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“Solidarity in a competing world —
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Social Capital and Efficiency in Resource Utilisation among Cassava-Based Farmers in Southwestern Nigeria

KEHINDE OLAGUNJU¹, ADEBAYO OGUNNIYI², LATIFOU IDRISOU³

¹*Szent Istvan University, Inst. of Regional Economics and Rural Development, Hungary*

²*University of Ibadan, Department of Agricultural Economics, Nigeria*

³*International Institute of Tropical Agriculture (IITA), Nigeria*

Abstract

Despite Nigeria's leading position in world cassava production, the quantity of cassava produced has not reached a level to meet both the demands of local and international markets neither has it attained the much desired potential productive capacity which was attributed to inefficiency in resource use. A number of economic approaches has been put together in various research outputs, unfortunately, few or none examined the potential impact of social capital on optimisation of resource use which necessitated this study.

This study examined the effects of social capital on resource use efficiency in southwestern Nigeria. The data for the study were collected from 390 households in 8 local government areas (LGAs) using probability proportionate to size of the residence in the LGAs. Data analysis was done using descriptive statistics, social capital indices, marginal value product-marginal factor cost approach and ordered probit regression technique. The average cassava farming household size was 5.0 ± 3.7 persons belonging to at least 4 associations, while the average age of the cocoa farming household head was 44 ± 9.8 years. Cassava farming households have meeting attendance index of 65.42% and decision making index of 7.30% in the associations. Index of heterogeneity as 58.40% in association, while, cash and labour contributions were 13.45% and 10.12%, respectively. The aggregate Social Capital Index was 23.76% in association indicating low level of social capital among the cassava farming households.

Furthermore, the study reveals that there is under utilisation of all the production inputs under consideration. Specifically, a unit increase in social capital would increase optimum utilisation of resources of cassava farmers by 0.36%. Social capital was truly exogenous to resource utilisation with no reverse causality. Although, cassava farming households have good meeting attendance, poor decision making and cash contribution in associations however, affected their resource use optimisation. The study concludes that social capital positively affect resource use optimisation; it was therefore recommended that government should create an enabling environment for the emergence of local organisations in terms of their registration and the constitution governing formation of such.

Keywords: Nigeria, participation, resource utilisation, social benefit, social groups