



Large-scale Land Investments & Employment in Nigerian Communities



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Background & Problem Statement

It is believed that the presence of Large-scale Land Investments (LLIs) in a community will provide a more comprehensive outcome – in terms of employment, especially if there are complementary and functional informal institutions in the communities that will drive the employment and welfare of the households in the host communities.

However, the implications of these LLIs are numerous ranging from dispossession of ancestral lands, households' agricultural activities (un)employment concerns, poverty and food security, poor compensations and environmental pollution, among others (Deiningner *et al*, 2011; Osabuohien, 2014).

Data Sources & Methodology

This study is in two stages. The first stage is the utilisation of the data from the Living Standards Measurement Study-Integrated Study on Agriculture (LSMS-ISA), which is a survey conducted by the World Bank in conjunction with Nigeria's National Bureau of Statistics (NBS).

In the dataset, the communities with the occurrence of LLIs will be identified using the land-matrix dataset. This identification will aid in distinguishing the communities that have experienced LLIs and those that have not. Based on this, comparison can be easily made with regards to employment issues.

The 2nd uses qualitative approach based on field visits at the location with LLIs- the LLI in Ota, Ogun State. The LLI studied spans over 2000 Ha in 3 communities in Ado/Odo Ota Local Government Area (LGA), Ogun State, Nigeria. Presently, the farm is into cultivation of oil palm, cassava, plantain, maize, water melon, and vegetables.

Preliminary Findings

The employment is in 2 folds: regular staff & casual staff.

-Regular staff: accountants, assistant farm manager, farm manager & technical supervisors

-Casual workers (engage in planting, weeding & land preparation) & many of them are not from the host communities.

-Working hours: 8am – 5pm

-Wage Rate: 800 -1000 Naira per day.

-Workers with technical skills (e.g. tractor operators) earn 1000-1300 Naira per day.

-Low participation of youths & educated labour force.

-The farm is not able to retain them because of their incentives and salary structure.

Implication/Next Lines of Action

Local institutions to guide the framework of the operation of LLIs and it is essential to regulate the protection of the farm workers welfare. There is need for policy overhaul that encompasses enforcement of existing rights, equity and transparency in decision making.

Implication/Next Lines of Action

Difference-in-Difference (DiD)

2010/11 & 2012/13 Panel Surveys covering 22,000 HHs. Two states of affairs, S = 0; 1 (communities with LLIs =1 and those without it =0) & two periods, t = 0 (2010/11); 1 (2012/13). $\gamma^{DiD} = \rho + \epsilon_{11} - \epsilon_{10} - (\epsilon_{01} - \epsilon_{00})$

Selected References

Deiningner, K, Byerlee, D., Lindsay, J., Norton, A., Selod, H. and Stickler, M. (2011). *Rising Global Interest in Farmland*. Washington DC: The World Bank.
Osabuohien, E.S. (2014). Large-scale agricultural land investments and local institutions in Africa: The Nigerian case. *Land Use Policy*, 39, 155-165

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Summary Statistics of Selected Variables for Communities with/without LLIs in Nigeria

Name ^{&}	Measurement	All Communities		With LLIs		Without LLIs	
		Mean	S.D.	Mean	S.D.	Mean	S.D.
area ^[*]	Area of the community ('000 km ²).	1.201	1.413	1.911	2.825	1.174	1.330
popu ^[*]	Population of the community ('000 persons).	201.52	113.67	224.24	121.97	200.66	113.42
security ^[*]	Average annual number of violent deaths.	12.57	28.46	29.79	43.66	11.92	27.59
rainfall ^[*]	The amount of rainfall (in mm)	215.48	85.55	235.00	49.17	214.95	86.32
distance ^[*]	Distance (km) of social amenities from community centre.	17.74	29.41	8.75	9.78	17.95	29.69
labcost ^[*]	The amount workers are paid by acre* ('000 naira)	3.906	3.617	3.670	3.391	3.916	3.632
lancost ^[*]	Cost of an acre* of land ('000 naira).	352.39	2128.34	73.94	173.01	361.64	2162.70
transpdm ^[*]	Presence of modern means of transportation; yes=1, 0 if otherwise.	0.5459	0.4874	0.5333	0.5164	0.5426	0.4880
nsas ^[*]	Existence of NSAs; yes=1, 0 if otherwise.	0.2971	0.4575	0.4499	0.5071	0.2932	0.4558
meetfreq ^[*]	If NSAs meet more than twice a year=1, 0 if otherwise.	0.2126	0.3961	0.3333	0.4499	0.2080	0.3938
womenaces ^[*]	Women access to land tenure, yes=1, 0 if otherwise.	0.3309	0.4567	0.2333	0.3716	0.3346	0.4595
educ post ^[*]	Post primary education and above =1, 0 if otherwise.	0.3937	0.4892	0.4667	0.5164	0.3910	0.4886

Note: For brevity, only the means and standard deviation (S.D.) are reported. [&]The apriori expectations are in square bracket []. *These are continuous variables. *An acre of land is approximately 0.405 hectare. *The average exchange rate of 1 USD to Naira was 200 in mid-2015.