

# Chapter 47

## Land Deals and Sustainable Income: The Case of a Rural Community in Ogun State, Nigeria

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### ABSTRACT

*This chapter examines the extent to which land deals affect the sustainable income of households in Ota, Ogun State, Nigeria. Particular interest is paid to the interplay between land deals and other covariates like education, age, and other incomes aside land deals. A survey consisting of about 500 Ota indigenes is analyzed using logistic regression, which is complemented by other descriptive statistics. The results reveal that land deals have not sufficiently and positively affected the income of the individuals. On sustainability of income, land deals act in direct opposition with the other covariates. This implies that when land deals significantly affect sustainable income the other variables act otherwise. The implication from this is that land deals are not a sustainable source of income for indigenes in the study area. This is particularly because its inclusion in the model has an adverse effect on the other covariates.*

### INTRODUCTION

Issues on the consequences of land deals and income sustainability of affected individuals have received considerable attention in recent times, especially in African countries. Most of the researches are concerned with the economic implication of these land deals on landowners and the community as a whole (Doss, Meinzen-Dick & Bomuhangi, 2014; Osabuohien, 2014). Land as an economic asset, is expected to contribute to poverty reduction at both the micro and macroeconomic level. This is because of the activities that land fosters, such as agricultural activities, buildings to rent out, and sale. These

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activities are expected to translate to a consistent flow of income which will improve the welfare of the individuals/households.

Evidences exist that expose the contrary outcomes from land deals. For instance, Liversage (2010) found that foreign land acquisitions pose potential threats to the land rights and livelihoods of smallholder farmers, pastoralists, indigenous communities and other vulnerable groups. Nolte (2014) also realized that land deals have negative consequences on affected communities, especially the socio-economic development of the community. Strikingly, many of the deals that have raised alarming interest have been initiated by foreigners and are domiciled in African countries. For instance, 60% of global foreign land deals (FLDs) are targeted at African countries (Bruntrup, 2011; Deininger et al, 2011). Anseeuw et al (2012) specifically noted that from the 56.6 million hectares (ha) of land deals, 56.2 million ha are in Africa.

Prior to the country's independence in 1960, variations in land deals and transactions existed across the various geo-political zones in Nigeria. This came about as a result of different cultural, religious, economic, political and social differences on land matters. Additionally, the variations in government arrangements and land policy were evident in the way and manner 'land owning families' and traditional rulers handled land deals from their respective domains. Since then, there have been re-occurrences of land deals in Nigeria. Markedly, the southern region of the country has recorded over a 100,000 ha of land deals, making the country among the 16 African countries where land deals have been reported, (Anseeuw *et al*, 2012; Osabuohien, 2014). This size is marginal compared to other African countries like Angola, Democratic Republic of Congo and Sudan, which witnessed millions of ha of land deals. However, the land deals in Nigeria cannot be neglected because of the relevance of this country to the African developmental trajectory. This implies that findings from this country, with regards to developmental issues, can be suitable for policy replication in other African countries. This was well elucidated in Asiedu (2006), where she highlighted the relevance of research findings of African countries that become insightful for policy action in other African countries.

Land deals in Nigeria can be perpetrated by a direct contact with land owners, without interference from the government. The major regulatory framework that governs land matters is the land Act of 1978, which gives households/individuals the right to access and own lands. This includes the right to own, sell, lease, mortgage, inherit or exchange lands. In Nigeria, the southern region of the country has largely been involved in land deals. Particularly, communities in *Ota*, a local government in Ogun state (one of the South-Western states of Nigeria), is a major beneficiary of this Act. This is owing to the fact that majority of the households in this community have ancestral lands, that has become the major source of income of individuals living in this community. Most of these ancestral lands are sold to both foreign and domestic investors, which are evidenced in the vast industrial concentration in the area, second only to Lagos State-a major industrial hub in Nigeria.

Despite the increasing rate of land deals in Nigeria, and the southern part of the country, to be specific, the extent to which these deals affect the sustainability of income of the land owners is not well-known. To the best of our knowledge, the closest and most recent study that made enquiry on a similar issue is Osabuohien (2014), which pointed out a major limitation that this current chapter intends to overcome. The author noted the need for further research on the domestic aspect of land deals that will present additional interesting discussions on land deals in Nigeria. Taking note of this, micro data from rural communities in *Ota*, were gathered to examine the extent to which land deals affect individuals who engage in it. For generalization, the study site-*Ota*, yields relevant policy implications. Apart from the fact that land deals are continuously reoccurring in this community, a somewhat paradoxical outlook persists

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