

ACCESSIBILITY OF LAND AS A TOOL FOR EMPOWERING THE LOW-INCOME EARNER OF THE INFORMAL SECTOR IN NIGERIA

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AN OVER VIEW

For those in the informal sector, the significance of accessibility to land goes beyond the need for housing. In order to access funds and credit facility (for business growth) from government scheme and financial institutions, they need landed property as collateral security.

For some, rental payment constitutes the highest component of their operating cost. Accessibility to land therefore, plays a vital role in poverty reduction and enhancing the status of this group of individuals.

Although the Land Use Act No 6 of 1978 and 1999 Constitution guarantee (conceptually) equal accessibility to land for all and sundry, but how far has this been achieved in practice?

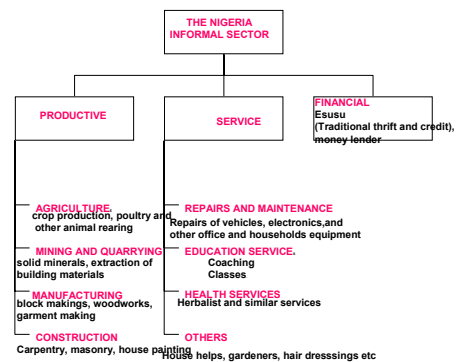
In this wise, this paper sets to highlight the problems of land accessibility in Nigeria with special focus on this vulnerable group that work in the informal sector using Akure, the Ondo state capital as a case study.

The study found that the workers in the informal sector were greatly marginalized. The significant factors that contribute to this include low income, educational status and the type of their occupation. In this wise, the study recommends economy empowerment, entrepreneurship development, co-ownership, effective mobilization, removal of administrative bottleneck, and review of the Act to facilitate land accessibility.

THE NIGERIAN INFORMAL SECTOR

"The informal sector (IS) describes economic activity that takes place outside the formal norms of economic transactions established by the state and formal business practices but which is not clearly illegal in itself" (Cross,1998). The ILO and UNDP, 1972 refers to it as " the non-structured sector that has emerged in the urban centres as a result of the incapacity of the modern sector to absorb new entrants". In Nigeria, the informal sector refers to economic activities in all sectors that are operated outside the purview of government regulation (Ekpo and Umoh, 2006).

THE STRUCTURE OF THE NIGERIAN INFORMAL SECTOR



SOCIO-ECONOMIC DATA ON THE NIGERIA INFORMAL SECTOR

- Information on the size and employment structure in the Nigeria informal sector is hard to obtain, but according to estimates, the sector accounts for between 45% and 60% of the urban labour force, up from about 25% in the mid-1960s. Life expectancy at birth is about 52 years; infant mortality rate is as high as 19.1 per 1000; and the per capita income is thought to be US \$274 (Nwaka, 2006).

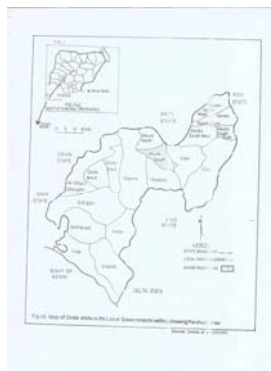
THE INFORMAL SECTOR AND GOVERNMENT ECONOMIC DEVELOPMENT PROGRAMMES

- Entrepreneurship Development Programme (EDP)** – established in 1978 to promote self-employment, by providing the beneficiaries with the opportunity to acquire entrepreneurial skills and secure loan capital to enable them establish and operate their own small scale enterprises.
- The People's Bank** – established essentially to provide the credit needs and other form of financial services to the informal sector, while the **Community Bank** was to mobilise savings in local communities to finance the sector.
- The Family Economic Advancement Programme (FEAP)** -established in 1997 as a catalyst to stimulate and encourage the growth of the informal sector and to harness the potentials in the local areas in order to establish viable enterprises and projects that would ensure economic empowerment of the rural and urban poor. It was aimed at capacity building and providing credit support especially to its target group
- The National Poverty Eradication Programme (NAPEP)** -established mainly to monitor, coordinate and review all poverty eradication efforts in the Country with a view to improving impact and enhancing equity and effectiveness on the use of resources".
- Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)**- founded "to establish a structured and efficient MSME (Micro, Small and Medium Enterprises) sector that will encourage and enhance sustainable economic development of Nigeria and to facilitate and promote the access to resources required for their growth and development.

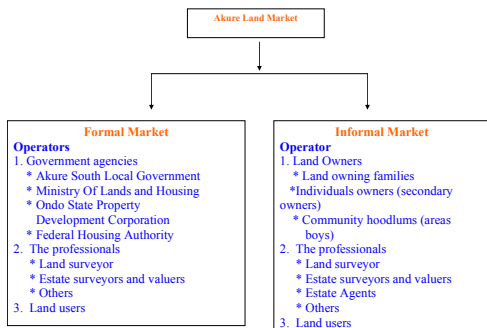
INFORMAL SECTOR, ACCESS TO LAND AND POVERTY ALLEVIATION

- Obviously, successive Nigerian governments based their intervention to the sector on the premises that the most pressing need of the sector is accessibility of credit facility. Hence direct loan were more than often made available to individuals. This may be secured and guaranteed collectively by the beneficiaries where the amount given to individual is small. Where the sum involved is much, additional collateral security in form of landed property is often required.
- The unfortunate thing is that these individuals are in most cases tenants in the properties they occupied both as residence and shop or workshop. Consequently, their access to credit is restricted by their access to landed property (real estate).
- In our urban centers, the major obstacle to the ownership of real estate is the high cost of land. To this group of individuals, this seems to be a vicious cycle.

THE GEOGRAPHICAL AREA STUDIED



THE STRUCTURE OF AKURE URBAN LAND



THE POPULATION OF STUDY

The populations of studies involve the totality of Akure urban land market and the total members of some associations of individuals engaged in the informal activities within the Akure Metropolis

The selected associations include:

- National Automobile Technician Association
- Black Smiths, Welders and Iron Benders Association of Nigeria
- The Association Of Automobile Body Works And Panel Beating Of Nigeria and
- The National Association of Furniture and Carpentry Workers of Nigeria.

These Associations are unions of private individuals engaged in these trades founded to protect the interests of members. Within the metropolis, each association is divided into zones, and each zone meets on regular basis to deliberate on issues bordering on the welfares of the members. From each zone, questionnaires were administered to 23 members from each association. In all 851 questionnaires were collected for analysis Table 1 shows the analysis of administered questionnaires

TABLE 1: ANALYSIS OF THE ADMINISTERED QUESTIONNAIRES.

ASSOCIATION	TOTAL NO OF ZONES	AVERAGE NO OF MEMBERS PER ZONE	TOTAL NO OF QUESTIONNAIRES ADMINISTERED AT 23 PER ZONE
National Automobile Technician Association	13	50	299
Black Smiths, Welders and Iron Benders Association of Nigeria	8	80	184
The Association Of Automobile Body Works And Panel Beating Of Nigeria	8	50	184
The National Association of Furniture and Carpentry Workers of Nigeria.	8	50	184
TOTAL			851

DATA ANALYSIS

The main tools for data analysis are the weighted score based on likert scale and **Discriminant Function**.

Given a set of independent variables, **Discriminant function** attempts to find linear combinations of those variables that is best in discriminating between (separating) the groups of cases. In this wise, the variables are the socio- economic characteristic of individuals seeking to acquire lands. Here, the groups of cases include the groups of those who had access to land and that of those who did not.

Mathematically, the model is given as:

$$d = bo + b1x1 + b2x2 + b3x3 + b4x4 + b5 x5 + b6x6 \dots\dots\dots 1$$

where $bo, b1, b2, \dots$ = discriminant coefficients

- $x1$ = age
- $x2$ = occupation type
- $x3$ = income
- $x4$ = marital status
- $x5$ = sex
- $x6$ = ethnic origin
- $x7$ = highest education level attained.

The model was validated using the randomly generated Bernoulli variates with probability parameter 0.7.

DATA ANALYSIS AND DISCUSSION OF RESULTS

4.1 Assessment of the problems of the workers

Table 2: Respondents Evaluation Of The Problems

	Not A Problem	Fairly A Problem	Problem	Big Problem	Very Big Problem	Weighted Score
Access To Profits	51	85	446	191	98	3.28
Availability Of Tools	606	128	60	47	10	1.50
Access To Lands	13	9	53	574	202	4.11
Inessential Power Failure	149	532	74	11	85	2.24

Table 2 shows the assessment of the major problems as indicated and evaluated by the selected workers. In this wise, **accessibility to land** with weighted score of **4.11** was considered to be the most significant problem by 776 out of the 851 respondents (91.19%). line.

DATA ANALYSIS AND DISCUSSION OF RESULTS

Nature Of Tenure Of The Respondents

Table 3: Nature Of Tenure Of The Respondents

TENURE	NO	PERCENTAGES
Owner – Occupiers	18	2.12
Members (From Private Individuals)	77	9.05
Illegal Occupiers i.e. Encroachers On (Government Lands)	740	86.85
Legal Occupiers (Temporary Permits On Government Lands)	16	1.88
TOTAL	851	100

Table 3 which show the nature of tenure of the respondents with respect to their workshops, further reveals the magnitude of the problem as almost **87%** of the respondents are **encroachers on government lands**. In most cases, they site their workshops on places like road set back and under high tension electricity transmission line.

DATA ANALYSIS AND DISCUSSION OF RESULTS

Access to Lands (Efficacy of the Discriminant Function)

The canonical correlations (Table 4) of **0.678**(government estates) and **0.568** (private layouts) are good; these together with the smaller values of wilks' lambda (Table 5) indicate greater discriminatory ability of the functions. In addition, the small significant value of chi-square statistic indicates that the discriminant functions did better than chance at separating between the groups of those who were allocated lands and those that were not allocated

Table 4: Eigenvalues

	Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
Government Estates	1	.849(e)	100.0	100.0	.678
Private Layouts	1	.475(e)	100.0	100.0	.568

a First 1 canonical discriminant functions were used in the analysis.

Table 5: Wilks' Lambda

	Test of Function(s)	Wilks' Lambda	Chi-Square	df	Sig.
Government Estates	1	.441	57.477	7	.000
Private Layouts	1	.678	77.976	7	.000

DATA ANALYSIS AND DISCUSSION OF RESULTS

(Relative Contribution Of Each Of The Variables)

From table 6, the significant variables for government estate are **education and occupation types**. Wilks' lambda function indicates that education level is best at discriminating between groups; this is followed by occupation type. This is also in agreement with the ranking by the structure matrix (table 8).

The result for private layout is not different, except with the addition of income to education and occupation as significant variables (tables 7 and 8).

Table 6: Tests of Equality of Group Means for Government Estates

	Wilks' Lambda	F	df1	df2	Sig.
education level	.828	1.141	1	97	.289
marital status	.983	1.685	1	97	.197
occupation type	.279	19.205	1	97	.000
income	.997	.306	1	97	.581
ethnic group	.993	.658	1	97	.423
occupation type	.822	21.009	1	97	.000
annual income	.952	4.837	1	97	.031

Table 7: Tests of Equality of Group Means for Private Layouts

	Wilks' Lambda	F	df1	df2	Sig.
education level	.995	1.095	1	204	.315
marital status	.980	4.083	1	204	.045
occupation type	.711	10.023	1	204	.000
income	.996	.743	1	204	.389
ethnic group	.996	.839	1	204	.363
occupation type	.896	23.766	1	204	.000
annual income	.943	11.143	1	204	.001

Table 8: Structure Matrix

	Government Estates		Private Layouts	
	Function	Function	Function	Function
education level	.725	.466	.925	.492
occupation type	.501	.541	.339	.505
annual income	-.243	.143	.265	.265
marital status	.143	.143	.265	.265
Age	-.118	.089	-.102	.093
ethnic group	.089	.089	.102	.093
Religion	.089	.089	.102	.093

DATA ANALYSIS AND DISCUSSION OF RESULTS

(Validation Of The Models)

Table 9: Classification Results

Cases Selected	Original	Correct	Predicted Group Membership		Total
			not allocated	allocated	
Cases selected ^a	Original	Correct	1	0	1
		not allocated	0	0	0
		allocated	774	222	1000
		% not allocated	7.8	22.2	100.0
Cases not selected ^b	Original	Correct	4	1	5
		not allocated	4	0	4
		allocated	64.7	31.3	100.0
		% not allocated	7.8	32.2	100.0
Cases for validation ^c	Original	Correct	4	0	4
		not allocated	0	0	0
		allocated	100.0	0	100.0
		% not allocated	0.0	0.0	100.0

Table 10: Classification Results

Cases Selected	Original	Correct	Predicted Group Membership		Total
			not allocated	allocated	
Cases selected ^a	Original	Correct	1	0	1
		not allocated	21	185	186
		allocated	89.9	89.9	100.0
		% not allocated	11.3	89.9	100.0
Cases not selected ^b	Original	Correct	10	0	10
		not allocated	10	0	10
		allocated	100.0	0.0	100.0
		% not allocated	10.0	0.0	100.0

Table 9 shows that out of the cases used to create the model for government estates, 93 out of the 90 (92.2%) people allocated were classified correctly while 7 out of 9 (77.8%) people not allocated were classified correctly. For the cases set aside for validation, 32 out of 39 (82.1%) of the people allocated were correctly classified.

For the private lands, table 10 shows that 165 out of 186 (88.7%) people allocated originally selected for model building were correctly classified, while 16 out of 20 (80%) people that were not allocated were classified correctly. For the cases set aside for validation, 82 out of 92 (89.10%) people allocated lands were correctly classified; while all the 9 people not allocated (100%) were correctly classified

CONCLUSION AND RECOMMENDATION

The study has identified that the greatest problem facing the groups studied is access to land. The study further revealed that these groups were marginalized on the bases of their education, occupation type and income in the accessibility of both government and private lands

In order to alleviate the suffering of these individuals, the study recommends economy empowerment, entrepreneurship development, co-ownership, effective mobilization, removal of administrative bottleneck, and review of the Land Use Act to facilitate land accessibility. This will in turn, in no small measure contribute to the alleviation of the pervading poverty in this sector.

**APPENDIX 1: AN AUTOMOBILE WORKSHOP
UNDER HIGH TENSION POWER LINE**



**APPENDIX 2: AN AUTOMOBILE WORKSHOP
LOCATED AT A ROAD SET BACK**



On this note I will pack my bag and
baggage, thank you and GOD BLESS



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