1.0 Introduction

In this audience today, there are four broad categories of Quantity Surveyors. There is the private (consultant) quantity surveyor who desires to attract and retain client so as to remain in business. The second group consists of quantity surveyors on the contractor’s divide. This group includes owners of construction firms who are quantity surveyors or quantity surveyors who work for contractors. One of the business goals of this category of professionals is how to secure more jobs from repeat business or referrals in order to survive the stiff competition in the construction market. A third group can be found in the public sector. Public sector quantity surveyors desire promotion and career progression in order to remain indispensable and retain their jobs. Academic quantity surveyors are the fourth group of professionals present here today. They seek promotion, career progression, grants and scholarship through cutting edge teaching and research activities.

The overarching aspiration of every group represented in this audience is to secure a steady flow of income. How then can we secure a steady flow of income particularly in an era of recession? Recession has become a buzz word: from government officials, to professionals, down to the common man and trader on the street. The common man and trader might not be able to define recession but they can describe it. When meeting basic needs becomes an uphill task then the common man believes there is a recession. When many people are out of job because their companies are no longer making profits and cannot cope with recurrent expenses then, the common man believes there is a recession. When traders have their goods on the shelf without
any customer branching by let alone buying from them then, there is a recession. Recession can be felt by all ages: the old and even the young. For instance, as the final year project coordinator in my department among other things, I am charged with the responsibility of ensuring that final year students defend their work stage by stage. Thirty eight (38) students were to present their project during the proposal defense in September, 2016. Usually, refreshment is served to faculty during project defense. The entire final year student had contributed financially towards the provision of the refreshment with the assumption that all of them will present their work on the same day. However, all the students could not present their work because of the number, as such we had to reconvene a week later to listen to the remaining students. The students sent their class representative to inform me that they will not be able to provide the traditional pack of rice and chicken the following week but they will only be able to afford snacks and drinks. Majority may be unable to define recession but it can be felt and described by all. This is an example of the reality and effect of the economic recession.

2.0 Global Economic Recession

For the sake of this scholarly discourse let us define recession. John Keynes fondly remembered by economists as the man who transformed the economic world, defined economic recession as a period when aggregate demand falls largely as a result of a fall in private investment causing firms to produce below their capacity. The National Bureau of Economic Research (NBER) an American private non-profit research organization provides an inclusive definition of economic recession as a period of significant decline in the economic activity spread across the country, lasting more than a few months, normally visible in real gross domestic product (GDP) growth, real personal income, employment, industrial production, and wholesale-retail sales.
Lee and Shields (2011) gives a more pragmatic definition of economic recession as a period associated with reduced activity and dire economic hardship for a substantial number of people. It is a time when investment opportunities are generally reduced and some workers lose their jobs resulting in the dwindling of household income and wealth. Gbeneye (2014) further describes economic recession as a period of severe closure of companies, crash of share prices, squeeze in consumer credit facilities and crumbling mortgage facilities.

2.1 Causes of Global Economic Recession

The state of the world economy has strong implications for economic conditions of nations. With the achievement of international trade liberation policies backed by the World Bank and the International Monetary Fund (IMF), a new system of doing international business has emerged which results in the integration of markets in goods, services and capital beyond national borders (Ngwube and Ogbuagu, 2014). This regime of global free trade has facilitated the interconnectivity of banks and stock exchange markets globally. Consequently, there is a tendency for interest rates or prices of securities, bonds, and shares in one country to be influenced by financial prices in others, making economic conditions in nations depend majorly on the outcomes of global economic forces. In the past four decades there have been several episodes of economic recession that has had its toll on developed and developing nations alike. These economic recessions took place in the mid-70s, early 80s, early 90s, early 2000s and specifically 2008/2009. Since the United States (US) was formerly the world’s largest economy for several decades (until recently), it had attracted strong trade into its economy and had financial linkages with many countries of the world. Little wonder economic recessions in the US always had a rippling effect on other economies. Like (Priewe, 2010) noted, economic crises in one nation can spread rapidly and painfully resulting in high social costs to countries that had
nothing to do with triggering them. The last global financial crisis of 2008/2009 which plunge
the world into a global economic recession originated from the US. Even though opinions about
the cause of the financial crisis differ widely, popular views of the causes of the 2008/2009
economic crisis include: greed on Wall Street, lax regulatory and supervisory frameworks, fraud,
corruption, bankruptcy, and systemic failure (Claessens and Kose, 2009; Priewe, 2010; Gbeneye,
2014). The aforementioned factors responsible for the global economic crisis can be described as proximate (immediate) causes of the global economic recession and
are classified into market and state failure (Priewe, 2010). The US market failed as a result of
three factors. One, leading banks adopted untested financial innovations and products based on
asymmetric information without properly assessing the risks involved. Secondly, some of the
leading financial institutions (Lehman Brothers) grew too big such that when the crisis hit their
bailout was near impossible. Thirdly, rating agencies were fed with lopsided information which
inhibited proper supervision and control. Assessing the triggers of the economic crisis from a
proximate (immediate) cause point of view only tends to limit our understanding of the real
cause of the global financial crisis. Some economists have tried to explain the underlying factors
responsible for the financial crisis. Global imbalances have been identified as one of the
fundamental causes of the global economic recession (Adams and Park, 2009; Priewe, 2010;
Borio and Disyatat, 2011). Global imbalances simply refer to the large current account deficits
and surpluses that have emerged in the world economy during the last 10 years (Borio and
Disyatat, 2011). It is believed that the current account surplus from emerging economics
(especially from Asia) helped fuel the credit boom in the US. The boom signaled a new era of
wealth which encouraged private householders and mortgage institutions to lower their savings
and indulge in consumption frenzy especially for housing assets. So much was the funds and the
desire to make profit from interest on borrowed money that leading banks did not know when subprime borrowers hijacked the process. Another fundamental cause of the global economic recession is a phenomenon called the ‘Triiffin dilemma’ (Campanella, 2009; Priewe, 2010). The Triiffin dilemma is actually the disadvantage in making a national money, like the US dollar a global standard for pricing commodities, trade deals and the accepted reserve currency. When national money becomes the global standard for international trade deals, as is the case presently, there is a tradeoff between national and global effects of monetary policies (Chinn and Frankel, 2006).

2.2 Effects of the Global Economic Recession

The interconnectivity of economies through international trade and linkages made the effect of the US recession global and its impact is still visible till now. In Nigeria, more than a few sectors were hit by the global economic crisis. The impact of the global economic crisis in Nigeria was immediately felt by the banking sector as there was a withdrawal of credit lines by foreign banks thus resulting to paucity of funds in the economy (Gbeneye, 2014). Share prices on the stock exchange also nosedived and investors suffered heavy capital loses which eroded the value of their investments and also made it difficult for them to repay share purchase loans (Ngwube and Ogbuagu, 2014). Insufficient funds in the system reduced the productive capacity of firms leading to massive retrenchment and dramatic increase in unemployment levels. The construction industry was not immune to the effects of the financial crisis. Ajanlekok (2016) noted that the recession has badly affected the construction industry so much that there is hardly any new projects coming on stream, cranes are lying idle throughout the country and many newly constructed facilities remain unoccupied. One can only imagine that quantity surveyors as
key professionals who add value to the financial and contractual management of construction projects will experience some level of business down turn.

3.0 **Hope inspite of Recession**

The global economic recession is not all a hopeless episode. Gbenenye (2014) noted that the Chinese expression for crisis as used in the term economic crisis is made up of two words: ‘wei’ which means danger and ‘ji’ which means opportunity. For us as quantity surveyors, there could be light at the end of this dark tunnel of economic recession if we take appropriate steps. In the middle of the 2008/2009 economic recession the Construction industry council (CIC) carried out a research on the impact of the recession on construction professional services in the United Kingdom (UK). The study revealed that quantity surveyors were the least affected by the financial crisis. According to the report most quantity surveyors studied, unlike other professionals in the construction industry had something to do because the QS’s work on projects ranges from inception (pre-construction), construction and post-construction stages. Smith (2004) also noted that quantity surveyors are at an advantage over their counterparts in the construction industry because they handle large quantity of information and construction revolves around information like construction quantities, quality improvement and cost reduction. Moreover, economic and market conditions including factors such as economic downturn in the construction markets present opportunities for quantity surveyors (Waoj, 2015). How can quantity surveyors thrive in a period of economic recession? How can an economic crisis be turned to economic prosperity for the quantity surveyor? What are the prospects and opportunities for quantity surveyors in an economic recession? There are several responses to these posers.
3.1 Prospects for Quantity Surveyors in an era of Global Economic Recession

The first and most obvious is that construction clients (private or public) want to build more with less. We have established earlier that one of the features of an economic recession is the paucity of funds. So, there remains an open door for the QS who will help his/her client build more with less, without losing function and ensuring that the client gets value for his money.

3.1.2 Value Management

This brings us to value management, one of the competencies that quantity surveyors can leverage on particularly during economic recession. Value management is a systematic and multi-disciplinary process directed towards analysing the functions of projects from its inception to completion and commissioning (through auditing or examination) for the purpose of achieving best value and return on investment at lowest possible overall life cycle cost (Oke and Ogunsemi, 2011). Value management seeks to satisfy clients’ needs by ensuring that all necessary functions and facilities of a building are achieved at the lowest possible cost whilst maximizing their performance (Towey, 2013). It identifies and eliminates unnecessary designs which affects cost and has no functional benefits (Aghimien and Oke, 2015). Beyond reducing cost targets in line with budget, value management can involve a deliberate creation or modification of design and specification. At times such planned modifications can lead to premium costs which clients prefer to pay for if the cost can be offset with benefits through the life cycle, thus providing a return on investment. An example is the adoption of sustainable construction methods which can provide payoff by reducing energy consumption during occupancy period. Time is crucial in the implementation of value management. Its benefits are best realized when implemented at the conceptualization stage. Value management is counterproductive for the contractor if implemented during construction stage and it can result in
abortive time and additional expense. To improve client satisfaction in terms of building form, quality and function, value management should become an integral part of quantity surveying practice. The growing importance and demand for increased efficiency, effectiveness and value for money on construction projects (Rangelova and Traykova, 2014), provides quantity surveyors with a unique opportunity to adopt value management in order to gain competitive advantage in an era of economic recession.

3.1.3 Information and Communication Technology (ICT)

The adoption of Information and communication technology (ICT) can give quantity surveyors a business edge in periods of economic crisis. The impact of ICT on QS practice is well documented. ICT has been found to make the quantity surveyor’s job easier, aid decision making and reduce operational costs. However, Oladapo (2006) noted that many quantity surveyors are yet to adopt other strategic uses of ICT like e-business and electronic data transfer. Construction demands heavy exchange of data and cost information between project participants on a daily basis (Maqsood et al., 2004). Quantity Surveyors like other design consultants are responsible for the production and management of project information required by other members of the construction team particularly contractors, sub-contractors and suppliers (Nkado, 2000). This critical role played by quantity surveyors in the procurement chain requires that they must not lag behind in the adoption of tools that promise to improve on their service delivery (Oyediran and Odusami, 2005). ICT can reshape quantity surveying business and improve the popularity of the profession. The adoption of ICT tools such as Building Information Modeling (BIM), Building Energy Modeling (BEM) and estimating software can give quantity surveyors a competitive edge in the construction industry (Wao, 2015). BIM in particular can impact positively on the quantity surveyors business. BIM is a shared digital representation of physical
and functional characteristics of construction works (buildings, bridges, roads etc.) which forms a reliable basis for decision making (Kirkham, 2015). It simulates the actual construction and reveals the geometry, spatial relationship, geographic information, quantities and properties of construction components. BIM can demonstrate the entire building lifecycle from design to construction and finally to facility operation. At the design stage BIM can help ensure that appropriate standards are met for carbon production rates, energy use, air flow, day lightening and pedestrian use. Moreover at the design stage BIM can provide timescale of each task and also cost information of relevant quantities, labour and equipment (Kirkham, 2015). During the construction stage BIM can facilitate the reduction of time and money wastages because of off-site prefabrication, pre-assembling, waste management, material deliveries, manpower and plants that have been scheduled at the design stage (Kirkham, 2015). BIM can reveal faults/failures from the model or during construction. This provides a great relief to facility managers and enables them to properly manage buildings and plan for preventive maintenance. There have been concerns about BIM especially with regards to overlap of BIM 5D (cost information) with standard QS softwares. However, the benefits of BIM far outweigh these concerns. BIM emerged as a solution to the ever increasingly complex construction information for a multi-disciplinary team. It is a one stop shop for relevant construction information and serves as a global model that can be understood by all project participant (Kirkham, 2015). Even though high cost of computer hardware and software affects the adoption of ICT by quantity surveying firms, quantity surveyors stand to lose if they fail to keep in touch with developments in ICT and do not embrace the opportunities and meet the challenges as they arise.

3.1.4 Sustainable Construction
In my view, the most significant prospect for quantity surveyors is in the area of sustainable construction (SC). SC is construction that is environmentally friendly, socially acceptable and economically attractive. SC stems from sustainable development which is the main agenda of governments, institutions and corporations across the globe. Cartlidge (2011) noted that the world’s focus on climate change, resource depletion and environmental degradation is seriously influencing the way we deliver and manage the built environment. The construction sector consumes as much as 40% of natural resources and produces up to 40% waste and greenhouse gases (CIOB, 2004; Alsanad, Gale, and Edwards, 2011; Ametepey, Gyadu-Asiedu and Assah-Kissiedu, 2015). Moreover, the industry has a low social sustainability index. It is characterized by high workers attrition (Bilau et al., 2015) due to hazardous working conditions. Abrey and Smallwood (2014) revealed that construction workers are exposed to more occupational hazards than their counterparts in other industries. Work life balance of construction workers is also very poor and this results in burnout, mental health issues, substance abuse and diminished family functioning (Lingard et al., 2007). The industry is not yet fully pluralistic and gender inequality is obvious. Women are underrepresented in all sectors of the industry (Sang and Powell, 2012).

These environmental, social and economic concerns in the construction industry have led to the demand for sustainable construction. In an era of dwindling economic fortunes governments particularly of developing countries seek for loans and grants from international finance corporation for capital projects. However, many global financial players like the World Bank now have environmental and social sustainability caveats governing their loans and grants policies. For instance, one of the declarations of the Kyoto Protocol - an international agreement linked to the United Nations framework convention on climate change, which commits its parties by setting internationally binding emission reduction targets, is the provision of US$10 million
for Clean Development Mechanisms (CDM) projects that reduce emissions in developing countries. If Nigeria will benefit from such an opportunity then she must possess the political will and expertise to embrace sustainable construction. Quantity surveyors need to be interested in sustainable construction because many corporate construction clients are now beginning to realize the potentials gains of SC. For example, SC produces sustainable buildings that have higher rental prices, increase occupancy rates, reduce running costs, improve productivity for workers (occupiers) and reduce sick building syndrome (Cartlidge, 2011). Moreover, quantity surveyors can work with their clients to assess CDM projects in a new world that is focused on sustainable development (Seah, 2009). Quantity surveyors need to be equipped with the necessary skills in order to remain relevant in the sustainable development wave. Quantity surveyors as construction cost experts should be able to understand the economics of sustainable construction. Kibert (2013) noted that there are two schools of thoughts with respect to the economics of sustainable construction. The first school believes that sustainable construction cost should be the same as or lower than that of conventional construction. This argument is based on the thinking that sustainable construction with the aid of integrated design and reduced energy use, sustainable buildings should be kept in line with conventional buildings. The other school maintains that sustainable construction inevitably results in higher capital costs, but by assessing total building costs on a life cycle basis, the advantages of SC can be achieved. Quantity surveyors can gain relevance in the sustainable development wave if they can provide answers to the hard and soft costs dilemma of sustainable construction. Hard costs include cost savings on energy, water and waste water while soft costs cover issues like human health and productivity savings (Kibert, 2013).

3.1.4.1 Quantifying Energy Savings
Sustainable buildings use less energy than conventional ones and generate some of their power onsite from renewable or alternative energy sources. Energy savings through the use of renewable energy can be in two ways: reduction of total fossil fuel consumption and reduction of greenhouse gas emissions. Quantity surveyors can apply LCC to analyse capital costs and operational costs which will provide a holistic picture of a building’s energy performance over its lifetime (Kibert, 2013).

3.1.4.2 Quantifying Water and Waste Water Savings

Another area of sustainable construction where QSs can explore is quantifying water and waste water savings. Insipite of the significant values of water, there is a great pressure on the available water resources as a result of enormous increase in population, unsustainable consumption patterns and climate change. Water is certainly one of the most crucial resources for construction. It is used in the construction process, imported into the building for domestic purposes and exported as waste water. If the industry reduces its water consumption and rethinks its waste water strategy, the built environment can dramatically conserve available water supply, improve human health and reduce threats to ecological systems. In order to achieve this goal of conserving available water supply, QSs can assess financial performance of conventional versus alternative approaches to water conservation. Alternative approaches include rain water harvesting, gray water systems and ultra-low flow fixtures like high efficiency toilets (HETs) and high efficiency urinals (HEUs) (Kibert, 2013).

3.1.4.3 Human Health Benefits of Sustainable Construction

QSs can use LCC to analyse human health benefits of SC. Far back as the year 2000, William Fisk carried out a research that revealed enormous savings and productivity gains through improved indoor air quality (IAQ) in the United States. He estimated $6 to $14 Billion in savings
from respiratory diseases, $1 to $4 Billion from reduced allergies and asthma, $10 to $30 Billion from reduced sick building syndrome (SBS) and $20 to $160 Billion from direct non-health related improvement in worker performance. With the current emphasis of the world on sustainable development of which sustainable construction is a sub-set, quantity surveyors can leverage on their measurement skills to provide alternative options with sustainable benefits to their clients (Kibert, 2013).

### 3.1.4.4 Ethical Issues and Professionalism

Sustainable development even in the context of construction will be incomplete without a discourse on ethics. Ethics deals with individual character and the moral rules that govern and limit conduct (Shaw, 2011). It has been noted that the construction industry particularly in Nigeria is extremely endemic to unethical practices (Ameh and Odusami, 2005; and Oyewobi et al., 2011). Besides giving the industry a poor image, unethical practices hinders the free play of market forces, discourages economic aid from foreign donors makes it almost impossible to attract international investors who tend to shun the corrupt environments to the detriment of the economy and communities of the respective countries (Kadembo, 2008). In an era of economic recession, one of the pressing needs of a developing country like Nigeria is foreign direct investments and like (Kadembo, 2008) noted unethical practices in an economy drives away foreign investors. Although unethical practices cut across all sectors and professionals in the industry quantity surveyors as construction cost managers are the cynosure of all eyes both within the construction industry and the country at large (Olusola et al., 2016). Quantity surveyors in both public and private sectors play an important role in cost management of projects. However, quantity surveyors who work with the public service can be helpful in stemming the tide of corruption in government funded projects. Public sector quantity surveyors
manage public fund and national budget and they are often involved in large scale capital intensive projects. With our dwindling economic fortunes, bribery, corruption, kickbacks and other unethical practices will only further plunge the nation into economic crisis. When we consider the number of white elephant projects littered all over the country and the magnitude of such projects, we can only imagine the volume of financial waste seeping through the hands of some corrupt government officials aided by unscrupulous construction professionals. The classic definition of sustainable development is ‘meeting the needs of the present without compromising the ability of future generations to meet their needs’. However, in Nigeria we seem to be drifting away from sustainable development. For instance, hardly will a day pass without hearing the disturbing reports of some government official who diverted money meant for public good into his/her pocket. If all the public money starched into private accounts till date were put into building world class infrastructure our children will be the better for it. As I attempt to bring this discourse to a close, I really want to appeal to our conscience. Let us strive to make a difference. Let us standup for what is morally right. We have no other home but Nigeria. The Asians are giving the West and Europe a run for their money. We can do the same. We can turn our economic woes into economic fortunes. As key construction professionals, we have to rise up and take the center stage because we are the cost managers of the funds for building our world class nation. Maybe Duncan Cartlidge’s declaration is true after all, ‘quantity surveyors are the masters of the construction process’. Long live Nigeria! Long live the Nigerian Institute of Quantity Surveyors (NIQS)!

References


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