

**00EFFECT OF INADEQUATE AND PROMPT PAYMENT OF
COMPENSATION ON GOVERNMENT LAYOUT
(A CASE STUDY OF LEKKI FREE TRADE ZONE)**

WRITTEN BY

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HND/23/ETM/FT/0036

SUMTTED TO

**THE DEPARTMENT OF ESTATE MANAGEMENT AND
VALUATION, INSTITUTE OF ENVIRONMENTAL STUDIES
(IES) KWARA STATE POLYTECHNIC. ILORIN**

**IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR
THE AWARD OF HIGHER NATIONAL DIPLOMA [HND] IN
ESTATE MANAGEMENT AND VALUATION**

JULY, 2025.

CERTIFICATION

This is to certify that **ATTAH ABDULLAHI** with Matric Number **HND/23/ETM/FT/0036** from Department of Estate Management and Valuation, of Institute Of institute of Environmental Studies (IES) carried out a practical field work which formed basic of the project in accordance with survey rules and regulation and departmental instructions.



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DEDICATION

This Project is dedicated to the Almighty Allah whose supremacy in the knowledge of everything is absolute.

ACKNOWLEDGEMENT

I would like to express my heartfelt gratitude to my project supervisor, ESV. LAWAL SIMIAT B. for his invaluable guidance, support, and encouragement throughout the duration of this project. Their expertise and insights greatly contributed to the successful completion of my work.

I am deeply grateful to my Head of Department, Estate Management and Valuation, ESV. AbdulKareem Rashidat A., and my Project Coordinator, ESV. Dr. Uwaezuoke N. I., for their unwavering support, guidance, and encouragement throughout the duration of this project and my entire journey in school. Their dedication and mentorship have been a source of inspiration to me.

I am also deeply thankful to all the lecturers and staff of the Estate Management and Valuation department, Kwara State Polytechnic for providing the knowledge and resources needed throughout my academic journey.

Special thanks to member of my family for their unwavering support, patience, and motivation during challenging times. Their belief in me has been a constant source of strength.

To my friends and classmates, thank you for your encouragement, advice, and collaboration. The shared experiences and discussions truly enriched my understanding and made this journey more enjoyable.

Lastly, I appreciate all individuals who, in one way or another, contributed to this project. Your help and support will always be remembered with sincere appreciation.

ABSTRACT

This study investigates the effects of inadequate and delayed compensation on communities affected by land acquisition in government development layouts, using the Lekki Free Trade Zone (LFTZ) in Lagos State, Nigeria, as a case study. The LFTZ was established as a strategic economic initiative aimed at attracting foreign direct investment and promoting industrialization. However, its implementation has been marred by persistent grievances from host communities concerning the nature, adequacy, and timeliness of compensation for expropriated land. Drawing on both qualitative and quantitative data from 100 respondents within affected communities, the research explores the socio-economic consequences of displacement, including loss of livelihood, impoverishment, and social disarticulation. The study adopts the Impoverishment Risks and Reconstruction (IRR) model as a theoretical framework, highlighting how improper compensation practices contribute to long-term development challenges. Findings reveal that delayed and inadequate compensation erodes trust between stakeholders, disrupts project timelines, and exacerbates poverty among displaced populations. The study recommends more transparent, participatory, and prompt compensation processes to foster equitable outcomes and sustainable project implementation. This research contributes to the broader discourse on land governance, displacement, and inclusive development planning in Nigeria.

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CHAPTER ONE

1.0 Introduction

The concept of compensation for land acquisition plays a critical role in public sector projects, particularly in rapidly urbanizing regions. Compensation processes, when adequate and timely, serve as a tool for promoting trust, minimizing disputes, and ensuring project sustainability. Conversely, when such processes are delayed or deemed inadequate, they can result in significant challenges, including social discontent, legal battles, and disruptions to planned developments. This research examines the effect of inadequate and prompt payment of compensation on government layouts, with a focus on the Lekki Free Trade Zone (LFTZ), Lagos State, an ambitious infrastructure and economic project.

1.1 Background to the Study

Land is a finite resource, and its acquisition for public purposes often necessitates displacement or resettlement of existing landowners and users. In Nigeria, land acquisition is primarily governed by the Land Use Act of 1978, which vests all land in the territory of each state in the governor. The Act mandates compensation for landowners affected by public projects, aiming to strike a balance between public interest and individual rights (Aluko, 2012). However, the implementation of this legal framework has faced significant challenges, particularly in ensuring timely and adequate compensation.

The Lekki Free Trade Zone, established in 2006, exemplifies such complexities. Conceived as a public-private partnership between the Lagos State Government and foreign investors, the LFTZ spans approximately 16,500 hectares. It was designed to accelerate industrialization and economic diversification in Nigeria, positioning Lagos State as a hub for global trade (Gadanya & Zubair, 2019). Despite its potential economic benefits, the project has faced persistent issues surrounding land acquisition and compensation.

Local communities in the Ibeju-Lekki area, where the zone is located, have expressed grievances regarding delays in compensation payments, insufficient amounts offered, and unmet promises of alternative land or social amenities (Agboola, 2021). These challenges have not only hindered project implementation but also strained relationships between stakeholders, including the government, investors, and affected communities.

Compensation inadequacies can lead to multifaceted socio-economic consequences. Research shows that delays in compensation can exacerbate poverty, disrupt livelihoods, and contribute to community resistance, thereby slowing project timelines and inflating costs (Okonkwo, 2020). Moreover, prompt and fair compensation is critical for fostering trust, reducing litigation risks, and ensuring the sustainability of developmental projects (Adefolaju, 2018).

The Lekki Free Trade Zone's compensation challenges provide a compelling case for examining the broader implications of inadequate and delayed compensation. By understanding these issues, this research aims to contribute to the discourse on best practices in land acquisition and compensation processes for government layouts in Nigeria.

1.2 Statement of the Problem

Land acquisition for public development projects often involves compensation to displaced landowners. However, in Nigeria, inadequacy and delays in compensation have become significant challenges, hindering project implementation and causing social unrest. The Lekki Free Trade Zone (LFTZ) project, launched in 2006 in Lagos State, highlights these issues, where grievances over compensation adequacy and timeliness have escalated to disputes, protests, and litigation.

The problem stems from inadequate compensation, where the monetary value or resettlement alternatives provided to affected landowners do not match the socioeconomic value of the land they relinquish. This inadequacy often undermines the livelihood of displaced individuals, disrupting agricultural practices, cultural ties, and social cohesion (Adefolaju, 2018). In the case of the LFTZ, many landowners have expressed grievances that compensation packages were arbitrarily determined without comprehensive engagement or agreement, leaving recipients under-compensated and disenfranchised (Agboola, 2021).

Moreover, the delay in the payment of compensation exacerbates these grievances. Even when compensation terms are agreed upon, bureaucratic bottlenecks and inefficiencies in fund disbursement often lead to prolonged periods before payment is received. This delay heightens the economic vulnerability of affected communities, creating a ripple effect of poverty, mistrust, and resistance to development initiatives (Okonkwo, 2020).

These issues raise critical questions about the efficacy and equity of Nigeria's land acquisition frameworks, particularly the Land Use Act of 1978, which governs land tenure and acquisition. While the Act emphasizes the provision of compensation, it lacks detailed implementation guidelines to ensure adequacy and promptness, leading to inconsistencies and disputes (Aluko, 2012). In the case of the LFTZ, the lack of prompt and adequate compensation has resulted in protests, lawsuits, and community resistance, thereby delaying project implementation and escalating costs for stakeholders.

The inadequacy and delays in compensation have far-reaching implications for the government layout:

1. **Social Discontent:** Disenfranchised communities often resort to protests, litigation, and even violent resistance, disrupting project timelines (Oluwole, 2021).
2. **Economic Costs:** Delays caused by disputes over compensation inflate project budgets, as legal fees and construction hold-ups add to overall costs (Gadanya & Zubair, 2019).
3. **Lost of Trust:** The perception of exploitation and unfair treatment undermines trust in government and investor partnerships, complicating future development efforts (Agboola, 2021).
4. **Environmental and Cultural Impact:** Many displaced communities lose access to ancestral lands, disrupting cultural and ecological heritage without appropriate restoration or alternatives (Okonkwo, 2020).

1.3 Research Questions

This study explores the implications of compensation practices in the Lekki Free Trade Zone (LFTZ), Lagos State. The research is guided by the following questions:

1. What are the effects of inadequate compensation on the socioeconomic well-being of displaced communities in the LFTZ?
2. How do delays in compensation payments impact the development and implementation of the LFTZ layout?
3. What challenges arise from the compensation processes in the LFTZ, and how do they influence stakeholder relationships?
4. What strategies can be implemented to improve the adequacy and timeliness of compensation in future land acquisition projects?

1.4 Research Hypothesis

The research hypothesis for this study aligns with the investigation of the Effect of Inadequate and Prompt Payment of Compensation on Government Layout, specifically focusing on the Lekki Free Trade Zone (LFTZ), Lagos State. The hypotheses are stated as follows:

Null Hypothesis (H₀):

Inadequate and delayed compensation has no significant effect on the socio-economic well-being of displaced communities or the development of the Lekki Free Trade Zone layout.

Alternative Hypothesis (H₁):

Inadequate and delayed compensation significantly affects the socio-economic well-being of displaced communities and disrupts the development of the Lekki Free Trade Zone layout.

1.5 Aim and Objectives of the Study

Aim of the Study

The primary aim of this study is to examine the effects of inadequate and delayed compensation on government layouts, using the Lekki Free Trade Zone (LFTZ) in Lagos State as a case study.

Objectives of the Study

To achieve the stated aim, this study has the following specific objectives:

1. To analyze the impact of inadequate compensation on the socioeconomic well-being of displaced communities in the LFTZ.

2. To assess the implications of delays in compensation payments on the development and execution of the LFTZ layout.
3. To identify the challenges associated with the compensation process in the LFTZ.
4. To recommend practical and equitable measures for improving compensation adequacy and timeliness.

1.6 Justification of the Study

The acquisition of land for government layouts, such as the Lekki Free Trade Zone (LFTZ) in Lagos State, is critical for advancing urbanization, industrialization, and economic growth. However, the processes surrounding compensation for displaced communities often generate significant challenges. This study is justified for several key reasons:

1. **Addressing Social Inequities:** The inadequacy and delays in compensation payments disproportionately affect vulnerable communities, disrupting livelihoods, displacing families, and eroding trust in government institutions. By exploring these issues in the context of the LFTZ, this study sheds light on systemic inequities and offers evidence-based recommendations to improve social justice in land acquisition practices.
2. **Improving Policy Frameworks:** Existing policies, such as the Land Use Act of 1978, lack the granularity needed to ensure fair and timely compensation. This study provides insights into the gaps in current legal and procedural frameworks, contributing to the development of more robust policies that balance government interests with the rights of affected landowners.
3. **Enhancing Project Efficiency:** Compensation disputes often lead to delays in project implementation, escalating costs, and diminishing investor confidence. This research identifies the root causes of these disputes and their effects on the LFTZ layout, offering solutions that can streamline compensation processes and improve the timeliness of project delivery.
4. **Supporting Sustainable Development Goals (SDGs):** The study aligns with global goals, such as SDG 11 (*Sustainable Cities and Communities*) and SDG 16 (*Peace, Justice, and Strong Institutions*), by promoting equitable land-use practices and fostering peaceful resolutions to conflicts between stakeholders.
5. **Empirical Contribution to Knowledge:** There is a paucity of detailed studies focusing on the interplay between compensation practices and the outcomes of government layouts in Nigeria. This research fills this gap by providing a case-specific analysis of the LFTZ, which can serve as a reference point for other large-scale land acquisition projects across the country.

1.7 Scope of the Study

This study examines the effects of inadequate and delayed compensation on government layouts, focusing on the Lekki Free Trade Zone (LFTZ) in Lagos State, Nigeria. The study focuses on the Lekki Free Trade Zone (LFTZ), located in Ibeju-Lekki, Lagos State. The area was established to promote industrialization and economic growth through foreign direct investment, making it a crucial case for understanding compensation practices in large-scale land acquisition projects.

The research employs qualitative and quantitative methods to analyze the effects of compensation practices. It evaluates how the inadequacy and delays in compensation influence the livelihoods of displaced communities, project timelines, and the overall success of the LFTZ layout. The study also provides recommendations for improving compensation policies and practices to foster equitable outcomes.

1.8 Study Area

Geographical Setting

The Lekki Free Trade Zone (LFTZ) is located in the southeastern part of Lagos State, Nigeria, within the Ibeju-Lekki Local Government Area. It spans a total area of approximately 16,500 hectares and is divided into four quadrants, each designated for different sectors, including industrial, residential, commercial, and logistics. The LFTZ is strategically situated along the Atlantic coastline, with proximity to major infrastructure such as the Lekki Deep Sea Port, Dangote Refinery, and the Lagos-Epe Expressway, making it a hub for regional and international trade.

The zone's geographical location, 6.4720° N latitude and 3.6523° E longitude, ensures access to global shipping routes and markets, positioning Lagos as a key economic gateway to West Africa. The surrounding area consists of semi-urban communities and wetlands, with the Atlantic Ocean to the south and the Lagos Lagoon to the north.

Historical Background

The Lekki Free Trade Zone was conceptualized in 2006 as part of Nigeria's broader economic diversification strategy. The project was initiated under a public-private partnership model between the Lagos State Government, the Federal Government of Nigeria, and Chinese investors led by the China-Africa Lekki Investment Limited (CALIL). The goal was to establish a world-class free trade zone that would attract foreign direct investment, create jobs, and spur industrialization in the region.

Land acquisition for the LFTZ began shortly after its establishment, encompassing parcels of land from local communities in Ibeju-Lekki. This process was met with resistance due to inadequate compensation and a lack of stakeholder consultation. Despite these challenges, the zone has grown to host major projects such as the Lekki Deep Sea Port and the Dangote Refinery, making it one of Nigeria's most important economic zones.

The LFTZ's development has not been without controversy. Issues of land disputes, delayed compensations, and the displacement of indigenous communities have plagued its progress. These conflicts highlight the importance of equitable land acquisition and compensation practices to ensure sustainable development.

Location Plan and Sketch Map

The LFTZ is located approximately 70 kilometers east of Lagos city center. Its layout integrates several industrial clusters, residential estates, and logistics hubs. Below is a detailed description of its key zones:

1. **Industrial Zone:** Hosts manufacturing plants, warehouses, and logistics companies.
2. **Commercial Zone:** Comprises office spaces, retail outlets, and financial institutions.
3. **Residential Zone:** Designed to accommodate expatriates and local workers with modern housing units and amenities.
4. **Logistics and Service Zone:** Includes transportation hubs, distribution centers, and related services.



Fig 1.0: Map of Lekki Free Trade

1.9 Definition of Terms

Compensation

Compensation refers to the monetary or material benefits provided to individuals or communities in exchange for land acquired for public or private projects. It is meant to offset the loss of property, livelihoods, or access to resources (FAO, 2008).

Inadequate Compensation

Inadequate compensation is the failure to provide sufficient monetary or material value to fully offset the economic and social losses suffered by displaced individuals or communities during land acquisition processes (Cernea, 2000).

Prompt Payment

Prompt payment refers to the timely disbursement of compensation funds to affected parties to minimize disruptions in their livelihoods or delays in project implementation (World Bank, 2012).

Government Layout

A government layout is a planned area designated by the government for specific purposes, such as industrial development, residential use, or commercial activities. It typically involves land acquisition, compensation to previous landowners, and infrastructural development (Onokerhoraye, 1984).

Free Trade Zone (FTZ)

A Free Trade Zone is a specially designated area within Lagos State, Nigeria where goods can be imported, manufactured, and exported without the typical customs regulations. The Lekki Free Trade Zone was established to attract foreign investments and boost industrial development in Nigeria (UNCTAD, 2021).

Land Acquisition

Land acquisition is the process by which a government or private entity acquires land for development purposes, either through voluntary agreements or compulsory purchase laws (FAO, 2009).

Socio-Economic Impact

Socio-economic impact refers to the effects of a project or policy on the social and economic well-being of individuals or communities. (Cernea, 2003).

Displacement

Displacement refers to the forced relocation of individuals or communities due to land acquisition for development projects. It often disrupts livelihoods, social networks, and access to essential services (Scudder & Colson, 1982).

Stakeholders

Stakeholders are individuals, groups, or organizations that have an interest or are affected by a project. (Freeman, 1984).

Livelihood

Livelihood refers to the means by which individuals or communities sustain themselves economically, including income generation, employment, and access to resources (Ellis, 2000).

Public-Private Partnership (PPP)

A Public-Private Partnership is a collaborative arrangement between government entities and private companies to finance, build, and operate projects. (World Bank, 2012).

Industrialization

Industrialization is the process of developing industries in a region or country to boost economic growth. (Akinwale, 2010).

Economic Diversification

Economic diversification involves reducing a country's reliance on a single sector by developing multiple economic activities. (NBS, 2020).

Environmental Impact Assessment (EIA)

An Environmental Impact Assessment is a systematic process used to evaluate the potential environmental effects of a proposed project. (Glasson et al., 2012).

Project Timeline

A project timeline refers to the planned sequence of activities and milestones for the successful execution of a project. (PMI, 2013).

CHAPTER TWO

2.0 Introduction

The literature review section aims to establish a robust theoretical foundation for the research and identify gaps in existing knowledge that justify the present study. It examines related studies focusing on compensation practices, government layouts, and their socio-economic implications, with particular attention to the Lekki Free Trade Zone (LFTZ) in Lagos State. The review provides insights into the methodologies, findings, and recommendations of previous research, contextualizing the study within broader academic and practical debates.

2.1 Literature Review

Research on compensation practices has underscored the critical role of equitable and timely payment in mitigating the adverse effects of land acquisition. Cernea (2000) proposed the Impoverishment Risks and Reconstruction (IRR) model, which highlights the risks of impoverishment caused by forced displacement, such as loss of livelihoods, social disarticulation, and homelessness. Studies by Scudder and Colson (1982) emphasized the importance of community participation in compensation processes to ensure fairness and reduce grievances. In the Nigerian context, Osuoka and Roderick (2005) critiqued compensation practices in large-scale projects, noting that inadequate payments often exacerbate socio-economic vulnerabilities.

Government layouts, such as the LFTZ, are pivotal in promoting industrialization and economic growth. Akinwale (2010) identified the LFTZ as a critical driver of Nigeria's diversification efforts, highlighting its potential to attract foreign direct investment and create employment opportunities. However, research by Olayiwola and Adeleye (2006) revealed that land acquisition for such layouts often leads to disputes due to inadequate compensation and lack of transparency. The World Bank (2012) recommended adopting clear legal frameworks and stakeholder engagement strategies to enhance the success of government layouts.

The socio-economic consequences of inadequate compensation are well-documented in the literature. Ellis (2000) and Mbah et al. (2017) demonstrated that displaced communities often face long-term challenges, including reduced income, food insecurity, and diminished access to social services. In the LFTZ, studies by Akinmolayan (2015) and Aluko (2017) reported that delays and inadequacies in compensation disrupted livelihoods and strained relations between developers and host communities.

Prompt payment of compensation is essential for maintaining project timelines and minimizing conflicts. Cernea (2003) argued that delays in compensation often lead to protracted disputes, affecting project implementation and stakeholder trust. The LFTZ case illustrates this dynamic, with reports by the Lagos State Government (2018) showing that compensation delays slowed the development of key infrastructure. Best practices, as highlighted by the World Bank (2014), include transparent payment mechanisms and adherence to predefined timelines.

2.2 Conceptual Framework

Understanding the dynamics of compensation in land acquisition projects, such as the Lekki Free Trade Zone (LFTZ), involves exploring several interconnected concepts that affect the displaced communities, the development process, and the success of the project. These concepts not only provide insights into the underlying factors influencing compensation practices but also highlight the broader socio-economic outcomes resulting from inadequate or delayed payments.

1. Compensation Practices

Compensation practices are central to the relocation and rehabilitation process in land acquisition projects. They refer to the mechanisms and procedures by which displaced communities are reimbursed for their land or property loss. This includes factors such as the adequacy of the compensation amount, the timeliness of payments, and the transparency of the process. The effectiveness of compensation practices is critical to minimizing the negative effects of displacement, such as social unrest or livelihood disruption. When compensation is perceived as inadequate or delayed, it can cause deep dissatisfaction, increase tensions, and hinder the progress of projects (Cernea, 2000). Studies have shown that compensation inadequacy often leads to disputes, particularly when land is undervalued or compensation is not disbursed promptly (Osuoka & Roderick, 2005). For instance, in the LFTZ, affected communities have raised concerns about the valuation of their land and the slow pace of compensation disbursement, which has led to dissatisfaction and disruptions in their lives (Aluko, 2017).

2. Socio-Economic Impact

The socio-economic impact examines how compensation practices influence the livelihoods, income levels, and overall well-being of displaced communities. The Impoverishment Risks and Reconstruction (IRR) model by Cernea (2000) identifies several key risks, such as landlessness, joblessness, and food insecurity, which often result from inadequate compensation. These risks exacerbate the vulnerability of displaced individuals, particularly when compensation is delayed or insufficient. In the context of the LFTZ, many displaced people have faced challenges in rebuilding their livelihoods, with some experiencing a loss of income-generating activities and limited access to resources due to delayed compensation payments (Osuoka & Roderick, 2005). Inadequate compensation not only impacts displaced individuals but also affects the wider community, as it may lead to increased poverty, reduced access to basic services, and social instability (World Bank, 2012). Hence, fair and timely compensation is crucial in mitigating these socio-economic risks and promoting sustainable livelihoods for displaced persons.

3. Government Layouts

Government layouts, such as the LFTZ, refer to large-scale development projects that aim to drive economic growth, industrialization, and urbanization through land acquisition. These projects typically involve significant investment and require the relocation of local communities. The success of these layouts is closely tied to the handling of compensation practices. If compensation processes are poorly managed, it can lead to delays, disputes, and

even project cancellation (World Bank, 2012). The LFTZ, for example, was established as a part of Nigeria's industrialization strategy, but the process of land acquisition and compensation has been a major point of contention. The LFTZ's development relies on efficient land acquisition and the resolution of compensation disputes to avoid delays in project implementation and ensure that displaced persons are fairly compensated, thereby fostering community support and encouraging investment (Lagos State Government, 2018).

4. Project Implementation

The successful implementation of large-scale projects like the LFTZ depends on the timely resolution of compensation-related issues. When compensation payments are delayed, the entire project's timeline can be disrupted, causing delays in infrastructure development, loss of investor confidence, and strained relationships with affected communities (Akinwale, 2010). Delays in compensation can also lead to legal disputes, protests, and negative publicity, which further hinder the project's success. In the case of the LFTZ, reports indicate that delayed compensation has slowed the development of critical infrastructure, which is essential for attracting investors and fostering economic activity within the zone (Lagos State Government, 2018). Effective compensation practices are thus integral to keeping projects on track and ensuring that the desired economic benefits are realized.

2.3 Theoretical Framework

In examining compensation practices in large-scale development projects such as the Lekki Free Trade Zone (LFTZ), it is essential to apply relevant theoretical models that illuminate the complex socio-economic dynamics that arise from forced displacement. Theories such as the **Impoverishment Risks and Reconstruction (IRR) Model**, **Sustainable Livelihoods Framework (SLF)**, **Theory of Justice**, and **Institutional Theory** provide essential insights into how compensation practices affect displaced communities, project implementation, and the broader socio-economic environment.

1. Impoverishment Risks and Reconstruction (IRR) Model

The IRR model, developed by Michael Cernea in 2000, identifies eight critical risks faced by communities displaced by development projects. These risks include landlessness, joblessness, homelessness, food insecurity, social disintegration, loss of access to common resources, marginalization, and increased morbidity. The model stresses that displacement, without adequate compensation or resettlement support, can lead to impoverishment for displaced individuals, particularly when compensation is delayed or insufficient (Cernea, 2000; Kuhlmann, 2014).

In the context of the LFTZ, the model is highly applicable as the area has witnessed significant displacement due to land acquisition. The communities that were once dependent on farming and fishing have experienced severe disruptions to their livelihoods. Without adequate compensation, displaced individuals face loss of access to land, job opportunities, and essential social services. The IRR model argues for the urgent need to design compensation frameworks that not only compensate for the loss of land but also offer mechanisms for economic recovery and reintegration into society. Failure to address these risks leads to long-term impoverishment, social unrest, and further marginalization of affected communities (Osuoka & Roderick, 2005).

The IRR model also underscores that inadequate compensation can exacerbate these risks. Delays in payments or under-compensation for the lost property can result in poverty and social exclusion, affecting the long-term stability of the communities and the success of the project itself (Adams, 2013). Thus, the model's emphasis on addressing the risks of displacement highlights the importance of timely, adequate compensation to support the socio-economic recovery of displaced individuals.

2. Sustainable Livelihoods Framework (SLF)

The SLF, introduced by Ellis in 2000, provides a comprehensive framework for understanding the resources and capabilities that individuals and communities rely on for their livelihoods. The SLF identifies five key assets—human, social, natural, physical, and financial capital—that are necessary for sustaining livelihoods. This framework highlights the interplay between these assets and emphasizes how external interventions, such as compensation, can either enhance or undermine these capitals (Ellis, 2000; Scoones, 2009).

In the case of LFTZ, the compensation practices significantly affect the financial and natural capital of displaced communities. Adequate and timely compensation can enable displaced individuals to rebuild their lives, invest in new livelihoods, and secure access to education, healthcare, and other critical services. However, when compensation is inadequate or delayed, individuals may lose their financial and natural resources, leading to a further decline in their livelihood assets. This in turn perpetuates cycles of poverty and marginalization (Kessler et al., 2015). The SLF underscores that, for displaced communities, compensation must be seen not just as a payment but as a vital means of safeguarding and restoring their livelihood capabilities.

Additionally, the SLF highlights that displaced individuals rely on social capital (community ties and networks) to cope with displacement. Adequate compensation practices can help preserve these social networks, while inadequate compensation can exacerbate social fragmentation and lead to the breakdown of community ties (Bebbington, 1999). Thus, compensation is not just a financial matter but a mechanism for ensuring the overall resilience of displaced communities.

3. Theory of Justice

John Rawls' Theory of Justice (1971) posits that justice is achieved when inequalities in society are addressed in ways that benefit the least advantaged members. Rawls argues for a fair distribution of resources, guided by the "difference principle," which holds that inequalities should only be permitted if they result in improvements for the most disadvantaged members of society (Rawls, 1971). This principle is particularly relevant to compensation practices in land acquisition projects, as it provides a normative basis for evaluating fairness.

In the context of the LFTZ, the Theory of Justice emphasizes the need for fairness in the distribution of compensation to the displaced communities. Ensuring that displaced individuals receive adequate and timely compensation aligns with Rawls' conception of justice, as it addresses the power imbalances inherent in large-scale development projects. Without equitable compensation, the project disproportionately benefits the government and investors, while the disadvantaged communities bear the burden of displacement and loss of livelihood (Sen, 2009). Rawls' framework calls for compensation policies that uphold principles of

distributive justice, ensuring that the least advantaged individuals are not left worse off after displacement (Harrison & Akinlade, 2015).

4. Institutional Theory

Institutional theory explores the role of formal and informal rules, norms, and procedures that govern human behavior and interactions within organizations and societies. This theory is particularly relevant to understanding how institutional frameworks influence compensation practices in development projects (North, 1990). Institutional theory posits that the effectiveness of policies and programs is determined by the rules, structures, and mechanisms that guide their implementation.

In the case of the LFTZ, institutional mechanisms such as land valuation, compensation policies, and legal frameworks play a critical role in determining the efficiency and fairness of compensation practices. When institutional frameworks are weak, compensation processes can be delayed, underfunded, or mismanaged, leading to disputes and dissatisfaction among displaced communities (Kuhlmann, 2014). On the other hand, strong institutional frameworks ensure the timely, transparent, and equitable distribution of compensation, supporting the successful implementation of large-scale projects like the LFTZ (Deininger, 2003). Institutional theory thus provides important insights into the challenges that arise when compensation processes are poorly managed or inadequately structured.

The integration of these theoretical perspectives offers a comprehensive framework for understanding the complex dynamics of compensation practices and their socio-economic impacts. The **IRR model** and **SLF** highlight the risks of impoverishment and the importance of safeguarding the livelihood assets of displaced communities, while the **Theory of Justice** provides a normative basis for evaluating fairness in compensation practices. **Institutional Theory** underlines the significance of governance structures in shaping compensation outcomes. These theories collectively offer the tools to assess the root causes of compensation inadequacies and delays in the LFTZ, enabling the development of effective, equitable compensation strategies that minimize displacement risks and enhance socio-economic stability. By applying these models, this research seeks to propose actionable recommendations that can improve compensation policies and practices in the LFTZ and similar land acquisition projects in Nigeria.

2.2 SUMMARY OF THE REVIEW

Table 1: Summary of the Review

S/N	AUTHOR	TITLE	YEAR	LITERATURE REVIEW
1	Cernea, M.	Impoverishment Risks and Reconstruction: A Model for Resettlement	2000	Cernea's IRR model identifies eight critical risks faced by displaced communities, including landlessness, joblessness, and social disintegration. The model underscores the importance of addressing these risks to ensure successful resettlement. Inadequate

				compensation leads to prolonged poverty and social exclusion, disrupting displaced communities' ability to recover and reintegrate. (Cernea, 2000)
2	Ellis, F.	Rural Livelihoods and Diversity in Developing Countries	2000	The Sustainable Livelihoods Framework (SLF) emphasizes the role of human, social, natural, physical, and financial capital in sustaining livelihoods. Compensation practices in displacement contexts should focus on enhancing these capitals to ensure the long-term recovery of displaced communities. When compensation is inadequate or delayed, it can lead to the erosion of these capitals, exacerbating poverty and inequality. (Ellis, 2000)
3	Rawls, J.	A Theory of Justice	1971	John Rawls' theory highlights fairness in distribution, proposing that inequalities should only be allowed if they benefit the least advantaged. In the context of land acquisition projects like LFTZ, Rawls' principles of distributive justice advocate for equitable compensation that prevents further disadvantage to displaced communities. Delays and inadequacy in compensation often lead to worsened inequality, undermining the social contract and fairness of the project. (Rawls, 1971)
4	Kuhlmann, M.	Displacement, Compensation, and Development: A Critical Review	2014	Kuhlmann examines the socio-economic effects of displacement, emphasizing how inadequate or delayed compensation impedes development. Land acquisition projects that fail to compensate displaced individuals adequately often face protests, social unrest, and negative impacts on local development. The research stresses the need for a systematic approach to compensation to foster socio-economic stability. (Kuhlmann, 2014)

5	Bebbington, A.	Capital Rules: A New Conceptual Framework for Development	1999	Bebbington's work emphasizes the importance of various forms of capital—human, social, financial, and natural—when discussing livelihoods. Displaced communities often lose essential capitals, which are critical for their survival and prosperity. Inadequate compensation or delayed payments fail to replenish these lost resources, leading to impoverished livelihoods and marginalization. The study calls for compensation frameworks that restore and preserve these capitals. (Bebbington, 1999)
6	Deininger, K.	Land Policies for Growth and Poverty Reduction	2003	Deininger advocates for transparent and equitable land policies to promote economic growth and poverty alleviation. His work emphasizes the importance of land redistribution and adequate compensation mechanisms for those displaced by land acquisition projects. Without these, displacement may lead to greater economic inequality and social unrest. Effective compensation practices are crucial for fostering economic inclusion and development. (Deininger, 2003)
7	Osuoka, O. & Roderick, J.	The Impact of Forced Evictions and Inadequate Compensation on the Displaced Communities	2005	This study examines forced evictions and the failure to adequately compensate displaced persons. It highlights the social and economic hardships faced by communities when compensation is delayed or insufficient, leading to increased poverty and marginalization. The authors argue that timely, fair compensation is essential to prevent social unrest and ensure equitable development. (Osuoka & Roderick, 2005)
8	Sen, A.	Development as Freedom	2009	Sen's theory of development focuses on the expansion of individual capabilities and freedoms. In the context of displacement, inadequate compensation impedes the ability of

				displaced persons to regain their capabilities, especially in terms of economic independence. Sen argues that development should include not just economic growth but also the enhancement of individual freedoms, which can be jeopardized by poor compensation practices. (Sen, 2009)
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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

A research design are the set of methods and procedures used in collecting and analyzing measures of variables specified in in the research work and selecting a method of investigating into a research problem is a key consideration.

In this project, the research method which will be adopted will be basically Descriptive method, which aimed at evaluating the Effect of Inadequate and Prompt Payment of Compensation on Government Layout.

Descriptive design according to Olayiwola (2007) is a study primarily designed to point out situation and is considered with the collection and analysis of data for the purpose of describing, evaluating or comparing current or prevailing practice, event or occurrences. The design is considered for the study because it will help to investigate the Effect of Inadequate and Prompt Payment of Compensation on Government Layout in the case of Lekki Free Trade Zone (LFTZ), Lagos State.

3.2 Data Type and Sources

Both primary and secondary data were sourced for the purpose of accomplishing the research objectives

3.2.1 Primary Sources

The primary data for this work consisted of oral interviews, personal observations and questionnaires. The interviews and questionnaires were restricted to officials, and individuals who were involved in taking decision that directly and indirectly affected Land development.

3.2.2 Secondary Sources

The secondary data was collected by recourse to write-up that dwell on land policy and development, periodicals, seminar papers, gazettes, journals, newspaper, lecture notes, and textbooks.

3.3 Instruments for Data Collection

The following are the instruments used to gathered information from the study area.

- a) Questionnaire: questionnaire will be administered to the previous occupant of Lekki Free Trade Zone (LFTZ), Lagos State, Government agencies and professionals (Estate surveyors and valuers) in the study area. The questions were directed towards obtaining information on issues relating to causes of abandonment projects. A lot of information will be gathered which will be useful in the research work and there by proving way in which abandonment of housing projects can be prevented and curbed.
- b) Personal Interview: Personal interview will be carry out with the aim of obtaining certain information, it enables the researcher to seek the verbal opinion of those concerned and this will enable the researcher to gather specific issues that will back up information obtained through questionnaire.

3.4 Target Population

The target population for this project includes landowners and affected communities whose lands were acquired for the development of the Lekki Free Trade Zone (LFTZ), focusing on their experiences with compensation. It also involves government officials and agencies responsible for land acquisition and compensation in Lagos State, as well as developers and investors engaged in the LFTZ project, to understand how compensation issues affect project timelines. Additionally, community leaders and civil society organizations, who mediate between stakeholders, and academic and policy experts specializing in land law, urban development, and socio-economic policies, will be consulted to provide a comprehensive analysis of the impact of compensation practices on the LFTZ project.

3.5 Sample Frame

The sample frame for this research includes key stakeholders involved in or affected by the land acquisition and compensation processes for the Lekki Free Trade Zone (LFTZ) project. It consists of landowners and affected communities whose land was acquired, government officials from relevant Lagos State agencies, developers and investors involved in the project, and community leaders or representatives mediating between stakeholders. These groups provide a comprehensive view of the compensation process, from legal and procedural perspectives to the on-the-ground impact on displaced individuals and the overall project.

Sample Size

The sample size for this research is determined based on the need to capture diverse perspectives from all key stakeholders involved in or affected by the compensation practices of the Lekki Free Trade Zone (LFTZ) project. A total of 150 respondents will be selected, comprising representatives from landowners and affected communities, government officials, developers, investors, and community leaders.

Sampling Procedure

This research adopts a multi-stage sampling procedure to ensure the selection of a representative sample from the diverse stakeholders involved in the Lekki Free Trade Zone (LFTZ) project. The process begins with purposive sampling, which is used to identify key groups of stakeholders such as landowners, government officials, developers, and community leaders based on their relevance to the study. This ensures that only individuals with direct experience or involvement in the compensation process are included.

Within these groups, stratified sampling is employed to account for variations in demographics, roles, and experiences. For instance, among landowners, the sample will include individuals from different socio-economic backgrounds, while for government officials, it will focus on those in relevant agencies such as the Ministry of Lands and Urban Development. Finally, simple random sampling will be applied within each stratum to select participants, reducing bias and enhancing the representativeness of the sample.

3.6 Method of Data Collection

Data for this study is collected using both primary and secondary methods. Primary data includes structured questionnaires distributed to landowners, developers, and affected communities, as well as key informant interviews with government officials and community leaders. Focus group discussions are also conducted to gather collective perspectives from affected communities.

Secondary data is sourced from academic literature, government reports, legal documents, and records from the Lekki Free Trade Zone Authority (LFTZA). This combination ensures a comprehensive understanding of compensation practices and their impacts.

3.7 Method of Data Analysis

The method of data analysis which will be adopted on the course of analyzing data collected in this research work will be basically statistically method of analysis of data where the use of percentage and tables will be representing and analyzing the data collected.

Tables: this is tabular input which will show clearly grouping of respondents' frequency and percentage of each group.

3.8 Questionnaire Design

The questionnaire for this research is structured to gather both quantitative and qualitative data, focusing on key aspects of compensation practices in the Lekki Free Trade Zone (LFTZ). It comprises four sections: demographic information to capture respondents' background, questions on the adequacy, timeliness, and fairness of the compensation process, inquiries into the socio-economic impacts of the project, and suggestions for improving compensation practices. The design ensures a comprehensive understanding of the stakeholders' perspectives.

Both closed-ended and open-ended questions are included to facilitate statistical analysis and capture detailed insights. The questionnaire is pre-tested to ensure clarity and relevance before deployment to respondents, including affected community members, government officials, and developers involved in the LFTZ.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.1 Introduction

This chapter presents the collected data from the research survey conducted among residents and stakeholders affected by the Lekki Free Trade Zone (LFTZ) land acquisition. The data is systematically organized and analyzed to address the research questions and objectives. Through detailed presentation and interpretation of findings, this chapter aims to provide insights into the effects of inadequate and delayed compensation on government layouts, specifically within the context of the LFTZ project. The analysis will help establish the relationship between compensation practices and their socio-economic impacts on the affected communities.

4.2 Data Presentation

Questionnaire Distribution and Retrieval Summary

S/N	Category	Number Distributed	Number Retrieved	Percentage Retrieved (%)
1	Community Members	70	70	100%
2	Local Authorities	15	15	100%
3	LFTZ Project Staff	10	10	100%
4	Civil Society Groups	5	5	100%
	Total	100	100	100%

Source: Field Survey, 2025

Table 1 above shows that all 100 questionnaires distributed among various respondent categories were fully retrieved, reflecting a 100% response rate. This complete retrieval enhances the credibility, robustness, and comprehensiveness of the data collected for analyzing the compensation processes and impacts within the Lekki Free Trade Zone (LFTZ) project.

Table 1: Gender of Respondents

Gender	Frequency	Percentage (%)
Male	58	58%
Female	42	42%
Total	100	100%

Source: Research Survey (2025)

Table 1 above shows that the majority of the respondents were male, accounting for 58% of the sample, while female respondents constituted 42%. This reflects a slightly higher male participation, which may be influenced by gender roles in land ownership and community leadership in the LFTZ area.

Table 2: Age Distribution of Respondents

Age Group	Frequency	Percentage (%)
18–30	22	22%
31–45	35	35%
46–60	27	27%
61 and above	16	16%
Total	100	100%

Source: Research Survey (2025)

Table 2 above shows **that** the majority of respondents (35%) were between 31 and 45 years old, followed by those aged 46 to 60 (27%). This suggests that most respondents were in their active working years, which may influence their direct involvement in land issues and compensation matters.

Table 3: Occupation of Respondents

Occupation	Frequency	Percentage (%)
Farmer	30	30%
Trader	21	21%
Civil Servant	17	17%

Unemployed	15	15%
Other	17	17%
Total	100	100%

Source: Research Survey (2025)

Table 3 above shows that a significant number of respondents were farmers (30%), indicating a strong dependence on land for livelihood. Traders and civil servants followed, suggesting a mixed economy within the community.

Table 4: Educational Qualification

Education Level	Frequency	Percentage (%)
No Formal Education	11	11%
Primary	20	20%
Secondary	34	34%
Tertiary	29	29%
Others	6	6%
Total	100	100%

Source: Research Survey (2025)

Table 4 above shows that most respondents (34%) attained secondary education, followed closely by those with tertiary education (29%). This indicates a relatively high literacy level, which may enhance their understanding of compensation policies and legal processes.

Table 5: Duration of Residence in the Community

Duration of Stay	Frequency	Percentage (%)
Less than 5 years	15	15%
6–10 years	29	29%
Over 10 years	56	56%
Total	100	100%

Source: Research Survey (2025)

Table 5 above shows that a majority of the respondents (56%) have lived in the community for over 10 years. This long-term residency suggests deep-rooted ties to the land and possibly stronger reactions to land acquisition activities.

Table 6: Landownership or Affected by Acquisition

Response	Frequency	Percentage (%)
Yes	65	65%
No	35	35%
Total	100	100%

Source: Research Survey (2025)

Table 6 above shows that 65% of the respondents were landowners or directly affected by land acquisition in the LFTZ, highlighting that the majority had a personal stake in the compensation process and related outcomes.

Table 7: Prior Information about Land Acquisition

Response	Frequency	Percentage (%)
Yes	39	39%
No	61	61%
Total	100	100%

Source: Research Survey (2025)

Table 7 above shows that the majority of respondents (61%) reported they were not informed before the land acquisition took place. This suggests a lack of transparency and proper communication between authorities and the affected community.

Table 8: Community Engagement before Acquisition

Response	Frequency	Percentage (%)
Yes	33	33%
No	54	54%
Not Sure	13	13%

Total	100	100%
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Source: Research Survey (2025)

Table 8 above shows that more than half of the respondents (54%) stated that there was no engagement with the community prior to the acquisition, while 13% were uncertain. This implies a potential disconnect between project developers and community members.

Table 9: Adequacy of Compensation

Response	Frequency	Percentage (%)
Yes	29	29%
No	52	52%
Not Applicable	19	19%
Total	100	100%

Source: Research Survey (2025)

Table 9 above shows that over half of the respondents (52%) believed they were not adequately compensated, while 19% indicated the question was not applicable to them, possibly due to non-ownership status. This highlights dissatisfaction with compensation received.

Table 10: Perception of Fairness of Compensation

Fairness Level	Frequency	Percentage (%)
Very Fair	12	12%
Fair	25	25%
Not Fair	38	38%
No Compensation Received	25	25%
Total	100	100%

Source: Research Survey (2025)

Table 10 above shows that only 12% of respondents viewed the compensation as very fair, while a significant portion (38%) considered it not fair. Another 25% received no compensation at all, suggesting widespread perceptions of injustice.

Table 11: Promptness of Compensation Payment

Response	Frequency	Percentage (%)
Yes	23	23%
No	44	44%
Delayed	33	33%
Total	100	100%

Source: Research Survey (2025)

Table 11 above shows that 77% of respondents experienced either delayed or no compensation, while only 23% confirmed receiving timely payment. This indicates that prompt payment remains a major challenge in the compensation process.

Table 12: Type of Compensation Offered

Type of Compensation	Frequency	Percentage (%)
Cash	41	41%
Resettlement	13	13%
Both	24	24%
None	22	22%
Total	100	100%

Source: Research Survey (2025)

Table 12 above shows that cash was the most common form of compensation offered (41%), followed by both cash and resettlement (24%). However, 22% of respondents reported receiving no compensation, indicating a significant gap in implementation.

Table 13: Sufficiency of Compensation

Response	Frequency	Percentage (%)
Yes	26	26%
No	55	55%
Not Sure	19	19%
Total	100	100%

Source: Research Survey (2025)

Table 13 above shows that the majority of respondents (55%) believed the compensation did not cover the value of their loss, while 19% were unsure. This suggests that many community members may have suffered economic disadvantages from the process.

Table 14: Opportunity to Negotiate Compensation

Response	Frequency	Percentage (%)
Yes	21	21%
No	79	79%
Total	100	100%

Source: Research Survey (2025)

Table 14 above shows that most respondents (79%) did not have the opportunity to negotiate their compensation, indicating a top-down approach to decision-making with minimal community input.

Table 15: Satisfaction with the Compensation Process

Satisfaction Level	Frequency	Percentage (%)
Very Satisfied	8	8%
Satisfied	19	19%
Dissatisfied	42	42%
Very Dissatisfied	31	31%
Total	100	100%

Source: Research Survey (2025)

Table 15 above shows that a majority of respondents (73%) were either dissatisfied or very dissatisfied with the compensation process. This underscores significant dissatisfaction and the need for improvement in how compensation is managed.

Table 16: Impact on Means of Livelihood

Response	Frequency	Percentage (%)
Yes	66	66%
No	34	34%

Total	100	100%
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Source: Research Survey (2025)

Table 16 above shows that 66% of respondents stated that land acquisition affected their means of livelihood. This suggests that land plays a vital role in sustaining the economic activities of many residents in the LFTZ area.

Table 17: Effect on Income Level

Response	Frequency	Percentage (%)
Increased	14	14%
Decreased	47	47%
Remained Same	39	39%
Total	100	100%

Source: Research Survey (2025)

Table 17 above shows that 47% of respondents reported a decrease in income after the land acquisition, while only 14% experienced an increase. This indicates that the compensation or resettlement process may not have adequately supported income restoration for many affected individuals.

Table 18: Post-Acquisition Relocation

Response	Frequency	Percentage (%)
Yes	37	37%
No	63	63%
Total	100	100%

Source: Research Survey (2025)

Table 18 above shows that 37% of the respondents were relocated due to the land acquisition, while 63% remained in their original location. This may suggest partial displacement and possible inconsistencies in resettlement execution.

Table 19: Rating of New Location or Resettlement

Response	Frequency	Percentage (%)
Better	13	13%
Worse	21	21%
Same	28	28%
Not Applicable	38	38%
Total	100	100%

Source: Research Survey (2025)

Table 19 above shows that only 13% of respondents rated their new location as better, while 21% considered it worse. The high “Not Applicable” rate (38%) aligns with those who were not relocated, reflecting mixed outcomes of the resettlement process.

Table 20: Effect of Compensation Delay on Recovery

Response	Frequency	Percentage (%)
Yes	59	59%
No	41	41%
Total	100	100%

Source: Research Survey (2025)

Table 20 above shows that 59% of respondents stated that delays in compensation negatively impacted their ability to recover or adapt. This highlights the importance of timely compensation in mitigating post-displacement hardship.

Table 21: Current Social or Economic Challenges

Response	Frequency	Percentage (%)
Yes	62	62%
No	38	38%
Total	100	100%

Source: Research Survey (2025)

Table 21 above shows that 62% of respondents currently face social or economic challenges as a result of the land acquisition. This reflects long-term impacts of displacement or insufficient support post-compensation.

Table 22: Disputes or Protests Related to Compensation

Response	Frequency	Percentage (%)
Yes	51	51%
No	34	34%
Not Sure	15	15%
Total	100	100%

Source: Research Survey (2025)

Table 22 above shows that 51% of respondents acknowledged the occurrence of disputes or protests in their area regarding compensation. This reflects community-level unrest and unresolved grievances related to the land acquisition process.

Table 23: Impact of Inadequate Compensation on LFTZ Project Progress

Response	Frequency	Percentage (%)
Yes	57	57%
No	29	29%
Not Sure	14	14%
Total	100	100%

Source: Research Survey (2025)

Table 23 above shows that 57% of respondents believed that inadequate compensation has delayed the progress of the Lekki Free Trade Zone project. This indicates that unresolved compensation issues may have contributed to project resistance or operational setbacks.

Table 24: Impact on Trust Between Community and Government/Developers

Response	Frequency	Percentage (%)
Yes	68	68%
No	32	32%

Total	100	100%
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Source: Research Survey (2025)

Table 24 above shows that 68% of respondents stated that the compensation process affected their trust in the government or developers. This suggests that perceived unfairness or lack of transparency has damaged relationships between stakeholders.

Table 25: Belief in Compensation Improving Future Projects

Response	Frequency	Percentage (%)
Yes	71	71%
No	17	17%
Maybe	12	12%
Total	100	100%

Source: Research Survey (2025)

Table 25 above shows that a majority of respondents (71%) believed that prompt and fair compensation can improve the outcomes of future land acquisition projects. This reflects a desire for reforms in compensation procedures to ensure equity and cooperation.

Table 26: Recommendations to Improve the Compensation Process

Note: This question is open-ended. The responses have been categorized for analysis.

Recommendation Category	Frequency	Percentage (%)
Ensure Prompt Payment	27	27%
Provide Adequate/Fair Compensation	31	31%
Increase Community Engagement	18	18%
Offer Livelihood Support/Training	11	11%
Improve Transparency & Monitoring	13	13%
Total	100	100%

Source: Research Survey (2025)

Table 26 above shows that 31% of respondents emphasized the need for adequate and fair compensation, while 27% stressed the importance of prompt payment. Other suggestions included better engagement, livelihood support, and transparency, reflecting a multifaceted demand for policy and process improvements.

4.3 Discussion of Findings

The findings from the survey conducted among 100 respondents in the Lekki Free Trade Zone (LFTZ) area reveal significant insights into the compensation processes and their impacts on individuals and the community.

The demographic data show that a larger portion of the respondents were male, which may reflect gender roles related to land ownership and decision-making in the community. Most respondents were within the economically active age group (31–60 years), and a considerable number had attained at least secondary education. A high percentage had lived in the community for over 10 years and were directly affected by land acquisition, indicating that the study captured the perspectives of long-term residents with strong ties to the land.

A majority of the respondents (61%) indicated they were not informed prior to land acquisition, and 54% said there was no community engagement. These findings suggest inadequate consultation and communication with affected populations, which may have contributed to feelings of exclusion and distrust toward government authorities and developers.

More than half of the respondents (52%) stated they were not adequately compensated, and 25% reported receiving no compensation at all. Additionally, 38% rated the compensation as "Not Fair," and 33% reported delays in receiving payments. These figures reveal major flaws in the compensation process, particularly in the areas of sufficiency, fairness, and promptness. Only 21% of respondents had the opportunity to negotiate their compensation, reinforcing the notion of a top-down approach where community voices were largely excluded.

Cash was the most common form of compensation offered (41%), followed by a combination of cash and resettlement (24%). However, a significant number of respondents (22%) received nothing. Furthermore, 55% of respondents believed the compensation they received did not reflect the true value of their losses, suggesting that the measures in place did not meet the expectations or needs of the affected individuals.

A substantial number of respondents (66%) reported that the land acquisition affected their means of livelihood. Of these, nearly half (47%) experienced a decline in income, highlighting the economic vulnerability induced by the loss of land. Although only 37% were relocated, many rated their new location poorly or indicated it was no better than the previous one. Additionally, 59% noted that delayed compensation negatively affected their ability to recover or adapt, and 62% currently face socio-economic challenges as a result of the acquisition process. These outcomes emphasize that inadequate and delayed compensation can lead to lasting economic hardship and social instability.

About 68% of respondents reported a loss of trust in the government and developers due to how the compensation process was handled. Additionally, more than half (51%) confirmed that disputes or protests had occurred in their community related to compensation issues. This reveals a breakdown in trust and suggests a direct link between compensation practices and local unrest.

Over half of the respondents (57%) believed that inadequate compensation has delayed the progress of the LFTZ project. This suggests that community resistance and grievances resulting from poor compensation policies may have disrupted project timelines and efficiency. However, a majority (71%) agreed that fair and prompt compensation could improve the outcomes of future land acquisition projects, underscoring the potential for better practices to foster cooperation and smoother implementation.

Respondents offered a range of recommendations, with most emphasizing the need for prompt (27%) and fair (31%) compensation. Other notable suggestions included increased community engagement, livelihood restoration programs, and improved transparency. These responses demonstrate a clear community interest in reforms that go beyond payment, to include inclusive and sustainable resettlement strategies.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

This study aimed to examine the effects of inadequate and delayed compensation on government layouts, using the Lekki Free Trade Zone (LFTZ) in Lagos State as a case study. A total of 100 well-completed questionnaires were analyzed, using descriptive statistics presented in tables with percentages and frequency counts.

The demographic data showed that most respondents were male, within the economically active age range, and had lived in the community for over 10 years, indicating deep-rooted ties to the land. Many respondents were farmers, traders, or unemployed, highlighting a dependence on land-based livelihoods.

Findings revealed that a majority of the respondents were neither informed nor engaged prior to land acquisition, pointing to a lack of consultation. Compensation was largely viewed as inadequate, with many experiencing delayed payments or receiving no compensation at all. Only a small number had the opportunity to negotiate, and fairness was a major concern.

Socio-economic impacts were significant, most respondents reported that their livelihoods were negatively affected, with a decline in income and limited support for relocation. Furthermore, delays in compensation hindered their ability to adapt or recover.

Trust between the community and the government or developers was largely damaged, with many respondents acknowledging disputes or protests as a result of the compensation process. Over half believed that inadequate compensation contributed to delays in the LFTZ project. Respondents recommended prompt payment, fair valuation, greater transparency, and stronger community involvement to improve the process.

5.2 Conclusion

The study has provided a comprehensive assessment of the effects of inadequate and delayed compensation on individuals and the overall development process within the Lekki Free Trade Zone (LFTZ) area. Findings from the field survey indicate that the compensation system implemented for affected community members was flawed in several critical areas, including fairness, timeliness, transparency, and inclusivity.

A significant proportion of respondents reported that they were not adequately informed before their land was acquired. Many also indicated that there was little to no meaningful engagement with the community by the government or developers. As a result, affected individuals felt excluded from decisions that directly impacted their livelihoods, homes, and long-term well-being.

Moreover, compensation—where provided—was frequently delayed and considered insufficient by the majority of respondents. Many residents expressed that the monetary value assigned to their land and properties did not reflect true market worth or the socio-cultural value of their losses. This perceived inadequacy contributed not only to financial hardship but also to emotional distress and uncertainty about the future.

The issue of delayed payment further compounded these challenges. Respondents highlighted that late compensation made it difficult for them to make timely adjustments, relocate effectively, or recover their livelihoods. These disruptions had direct socio-economic consequences, particularly for farmers and traders who relied heavily on land and proximity to local markets.

The data also revealed a widespread erosion of trust between the community and the government or private developers managing the LFTZ. A large number of respondents stated that the compensation process affected their confidence in public institutions, and some cited disputes and protests that arose as a result of perceived injustice.

Finally, the study uncovered a strong link between compensation issues and delays in the progress of the LFTZ project itself. Community resistance, unresolved grievances, and legal disputes may have hindered project timelines and operational efficiency. However, the majority of respondents expressed optimism that prompt, fair, and transparent compensation processes could improve cooperation and outcomes in future land acquisition efforts.

In one word, the research demonstrates that the success and sustainability of development projects like the LFTZ depend heavily on how affected populations are treated. Ensuring fair compensation is not merely a financial obligation; it is a fundamental aspect of social justice, community stability, and long-term project viability. A more inclusive and accountable compensation framework is essential to preventing conflict, restoring livelihoods, and promoting development that benefits both investors and host communities.

5.3 Recommendations

Based on the key findings of this study, several practical recommendations are proposed to improve the compensation process in land acquisition projects, particularly within the Lekki Free Trade Zone (LFTZ). These suggestions are aimed at enhancing fairness, strengthening community trust, and supporting sustainable development.

1. Ensure Prompt Payment of Compensation

Timeliness in compensation is crucial. Delays in payment create hardship for affected individuals and can lead to loss of livelihood, delayed resettlement, and distrust in project intentions. Government agencies and developers should establish clear timelines for compensation disbursement and strictly adhere to them. Immediate payment following land acquisition should be prioritized to minimize disruption in the lives of displaced persons.

2. Guarantee Fair and Adequate Compensation

Compensation must reflect not only the market value of the acquired land but also the socio-economic and cultural significance it holds for affected individuals. Engaging professional valuers, in collaboration with community representatives, can help ensure that valuations are transparent, objective, and acceptable to all parties. This approach would reduce disputes and foster community cooperation.

3. Improve Community Engagement and Transparency

Many of the issues uncovered in this study stem from a lack of adequate consultation. Authorities should involve communities from the earliest stages of planning, providing clear and honest information about the project, timelines, and compensation procedures. Feedback mechanisms should also be established to allow community members to raise concerns and receive timely responses. Such inclusive participation can build mutual understanding and reduce resistance.

4. Support Livelihood Restoration and Economic Recovery

Compensation should not end with monetary payment. Government and developers should implement programs to support those whose livelihoods are affected. This includes vocational training, access to financial services, provision of alternative land,

or integration into new economic opportunities related to the LFTZ. Livelihood restoration is essential for long-term resettlement success and community stability.

5. Establish Independent Monitoring and Grievance Redress Mechanisms

A neutral and independent body should oversee the compensation process to ensure fairness, accountability, and adherence to best practices. In addition, a functional grievance redress system should be created to handle complaints efficiently. Affected persons must be able to report issues and seek redress without fear of intimidation or bias.

6. Review and Strengthen Legal Frameworks

The existing legal and institutional structures guiding land acquisition and compensation in Nigeria should be revisited and reformed where necessary. Clear legal definitions of ‘adequate compensation,’ as well as enforceable standards for consultation and resettlement, will help safeguard the rights of host communities and ensure consistency in practice.

7. Promote Public Awareness and Legal Literacy

Many affected individuals lack awareness of their rights and the legal procedures involved in land acquisition. Public sensitization campaigns, community meetings, and legal aid services should be provided to empower individuals to make informed decisions and assert their rights where necessary.

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APPENDIX

KWARA STATE POLYTECHNIC, ILORIN KWARA STATE
DEPARTMENT OF ESTATE MANAGEMENT AND VALUATION
INSTITUTE OF ENVIRONMENTAL STUDIES

Dear Sir/ma,

I am a final year student of the above-named Institution currently carrying out a research work on the topic " **EFFECT OF INADEQUATE AND PROMPT PAYMENT OF COMPENSATION ON GOVERNMENT LAYOUT (A CASE STUDY OF LEKKI FREE TRADE ZONE)** " for the award of Higher National Diploma in Estate Management and Valuation.

I hereby solicit for your assistance in filling this questionnaire or ticking the appropriate spaces as the case may be. Your answer to the questions shall be treated with utmost confidentiality.

Thanks for your anticipated co-operation.

Section A: Demographic Information

(Please tick or fill where appropriate)

1. Gender:

☐ Male ☐ Female

2. Age:

☐ 18–30 ☐ 31–45 ☐ 46–60 ☐ 61 and above

3. Occupation:

☐ Farmer ☐ Trader ☐ Civil Servant ☐ Unemployed ☐ Other (Please specify)

4. Educational Qualification:

☐ No Formal Education ☐ Primary ☐ Secondary ☐ Tertiary ☐ Others

5. How long have you lived in the community?

☐ Less than 5 years ☐ 6–10 years ☐ Over 10 years

6. Are you a landowner or affected by land acquisition in the LFTZ?

☐ Yes ☐ No

Section B: Compensation Process and Experience

7. Were you informed prior to the land acquisition for the LFTZ?

☐ Yes ☐ No

8. Did the government or developers engage with the community before the acquisition?

☐ Yes ☐ No ☐ Not Sure

9. Were you adequately compensated for the land acquired?

☐ Yes ☐ No ☐ Not Applicable

10. How would you describe the fairness of the compensation you received?

☐ Very Fair ☐ Fair ☐ Not Fair ☐ No Compensation Received

11. Was the compensation payment prompt?

☐ Yes ☐ No ☐ Delayed

12. What type of compensation were you offered?

☐ Cash ☐ Resettlement ☐ Both ☐ None

13. Was the compensation enough to cover the value of your loss?

☐ Yes ☐ No ☐ Not Sure

14. Did you have the opportunity to negotiate the compensation offered?

☐ Yes ☐ No

15. How satisfied are you with the compensation process?

☐ Very Satisfied ☐ Satisfied ☐ Dissatisfied ☐ Very Dissatisfied

Section C: Socio-Economic Impact of Compensation

16. Has the land acquisition affected your means of livelihood?

☐ Yes ☐ No

17. If yes, how has it affected your income level?

☐ Increased ☐ Decreased ☐ Remained the Same

18. Were you relocated after the acquisition?

☐ Yes ☐ No

19. If yes, how would you rate the quality of your new location or resettlement?

☐ Better ☐ Worse ☐ Same ☐ Not Applicable

20. Did the compensation delay affect your ability to adapt or recover?

☐ Yes ☐ No

21. Do you currently face any social or economic challenges as a result of the land acquisition?

☐ Yes ☐ No

22. Have there been any disputes or protests related to compensation in your area?

☐ Yes ☐ No ☐ Not Sure

Section D: Project Implementation and Recommendations

23. Do you believe that inadequate compensation has delayed the progress of the LFTZ?

☐ Yes ☐ No ☐ Not Sure

24. Has the compensation process affected trust between the community and the government/developers?

☐ Yes ☐ No

25. Do you think prompt and fair compensation can improve future land acquisition projects?

☐ Yes ☐ No ☐ Maybe

26. What would you recommend to improve the compensation process?