition notification

All the participants (100%) agreed that they received notice of demolition but stated that the time frame of the demolition exercise was very short.

On the worth of their businesses

There was a consensus agreement. The landlords of the demolished property estimated the worth of the buildings at N500Billion, while the business owners estimated theirs at N215Billion.

And on the view on whether urban renewal, modernization and gentrification exercise would be beneficial to them? Yes/No  
It was a confluence of agreements, as all the participants (100%) from all the locations said no (FGD/ all the locations/all selected years).

### **Findings and Discussions:-**

Urban renewal, modernization and gentrification accounted for the demolition of business premises in Enugu State

The demolition of business premises in Enugu state highlights the need for inclusive urban planning that balances economic development with social and environmental considerations. Urban renewal and modernization efforts must prioritize the needs of existing businesses and communities, ensuring that they are not disproportionately affected by development projects.

The questionnaire responses reveal that not all businesses received compensation or support after demolition. This underscores the need for effective compensation and support mechanisms to help businesses recover from the impact of demolition. This could include financial assistance, relocation support, and training programs to help businesses adapt to new environments.

Gentrification, driven by Enugu's emerging middle class and new developments, raises concerns about social inequality. As low-income businesses and residents are displaced, there is a risk of exacerbating existing social and economic inequalities. Policymakers must ensure that gentrification is managed in a way that promotes inclusive growth and does not disproportionately benefit wealthy elites.

The varied experiences of business owners affected by demolition highlight the need for participatory governance, where affected parties are involved in decision-making processes. This could include public consultations, community engagement, and collaborative planning to ensure that the needs and concerns of all stakeholders are addressed.

The reliance on urban renewal and modernization efforts to drive economic growth raises concerns about economic diversification. Enugu state must explore alternative economic development strategies that promote diversification and reduce reliance on a single industry or sector.

Finally, the demolition of business premises and subsequent development projects must prioritize environmental sustainability. This includes ensuring that new developments meet environmental standards, reducing waste and pollution, and promoting green spaces and sustainable infrastructure.

### **Recommendations:-**

It recommended the need for the Enugu state government to adopt inclusive urban planning, community engagement, and participatory governance to ensure that development initiatives prioritize the needs and interests of local businesses and communities.

### **Conclusion:-**

The study contributes to our understanding of the complex relationships between political power, economic development, and urban space in Nigeria, in particular, Enugu state by highlighting the negative consequences of state-led demolitions which viciously underscores the importance of prioritizing human rights, social justice, and sustainable development in urban governance.

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