



Effects of Land Rights on Agricultural Investment among Farmers in Okigwe Agricultural Zone, Imo State, Nigeria

Ani, A.O¹, Chikaire, J.U¹, Ogueri, E.I¹ and Orusha, J.O²

¹Department of Agricultural Extension, Federal University of Technology, Owerri, Imo State, Nigeria.

²Department of Agricultural Science Education, Alvan Ikoku Federal College of Education, Owerri, Imo State, Nigeria.

ARTICLE INFO

Article history:

Received: 1 May 2015;

Received in revised form:
26 May 2015;

Accepted: 4 June 2015;

Keywords

Land tenure,
Land right,
Agriculture,
Investment.

ABSTRACT

The study evaluates the effects of land rights on agricultural investment in Imo, State. Simple random sampling technique was used to select 120 respondents from the list of farmers obtained from the Extension agent in-charge of Okigwe Agricultural Zone. The mean age of the respondents is 49.5. The respondents are married with over 60% educated, have large family size, and small farm size of 0.5-1ha. The existing tenure systems are purchase, inheritance, pledge, communal and rent. The respondents (87.5%) have use rights only. Land right affect enhance household food security, bolster family economy, increase optimal land use by farmers, eliminates fear of eviction, encourages investments, allow the development of an off farm economy and improve family stability. We concluded that secure land right is a veritable tool for poverty reduction, food security and agricultural investment. The benefits include bolstering family economy, enhancing household security and increasing optimal land use by farmers. It was therefore recommended that policies should be made by government for improving tenure security. Land should be made available to enhance agricultural production and programmes to increase the standard of living and the purchase of land should be introduced by the government.

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Introduction

Property rights to land represent the key institutional assets on which rural people build their livelihoods. In fact, in many countries and landlessness is the best prediction to poverty. The nature of farmer's property rights to land substantially impacts their willingness and ability to adopt productivity enhancing in outs and investments (Landesa, 2012). While strong and secure land rights are the norm for farmers in the developed world this not the case of much of the developing world. Secure rights to land refer to rights that are clearly defined, long term, enforceable, appropriately transferable and socially and legally legitimate (Prosterman et al, 2001). Unfortunately substantial portions of small holder in developing countries are missing at least one of these key components strong land rights. Women farmers fare worse. And, the most marginalized families in the agricultural sector-landless farm laborers face even greater challenges. Without secure land rights, the rural poor often have few options for using land to improve their livelihoods. Fortunately proven productivity and welfare enhancing solutions do exist .And many international development organization are well positioned to facilitate and support those solutions (Prosterman et al, 2009).

Land is a primary and critical factor of agricultural production and expansion of livelihoods opportunities in Africa. Secure access to land affects production and productivity in all sectors of agricultural production. Without equitable and secure access to land by the majority, it will be difficult to achieve food security. There is growing evidence that agricultural growth and efficient management of natural resources are dependent on the political, legal and administration capabilities of rural communities to determine their own future and to protect their land and land based natural resources and other economic

interests. The lack of the power (or lack of democracy) is transferred into insecure tenure rights, abuse to common property and resource, disenfranchisement of rural people, participatory women and the breakdown or weakening of rural economic institutions. The management of the environment and the effectiveness of community based natural resources management are all dependents on clearly defined land rights and support systems for rural communities (Rukuni and Kanbanje, 2011).

Land is probably the most important factor of production. The unique feature off land is its fixed nature and this has generated a lot of policies administration in its use rights. The rights to land are on international issue with dynamics depending on individual countries tenure arrangement .Property rights will determine land ownership related factors affecting the application of technologies for agricultural and natural resource management. Secured property rights give sufficient incentives to the farmers to increase their efficiencies in terms of productivity and ensure environmental sustainability. It is natural that without secured property rights, farmers do not feel emotional attachment to the land they cultivate, do not invest in land development and will not use inputs efficiently (Tensaw et al, 2009). These is broad agreement in the literature that secure individuals land rights will increase incentives to undertake productivity enhancing land related investments. More secure property rights could affect productivity by improving households security of tenure and thus their ability and readiness to make investments, providing better access to credit and reducing the transaction costs associated with land transfer (Tensaw et al, 2009).Beasley (1995) revealed that having more secure tenure to a plot increased the probability that individuals would plant tress and undertake a wide range of other

investments such as drainage, irrigation, mulching etc. That would enhance better yield (Fajemirokun (2009) indicated the need for secure ownership rights over a sufficiently long time horizon which needs not necessarily be a formal title to facilitate improvements emerges from most African countries.

Land rights are the backbone of a land tenure system, the system of rules, rights, institutions and processes under which land is held, managed, used and translated (Cotulla, 2006) Land rights include ownership and a range of other land holding and use rights which may co exist over same plot of land (Hodgson, 2004). These rights may be held by individuals, by groups, or by the state. They may be based on national legislation, on customary law or a combination of both.

Studies (Abalu and Ogungbile, 1976) have demonstrated that the rights that the farmers have over natural resources can be important in determining whether they take a short or long term perspective in managing resources. For example, farmers who feel that their tenure is insecure with or without formal rights are less likely to be interested in conserving resources or in making investments that improve the long term productivity of resources.

Land rights are often problematic during the transition from extensive to intensive agricultural systems when they often typically must evolve from indigenous, community based tenure systems to register and legally recognized private property arrangements (Hazel and Lutz, 1999). The some what spontaneous evolution of indigenous community based land tenure systems toward systems of privatized land rights has been attributed to growth populations and commercialization (Migot Adholla et al, 1991). Among the many issues relating to land, three are foremost: Security of tenure, distribution of ownership and access and management of natural resources (World Bank, 2002) present forms of tenure have been identified as not providing sufficient security to support investments to facilitate mobility of resources needed in a dynamic economy and to protect the vulnerable under increased population pressure and high mortality. Problems of tenure and access have also been widely reported to contribute to the degradation of land and poor management of natural resources such as forests and wildlife. The broad objective of the study was to analyze the effects of land rights on agricultural investment in Okigwe Agricultural zone of Imo state. The specific objectives are to : (a) describe the socio economic characteristics of the respondents (b) identify land tenure system in the study area (c) identify the various land rights types in the study area (d) ascertain the perceived effects of land rights on agricultural investment..

Methodology

This study was conducted in Okigwe Agricultural Zone, Imo state, Nigeria. Okigwe agricultural zone is made up of Okigwe, Onuimo, Ehime Mbano, Ihitte/Uboma, Obowo, and Isiala Mbano Local Government Areas. Okigwe Agricultural Zone has 10 extension blocks with 80 extension circles. All the farmers in the zone constitute the population of the study. From the circles, a list of all the registered farmers was obtained from the Extension Agent covering the area. The list has a total number of 1,200 farmers and 10% was selected which gives a total sample size of 120 farmers. Primary data were collected by questionnaire administration to extension agents as respondents. Simple descriptive statistical tools such as mean, percentage and frequency distribution tables were used to analyze the objectives of the study. A 4-point Likert type scale of Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD) assigned scores of 4, 3, 2 and 1 was used to analyze objective 4. The mean cut off point was 2.50 and any mean response below

2.50 was not accepted as serious effects of land rights on agricultural production.

Results and Discussions

Socio-Economic Characteristics of Respondents

Table 1 shows that majority (58.8%) of the farmers are males while the remaining 41.6% are female. This reveals the dominance of male farmers in the study area. as Igbokwe (2005) observed certain cultural practices in some rural areas limit women from engaging in farming, this encourages the participation of men.

Again, greater proportion (34.2%) of the farmers are within the age range of 51-60 years while 26.7%, 19.2%, 11.7% and 8.3% are within the age range of 41-50, 31-40 and 21-30 years respectively. The mean age was found to be 49.5 years. This implies that the farmers in the area are still in their economically active age. Young farmers can adopt new technologies and can make better decision. The findings are in line with the finding of a study in Imo State by Nnadi, et al (2012) that farmers who are within the age bracket of 41-50 are in their active years of farming. Again, reveals that majority (62.5%) of the farmers are married while the remaining 16.7% and 4.2% are single and widowed respectively. Marriage enhances farmers' access to labour and this is very important to research poor farmers. It has been observed among some cultures such as the TIV that men deliberately marry many wives to raise many children for farming. This also could increase the amount of land available to the farmer depending on this number of male children where land is commonly owned. Table 1 further reveal that a greater population (45.8%) of the farmers had secondary education with remaining 29.1% and 8.3% having primary education, and tertiary education respectively. Very small proportions (5.8%) of the farmers had no formal education. Acquisition of formal education enhances farmers ability to adopt innovations (Agbamu, 2005) and could also improve their decision making ability. Again majority (47.5%) of the farmers have household size of 10 people and above, whereas 29.2% have between 7-9 members. They are trailed by 15% and 8.3% with a household size of 4-6, and 1-3 people respectively. The mean household size was found to be 9 people. This implies that the study area is dominated by large household members who help in performing farm tasks. Again, majority (54.2%) of the farmers have a farm size of 0.5- 1ha whereas 33.3% and 12.5% have farm size of between 1.5-3ha and 3.5ha and above respectively. The mean farm size is 1.3ha. This implies that the land tenure system prevailing in the area has combined with other factors like the increasing population and urbanization to limit farmers' access to sufficient land holding. Insufficient land holding could reduce investments in agriculture, thereby limiting farmers' productivity and income. Table 1 also show that majority (36.1%) of the farmers have been into farming for more than 10 years while 26.7%, and 19.2% This means that the farmers have been into farming for a reasonable period of time. Long farming experience would enable farmers to acquire experiences concerning their enterprise.

Land Tenure System

Table 2 show that majority (83.3%) of the farmers identified communal land ownership as the dominant tenure system in the study area, while 75.0% 41.6%, 16.6% and 8.3% identified inheritance, purchase, rent pledge and lease as the other tenure systems existing in the area. Ekong (2003) observes that land in most rural Nigeria is communally owned. In some area, inheritance is closely associated to communal ownership as communities and kindred's get their lands from their for fathers.

Table 1. Socio – Economic Characteristics of the Respondents

ATTRIBUTE	FREQUENCY	PERCENTAGE
Sex		
Male	70	58.8
Female	50	41.6
Age		
21-30	10	8.3
31-40	23	19.2
41-50	32	26.7
51-60	41	34.2
61 and above	14	11.7
Marital Status		
Single	20	16.7
Married	75	62.5
Divorced	5	4.2
Widow	20	16.7
Household size		
1-3	10	8.3
4-6	18	15
7-9	35	29.2
10 and above	57	47.5
Educational Level		
No formal Education	20	16.6
Primary	35	29.1
Secondary	55	45.8
Tertiary	10	8.3
Farm size		
0.5-1	65	54.2
1.5-3	40	33.3
3.5 & above	15	12.5
Farming Experience		
1-5 years	32	26.7
6-10 years	23	19.2
11 and above	65	36.1

Table 2. Distribution of Respondents by Land Tenure System

Land Tenure System	*Frequency	Percentage
Purchase	50	41.7
Inheritance	90	75.0
Pledge	10	8.3
Lease	10	8.3
Communal	100	85.3
Rent	20	16.7

*Multiple Responses

Table 3. Distribution of Respondent According to their Rights to Land

Right to land	Frequency	Percentage
Possession of land right		
Yes	80	66.7
No	40	33.3
Security of right		
Yes	50	41.7
No	70	58.5
Types of right to land		
Use right only	105	87.5
Control right	20	16.7
Transfer right	40	33.3

Source: Field Survey Data, 2014

Table 4. Distribution of Farmers According to Perceived Effects Land Rights

Effects	Mean (x)
Encourage Investments	2.90
Encourage access to financial services	2.50
Increases optimal land use by farmers	3.10
Enhances households food security	3.40
Eliminates fear of eviction	2.99
Improve bargaining right of farmers	2.70
Improve farming stability	2.65
Bolster farming economy	3.60
Facilitates reallocation of production factors	2.60
Allows the development of an off farm economy	2.70

Source: Field Survey Data, 2014

Observation and experiences have revealed that this form of ownership does not promote agricultural production as it leads to fragmentation of land thus preventing mechanization. Pledge which can allow farmers access to sufficient land for agriculture as favourable alternations to land ownership are not well promoted in the area. This is as a consequence will impair agricultural production since most rural farmers are poor and the lands that are communally owned are not sufficient and favourable for increased production. Commercial ownership has been observed to lead to fragmentation a situation that prevents mechanization and hence improved productivity. Furthermore, since the farm land is not owned by one farmers alone, decision making on the farm would be problematic, thus leading to reduced investments. Leasing and renting of land are no more promoted as several cases emanating in recent times have shown lack of trust as a major issue where the tenants overtime to claim natural ownership of the lands.

Rights to Land in the Study Area

Table 3 shows that majority 66.7% of the farmers possess rights to land while the remaining 33.3% do not possess rights to land. It was also shown that majority 58.3% of the farmers have no secured land rights while the remaining 41.6% have secure land right. It could be that this land was purchased by the users. It further show that use right (87.5%) is the dominant form of land right existing in the study area followed by transfer right (33.3%) and control right (16.6%). According to LANDESA (2012a) agricultural smallholders the world over constitute a significant portion of the poor and their poverty and productivity is intimately tied to the nature of their land property rights: Although many of the poor in the developing world are landless, most of the rural poor have some access to land. These "landed poor" remain poor not simply because their holdings are small, but also because their land rights are weak and insecure. The uncertainty they experience undermines their incentives to make long-term investments in their land or use it sustainably. Their land has limited economic value because it cannot legally be transferred (Bruce, 2004). People sometimes think that all smallholders cultivate land they own, and that all "owners" have clear rights to the land they use. However, land rights systems are complex, dynamic and based on multiple types of property interests. These rights form a continuum, and it is not simply a matter of having secure ownership or not. In fact, many smallholders are tenants who cultivate land owned by others, while other smallholders have only tenuous rights to land that the government regards as publicly owned.

Effects of Land Rights on Agricultural Investment

Table 4 revealed the effects of land tenure rights on agricultural development. Secure rights to land bolsters family economy as seen by mean response of 3.60, secure rights to land also enhances household food security and increase the optimal use of land as shown by 3.40 and 3.10 mean responses. Investments, improves bargaining right of farmers. Allows the development of an off farm economy, improve family stability facilitates reallocation of production factors, and encourages access to financial services are seen by mean responses of 2.99, 2.90, 2.70, 2.65, 2.60, 2.50. According to Economic Commission for Africa (ECA) (2004) Access to land and land security right have profound effects as livelihood activities. Maxwell and Wilbe (1998) also posit that access to land contribute to the attainment of food security. Secure land rights are a foundational building block for agricultural productivity, as well as for economic and social empowerment of producer families (LANDESA, 2012a). Smallholders who have more secure property rights are more likely to make productivity-

enhancing investments since they are more confident they can recoup their investments over the medium and long term. This is often a blind spot for many agricultural experts in developed economies where secure land rights are typically a given. This relationship, which makes intuitive sense, is also supported by numerous studies (Besley, 1995). In one study from 2003, researchers used a national data set in Ethiopia to examine the relationship between tenure insecurity and long-term investments such as terracing. They found that farmers are much less likely to make such investments if they cannot transfer their rights easily and if they perceive that the government might take their land to redistribute to others. The authors conclude that "a household with fully secure and transferable land is estimated to be 59.8% more likely to invest in terracing than one who expects redistribution within the village during the next 5 years (Deininger et al., 2003).

In India, a group of researchers studied the effects of a widely implemented program in West Bengal to give sharecroppers secure long-term rights to land and a minimum share of production. They found that the greater tenure security enjoyed by the protected tenants explains around 28% of growth in agricultural productivity during 1979 – 1993 (Banerjee, et al., 2002). African studies also find a strong relationship between tenure security and agricultural investments. A study of farming communities in western Gambia, for example, found secure land tenure "to positively and significantly affect the propensity to make fixed investments (Hayes, et al., 1997). The same study concluded that land improvements were positively and significantly related to higher farm yields.

Secure rights to land and are a critical, but often overlooked, factor in achieving household food security and improved nutritional status (LANDESA, 2012b). Secure land rights refer to rights that are clearly defined, long-term, enforceable, appropriately transferrable, and socially and legally legitimate. These rights can lead to increased household agricultural productivity and production by:

- Providing incentives to invest in improvements to the land
- Increasing opportunities to access financial services and government programs
- Creating the space needed—one without constant risk of losing land—for more optimal land use. Increased agricultural productivity and production can enhance household food security and nutrition through two avenues: directly, through increased food production for consumption, and indirectly, through increased incomes permitting the purchase of more and better quality food. In both ways, secure rights to land can help moderate the impact of food price volatility on poor rural households (UN, 2010).

Conclusion

The existing land tenure systems are purchase, inheritance, pledge, communal and rent. The respondents (87.5%) have use right only meaning that right could reveal to another person because it's not their own land. Land right affect enhance household food security, bolster family economy, increase optimal land use by farmers, eliminates fear of eviction, encourage investments, allow the development an off farm economy and improve and improve family stability. Secure land rights is a veritable tool for poverty reduction, food security and agricultural investment. The benefits include: bolstering family economy, enhancing household security and increasing optimal land use by farmers. The farmers have use rights. Government should make policies for improving rural tenure security. If land is made available, it will enhance agricultural production. Government should recognize land rights and implement

effective programmes to increase standard of living and the purchase of land.

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