American Journal of ECONOMICS and SOCIOLOGY

'Imperfect' Markets for Executives, Professionals— M. Dornstein	113
Toward a Social Welfare Construct for Social Indicators— F. G. Hayden	129
Assessing the Development Decision-Making Process: Canadian Petroleum—R. F. Keith and D. W. Fischer	147
A Tested Program for Development—R. W. Lindholm	165
On the Passing of Paul F. Lazarsfeld	169
Framework for Foreign Investment—F. Long	171
Land Tenure Practices in Nigeria—D. N. Ike	187
Effectiveness of Differential Assessment of Land— G. W. Atkinson	197
Foreign Exchange in the 4th Century, B.C.— M. A. Copeland	205
An Integrated Theory of Social Systems (Review)— J. Backhaus	217
Contributors	224
Vol. 36 APRIL, 1977	No. 2

The AMERICAN JOURNAL of ECONOMICS and SOCIOLOGY

Editor-in-chief: Will Lissner, Ed.D., New York. Business Manager: V. G. Peterson, Acton, Mass. Editorial Council: Raymond E. Crist, Sc.D., U. of Florida; Morris D. Forkosch, Ph.D., Hamline U. School of Law; George Raymond Geiger, Ph.D., Antioch Coll., Yellow Springs; A. J. Jaffe, Ph.D., Columbia U.; Adolph Lowe, J. D., Graduate Faculty, New School. Asst. Business Manager: Frances Soriero, New York. Assistant Editor: Dorothy Lois Lissner, New York. Counsel: William S. O'Connor, LL.B., Westport, Conn.

Editorial Board: R. V. Andelson, Ph.D., Auburn U.; Charles A. Barker, Ph.D., Johns Hopkins U.; Tony Bonaparte, Ph.D., Pace University; Elizabeth Read Brown, M.S.L.S., Columbia, Mo.; Roy A. Foulke, LL.D., Bronxville, N.Y.; Lancaster M. Greene, New York; C. Lowell Harriss, Ph.D., Columbia U. E. C. Harwood, M.B.A., Great Barrington, Mass.; Gabriel T. Kerekes, Ph.D., New York; L. G. Ligutti, LL.D., Rome; Richard W. Lindholm, Ph.D., U. of Oregon; Bernard Newton, Ph.D., Long Island U.; Fred B. Renwick, Ph.D., New York U., Joseph S. Roucek, Ph.D., City U. of New York; George G. Sause, Ph.D., Lafoutta Coll

Lafayette Coll.

Publisher: The American Journal of Economics and Sociology, Inc. (a non-profit membership corporation). President: G. T. Kerekes, Ph.D.; Vice Presidents: Oscar B. Johannsen, M.B.A., New York; Earl K. Moore, LL.B., New York. Secretary Treasurer: V. G. Peterson. Assistant Secretary: F. Soriero. Directors: The principal officers, G. R. Geiger and W. Lissner.

The editors, officers and staff do not necessarily endorse opinions and statements in signed contributions. As a scientific journal, this publication sets no ideological standards for its collaborators or contributors. It affords contributors the widest freedom consistent with scientific integrity as this is defined and may be redefined by the American professional learned societies in the fields it covers.

Frequency: The American Journal of Economics and Sociology is published quarterly in January, April, July and October. Office of Publication: 50 East 69th Street, New York, N.Y. 10021, U.S.A. Index: For each annual volume appears in the October issue. Subscriptions: U.S., \$10 a year; foreign, \$10.50. Single Copies:

Reprints: Vols. 1-35, inclusive: Microfilms of volumes and Xerography copies of missing issues and pages: Xerox University Microfilms, 300 North Zeeb Road, Ann Arbor, Mich. 48106. Microcards: Microcan, Inc., 618 Parker St., Boston, Mass. 02120. Microfiche: Xerox University Microfilms, above; Bell & Howell Micro Photo Div., Old Mansfield Road, Wooster, Ohio 44691; Johnson Associates, Inc., 175 Fifth Ave., New York, N.Y. 10010. Printed Volumes: Complete annual sets in paper and cloth bindings, Vols. 1–28 (1941–69): Kraus Reprint, FL-9491 Nendeln, Liechstenstein.

Indexed and/or Abstracted (in whole or in part): H. W. Wilson Co.'s Social Sciences Index (formerly Social Sciences and Humanities Index; previously the International Index); Sociological Abstracts; Journal of Economic Literature; Psychological Abstracts; International Political Science Abstracts; Population Index; Historical Abstracts; America: History & Life; Contents of Recent Economics Journals, U. K. Dept. of Trade & Industry Central Library; Bulletin Signalétique: Philosophie, Sciences Humaines; Bibliographie Internationale des Sciences Sociales; U.S.S.R. Academy of Sciences Abstracts Journal; Rassegna della Stampa Problemi Fiscali; P. R. of China Academy of Sciences Abstracts; Estudios Politicos; Instituto de Ciencios Sociais, Universidaded do Brasil; Notas e Informacionaes Ciencias Sociales; Quarterly Checklist of Ethnology and Sociology, American Bibliographic Service; Book Review Index; Public Affairs Information Service Bulletin; Current Index to Journals in Education, Educational Resources Information Center; American Behavioral Scientist Guides to Recent Publications in the Social and Behavioral Sciences; Executive Abstracts; Social Science Reporter; ABC Pol Sci; Universal Reference System (Plenum) Political and Behavioral Science Series; National Association of Housing and Redevelopment Officials Journal of Housing.

Second class postage paid at New York, N.Y., and additional mailing offices. Title registered as a trademark in the U.S. Patent Office, Registration No. 851663.

Copyright © 1977, by the American Journal of Economics and Sociology, Inc.

International Standard Serial Number: 0002-9246.

A Comparison of Communal, Freehold and Leasehold Land Tenure:

A Preliminary Study in Ibadan and Ife, Western Nigeria

By DON NNAEMEKA IKE *

ABSTRACT. An attempt is made to delineate relevant land tenure practices in two representative districts of Western Nigeria. With data generated from the study, the hypothesis that communal land tenure system is inferior to a freehold system was tested. Subject to the limitations of the data as discussed, it was tentatively validated. From the study it was shown that the land tenure system was still basically communal, that is that land is still held by the community (signifying village group, family or lineage group) in common. Further, the relevant variables of income, labor months applied, and number of acres cultivated per farmer were all significantly higher for the average freehold tenant than for the average communal tenant.

T

HYPOTHESIS AND DATA

In this investigation an attempt is made to point out relevant land tenure practices that militate against optimal allocation of land in the agricultural sector of Western Nigeria. The broad hypothesis that is tested is that a communal land tenure system is inherently inferior to a system characterized by the presence of fee-simple rights, in short, a freehold land tenure system. In trying to validate this hypothesis several variables will be delineated in the two land tenure classifications and tested for significant differences. Some other distortions in the agricultural sector that lead to lowered value of land are also highlighted empirically.

The data used were derived from a sampling of farmers in the Ibadan and Ife Districts of Western Nigeria. The data have certain limitations because of the small sample size in relation to the sampling population. An assumption of normality in the population distribution would make this qualification unnecessary. But this cannot be inferred from the sampling distribution. However, the data are analyzed

^{*}The author is indebted to the Ford Foundation for funds channelled through the Institute of Administration, University of Ife, Nigeria, which aided the research. He is also grateful to Professor Adegboye, of the Department of Agricultural Economics, University of Ibadan, Nigeria, for useful comments and suggestions.

and presented as a preliminary and tentative study which, it is hoped, may shed some light on the land tenure system in the absence of a thorough study based on a sample of adequate size. This is thus presented as a possible basis for a future full-blown investigation.

A questionnaire was administered to 200 farmers interviewed in the months of February and March, 1973. The survey encompassed 25 villages in the two districts, viz.: Oduona Kekere, Ajia, Akanran, Origbo, Apesin, Apomu, Ikire, Jago, Ashipa. Ojoku, Lalupon, Moniya, Erumu, Olodo, Olufon, Idioshe, Olukunle, Ipetumodu, Edun Abon, Agbungbu, Ayekoka, Ajebandele, Ladin, Ashe and Aye-oba. These villages range in distance from 6 miles to 69 miles from Ibadan, one of the largest cities in Black Africa.

II

LAND TENURE AND FARMING PRACTICES

The principal land tenure systems in Nigeria are communal, free-hold and leasehold systems. The communal system is characterized by the ownership of land in common by the community which may be a family or lineage group, a village or a tribal group. Within larger tribes, communal ownership would commonly refer to ownership by the family, or lineage group with extended structure, or the village group since many distinct communities are possible within the same tribe. The freehold system is characterized by the ownership of feesimple rights to land, including the right of the individual to transfer such land by sale or rental. The leasehold system is practiced where land is given out on loan for a season or for an indefinite period with the promise that rental payments will be made, in cash or kind, periodically. The right of reversion of land to the lessor is also guaranteed.

According to early researchers into the Nigerian land tenure system, the fundamental law of communal tenure is the inalienability of land. The practice of selling land was not known in Nigeria until 1852 when a treaty signed in Lagos abolished the slave trade and led to an influx of ex-slaves to Lagos (Nigeria) from Sierra Leone. Said Chief Justice Osborne after referring to this event, "the practice of alienation of land sprang into vogue and another new feature totally foreign to native law which knew not writing was introduced in the shape of written grants by the King of Lagos" (1).

In other parts of Nigeria efforts were made to stop the encroaching

"vices" of trading in land since, if left unchecked, it would destroy the communal system of tenure. In Western Nigeria, land was being increasingly bought and sold until 1913, when an Order-In-Council was enacted by the Native Administration to put an end to this "abuse". The order forbade sale of land to non-natives. The situation presently has taken a turn for the better.

In this sample survey of Ibadan and Ife, Western Nigeria, of the 200 farmers interviewed, 51.5 percent think that it is easy to buy and sell land in their community. This includes buying land for other than agricultural purposes. When questioned further, on whether the practice of sale of land was prevalent in their communities, 35.5 percent felt so. This shows the extent to which the practice is presently in vogue. But only 18 percent of the farmers interviewed support the practice and 20.5 percent have actually engaged in it. Thus some farmers who have traded in land do not support the practice.

Those who felt it was difficult to find land to buy in their communities gave as the reason that most lands have been cultivated and there was no "surplus" left for sale. The majority of those who do not support the practice gave the following reasons: Land belongs to all generations, it should not be sold. They would not want to dispossess future generations of land. Farmers should not lose their only source of income, etc. Thus the main barrier to the sale of land is that the present and future generations own land in common.

A significant proportion, 82 percent of the farmers, are opposed to trading in land. The needs of the future generation are met with the available land in the present. This significant proportion should be taken to represent the force of tradition as a barrier to the sale of land.

Inheritance was the chief mode of acquisition of land; 81.5 percent of the farmers inherited their holdings while 19 percent purchased their holdings. 17 percent had rented land and 3.5 percent had some land by gift (2). Most of those who inherited land were under communal tenure as seen by the fact that 36 percent of the farmers interviewed live in communities where the village (or town) chief allocates land and 52.5 percent live in communities where the family (or lineage) head handles the allocation. Lands allocated in either of these ways are communally owned. Nothing prevents inheritance under freehold or leasehold systems, since land rights are transferable under both systems. Transfers could be made either in perpetuity

(by means of bequests) or for set periods (lease) with rights of reversion to the lessor in the latter case.

Almost 70 per cent of those who have rented land had contracted for it under written agreement. This shows the growing importance of the written record in transactions involving land. It is reflected by the fact that 94.5 per cent of the farmers interviewed felt that they would be able to farm their lands as long as they lived; only 5.5 per cent were not that confident.

Almost 95 per cent of the farmers agreed that a person born elsewhere could be allocated land to farm in their community. If a person born elsewhere (e.g. a neighboring village) is in the same language group as his hosts, he would be allocated land to farm only food crops. But if he comes from a different language group (or a different tribe), he would manifestly be denied any farming land whatsoever. Thus, laborers are prevented from moving from regions of high population density to regions of low density especially when these regions have different spoken languages or tribes. Over 250 languages are spoken in Nigeria and this serves effectively to limit migration in the rural farm sector (3).

Most of the farmers grow both food and cash crops. Food crops are for domestic consumption and cash crops are for export to industrialized economies as industrial raw materials. While 3.5 percent of the farmers grew no cash crops at all, 95.5 percent grew from one to five cash crops each. The average number of cash crops grown by communal tenants and freeholders are given in the section on comparisons below.

The chief implements used are hoes, cutlasses (machetes) and curved harvesting knives (made in the form of a sickle with a long handle and used principally for plucking cocoa; the European sickle has a short handle for reaping). All the farmers had cutlasses while 98.5 percent had hoes, 14.5 percent had digging sticks and 91 percent possessed curved harvesting knives. Only two farmers had motor driven equipment (4). None had a tractor or other heavy equipment for cultivation.

One hundred and twenty six farmers, 63 percent of the sample, have structures on their farms. None has more than one structure. These are essentially adobe-like mud-huts used for storage and for shelter from the rains in the rainy season. Since lands are often disputed, they serve additionally to ensure the farmer's claim to ownership of the land.

Not all farmers use chemicals to eradicate insects and fertilizers to augment the productivity of the soil. Eighty percent of the farmers use chemical insecticides and/or fertilizers and 98 percent of these procured the chemicals/fertilizers with their own money from the market in spite of on-going government subsidy schemes to promote the use of these factor inputs, provided from extra market sources.

III

THE FARM ENTERPRISE

The average size of the largest plots was 7.48 acres, with the distribution from less than one acre to 100 acres for the most consolidated holdings. The farmers have a propensity to accumulate scattered farm holdings separated from one end to the other by farms of other farmers, village units and other communities. The farmers generally do not see these scattered holdings as constraints to increased farm output. Much land, 44.5 percent of the land owned by the farmers, lies fallow from year to year.

The average income of the farmers was estimated at 398.8 Nigerian pounds sterling, which was equal to \$1,184.40 (exchange rate 1972, £1 Nigerian = \$3 U.S.). This is comparable to the median income in the industrial sector although sectoral migration from the rural to the urban sector is still a predominant factor in this dualistic agricultural culture. Incomes for farmers were computed using the value of a farmer's output less payment to other factors plus imputed value of own output consumed in the year.

Most of the farmers believed their farms were on good soil, located on flat plains; 98 percent described their soil as "good"; 96 percent reported their farms' location as on flat plains. Lack of rainfall was a common problem in the study year; 98.5 percent of the farmers said their farms did not get enough rain in the preceding year. Only 38 percent reported losses due to insect pests. These could have been avoided by the use of chemical pesticides.

The farmers believe in polygamy and practice it. The most fecund farmer had 28 children. Seventy-eight percent of the farmers hired laborers to augment the labor of family members; the others did not go beyond the family labor force.

When asked whether they would like their children to become farmers after them, 69 percent said no. All the others did. Those

wanting their children to follow in their footsteps felt farming was productive while the majority of the dissenting farmers would prefer less tedious (in their view) urban white and blue collar jobs for their children.

Almost all the farmers interviewed, 98.5 percent, know that land has monetary value. Some farmers felt very strongly about the high value of land in terms of money. But only 23.5 percent of the farmers thought that land should be bought and sold and 92 percent confided that they could not under any known circumstances alienate part or parcel of their land.

Reasons for non-alienation as adduced by the farmers are: children should inherit land; land belongs to all generations; farmer would lose all their sources of income, etc. Since 98 percent know that land is a productive input and 92 percent would not contemplate the sale of any part of their land, one would conclude that though farmers know that land has monetary value, tradition prevents them from selling land like any other productive factor input in the land market.

IV

A COMPARISON BETWEEN COMMUNAL AND FREEHOLD TENURE

Out of the 200 farmers, 137 were classified as communal tenants, 33 as freeholders and 18 as long-term leaseholders (5). The communal tenants are those who inherited land in communities where either the village head or the family head allocates land. In such communities, land is held in common either by the village group or the family group. The freeholders are those who bought their own land in areas where buying and selling of land is prevalent. These farmers have permanent rights to their land including the right of transfer by sale or rental. The long leaseholders rented land for as long as they lived, paying some token rent, either in kind or cash on a yearly basis, to their landlords. According to them, they cannot be evicted from their land during their lifetime, and their children could subsequently inherit the land under the old terms or on contracts newly negotiated (6).

The average distance from Ibadan of the communal land tenants was 24.48 miles, while that for the freeholders was 22.36 miles. The average distance from Ibadan for the third category, the leaseholders, was 59.25 miles. Thus for the purpose of comparisons, the communal tenants would be compared with the freeholders, and not with the

leaseholders who are specifically located around Ife, 54 miles from Ibadan and not randomly scattered around the areas like the first two categories.

The average income and the average income per cultivated acre was larger for the freeholder than for the communal tenant. The average income for the freeholder was £536.3 as against £339.1 for the communal tenant. Average income per cultivated acre for the freeholder is £30.6 as against £22.6 for the communal tenant. But the freeholders have more plots, on the average, than the communal tenants (3.9 versus 3.3). It is fitting to state paradoxically that the better index of consolidation is the size of the largest plots (7). The greater number of plots for the freeholder may be a reflection of their greater wealth as farmers (as measured by the income figures). With this wealth they can purchase bits and pieces of land wherever possible—opportunities to buy and sell land are not available in all communities in this area.

The freeholder cultivates a greater proportion of his land than the communal tenant, 63 percent of his land as against 51 percent for the communal tenant. However, these percentages do not show significant difference (t-value of 1.25) at the 5 per cent confidence level so no strong inference can be drawn from them (8).

Sixty percent of the freeholders have structures on their plots as against 62 percent for the communal tenants. The average value of these structures was £72.2 for the communal tenant and £61.4 for the freeholder. The communal tenant may build houses on the farm in order to establish his user rights to the land. An extension of labor sometimes creates rights, and to leave a piece of land without a landmark of some sort would expose such land to future disputes about the validity of the user's claim. The freeholder on the other hand does not need such land marks to establish ownership since registrable deeds of sale and purchase can validate his claim.

The most valid evidence of the superiority of individual rights to land is the average net income per farmer. The difference is significant at the 5 percent confidence level. Also the significantly higher labor months applied by the freeholder shows that the freeholder has greater incentive to develop his holdings to the most productive use. Further, the total acreage cultivated by the freeholder is significantly higher than that for the communal tenant, showing that freeholding has a greater propensity towards expansion. Since the total income

figure is higher for the freeholder and the income per acre is also higher (though not significantly higher) we might expect that factors are applied relatively more efficiently by the freeholder to produce the output. But the evidence is not conclusive.

V

CONCLUSIONS

A TENTATIVE CONCLUSION, given the inadequacies in the data base, is that extension of fee-simple rights to land would lead to the betterment of the conditions of the rural farmer, principally in Western Nigeria. And since according to Doreen Warriner (9), land reform refers to measures to either redistribute incomes in land or improve the conditions of agriculture and those of the peasants, a valid land reform program in Nigeria, using Ibadan and Ife experience as a guide, should first seek to displace the communal system of tenure.

Using the data on Ibadan and Ife as representative of the Nigerian situation and subject to the limitations of the data, the Nigerian system of land tenure is still basically communal and the degree of communality does not seem to have subsided appreciably. On that account, constraints are imposed on the optimal allocation of land in the agricultural sector. Labor is immobile because members of foreign language groups cannot obtain land on which to plant cash crops. Land cannot easily be bought and sold and efficient farmers do not thus have the opportunity to expand on contiguous tracts by buying out less efficient farmers. This is a common result where holdings are fragmented.

The incomes of farmers who have fee-simple rights to their land were found to be significantly higher than the incomes of communal tenants. Further, the freeholder with fee-simple rights to land tended to apply significantly more labor months to his plots than the communal tenant, showing a greater incentive to bring land to productive use. The freeholder also had a significantly higher number of acres under cultivation than the communal tenant showing that freeholding is more amenable to expansion and consolidation than communal tenure. Thus evidence abounds to substantiate a presumption that a movement to individual freehold tenancy would lead to increases of wealth by means of increased agricultural output in the agricultural sector of Nigeria.

Institute of Management and Technology Enugu, Anambra State Nigeria, West Africa 1. Nigerian Law Reports, 1910, Vol. 1, p. 3.

2. These percentages do not sum to 100 because the categories overlap.

3. Most of the languages have been classified as belonging to either of two great language groups: the Hamite-semitic group and the Nigritic or Niger-Congo group. Within each group, the languages spoken differ considerably. Actually there are about 250 tribes in Nigeria and some of the languages spoken can be classified as dialects. See Robin Hallet, People and Progress in West Africa: An Introduction to the Problems of Development (Oxford: Pergamon Press, 1966), pp. 32-33. Also F.A.O. Schwartz, Nigeria, The Tribe, The Nation, or the Race, (Cambridge University Press, 1965), p. 1; Buchanan and Pugh, Land and People in Nigeria (London: University of London Press, 1962), pp. 84-87.

4. One farmer has a truck and the other has a motorcycle.

5. The ceteris paribus assumptions are for the comparisons made between the important variables in the two groups (freeholders vs. communal tenants). The greater incidence of crop loss due to pests on one than on the other group may be due to a higher incentive to one to procure and use insecticides. These incentive effects as argued are not independent of the system of land tenure and as such should not obviate from the results.

6. Twelve remaining in the sample were not placed into any category because they either gained their land through gifts or inherited them outside the communal system. Also some of the 12 were removed as control device as a result

of adverse rainfall, topography, fertility of soil and plant disease.

7. Dr. Adegboye, the then Senior Lecturer in Agricultural Economics, University of Ibadan, Nigeria, convinced the writer about this. This is easy to see when comparing two hypothetical farmers, one with his largest plot say 10 acres, the other 5 acres. The first farmer has achieved greater consolidation given that the compact 10 acres could possibly have been five disjoint parcels of 2 acres each.

8. Annual income per farmer, number of plots per farmer, acreage of largest cultivated plot per farmer, total acreage cultivated per farmer, number of cash crops grown per farmer, number of labor months applied per farmer, percentage of cultivated land, annual income per acre cultivated were tested for significant difference between the two categories. The income per farmer, the number of labor months applied per farmer, and the total acreage cultivated per farmer were all significantly different at 5 per cent confidence level. The others have t-values that did not diverge over the two samples at 5 percent confidence level. For statistical techniques applied see William A. Spurr and Charles P. Bonini, Statistical Analysis for Business Decisions (Homewood, Ill.: Richard D. Irwin, Inc., 1967), p. 289.

9. Doreen Warriner, Land Reform in Principal and Practice (Oxford: Clarendon Press, 1964), pp. xiv and xv, defined land reform as both the redistribution of property rights on land for the benefit of the small farmers and agricultural laborers and as any improvement in the institution of land tenure and agricultural

organization.

Needed: Food for 400 Million People

More than two-thirds of the the world's population produce only about one-third of the world's food. At the present growth rate in output of 2.5 percent a year, the gap between what the developing countries produce and what they need could rise from 25 to 85 million tons by 1985. Since 1954, the United States, as the world's largest producer and exporter of food, has provided more than \$25 billion in food aid to developing countries. But hunger and malnutrition remain

stark realities for some 400 million people, and food aid alone can go only part way toward alleviating the situation. The long-term solution lies in increasing agricultural production by the developing countries themselves and in their means to purchase imports. Food security in the long run means more equitable distribution of productive capacity in foodstuffs worldwide. [From Gist, an unofficial U.S. Department of State newsletter.]

FAHEY BLACK

A Journal for Cultural Economics

BEGINNING IN MAY, 1977, the four-year-old Association for Cultural Economics began publishing an off-set format journal, *The Journal of Cultural Economics*. The Association and its largely interdisciplinary journal are devoted to encouraging economists, planners and other social scientists to undertake studies of the economics of art, art institutions and other cultural institutions in society. A professional membership includes a subscription to the *Journal of Cultural Economics*, published twice each year. Membership fees of \$5.00 may be addressed to A.C.E., Department of Urban Studies, University of Akron, Akron, Ohio 44325. Manuscripts sent for possible publication should be addressed to William S. Hendon, editor, at the above address. The journal's style sheet is sent on request. [From Professor Hendon.]

Meeting of Social Sciences' Historians

The 9th annual meeting of Cheiron, the International Society for the History of the Social and Behavioral Sciences, will be held at the University of Colorado, Boulder, Colo., from June 9 to 11th, 1977. Papers, the emphasis of which will be interdisciplinary, will deal with aspects of the history of any of the behavioral and social sciences or with related historical or social science methodology. For information write Dr. Michael Wertheimer, Department of Psychology, University of Colorado, Boulder, Colo. 80304. (From Dr. Elizabeth S. Goodman, secretary treasurer, 115 West Royal Drive, DeKalb, Ill. 60115.)