

Emergence of Cooperative Society in Land Market in Nigeria

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Abstract: Access to land for housing in urban areas in Nigeria is fraught with many problems ranging from high cost to multiple buyers of the same parcel of land. Most of the associated problems arose due to land management system. This study examines the strategies used by cooperative societies in overcoming myriad challenges militating against access to land in Benin city. Questionnaires were used to elicit information from cooperative organizations involved in land acquisition and from the communities where lands were acquired. Findings show that cooperative land acquisition enables cooperative members of all categories of income earners to gain easy access to secure and cheap urban land for housing purposes. The study recommends that since government has failed to provide shelter for the citizen it should support cooperative societies by encouraging banks to give soft loan to cooperatives to acquire land for its members. This will not only reinforce government objective of shelter for all but also serves as instrument for poverty reduction since such lands are acceptable as collateral security by financial houses.

Key words: Land, cooperative societies, land acquisition, housing, income earners

INTRODUCTION

Housing is a paramount necessity to human existence as it ranks among the top three of man's basic needs. The provision of adequate housing in any country is very vital as housing is a stimulant to the national economic development of a country (Agbola, 1989). The problems of population explosion, continuous influx of people from the rural to the urban centres and the lack of both basic infrastructure and easy access to land for housing have compounded housing problems over the years (Olotuah, 2006). According to Okupe and Windapo (2000), the gap between income and shelter is very wide in Nigeria and this has almost eliminated the low income earners from the housing market. One of the major reasons for this is the land acquisition framework as land constitutes one third of the total housing expenses in urban centres.

It has been observed that access to land for housing development in urban areas in many developing countries is becoming highly problematic with each passing day (Rakodi and Leduka, 2004). In most Nigerian cities, urban land has increasingly become a commodity to be acquired and sold to the highest bidder (Oduma and Ibem, 2011). Owei (2007) noted that the legal dualism in land tenure, centralized and complex procedure for registering and obtaining land titles, restrictive and discriminating land use policies and the obstacles created by indigenous land owners constitute notable impediments to easy access to land for housing and urban development.

Housing is the major industry in Benin city and this is the reason for the continually increasing cost of land acquisition.

Cooperative societies across the world have the age-long tradition of assisting members gain easy access to vital resources and services through collective efforts. A new dimension is being introduced with cooperatives going into the responsibility of acquiring land for its members for housing purposes. This has generated some basic questions to which this study seeks to find answers that are fuller than those already suggested above. Why for instance are the cooperative societies going into urban land acquisition? Do cooperative societies facilitate easy access to land for its members. Is the land acquired by cooperative cheaper and more secured than individually acquired land per plot. It also examines the general attitude of community members where land has been acquired on this emerging pattern of land acquisition by cooperatives. The scope of this research is limited to cooperative societies registered in Benin city which are involved in land acquisition for their members for housing development purposes and the various communities where they had acquired land.

Study area: Benin city is the capital of Edo State in Nigeria. It is located between latitude 6°20' and 6°32' North of the equator and longitude 5°6' and 5°38' East of the Greenwich meridian. It is an urban agglomeration with a population of about 1.2 million people. It has a flat

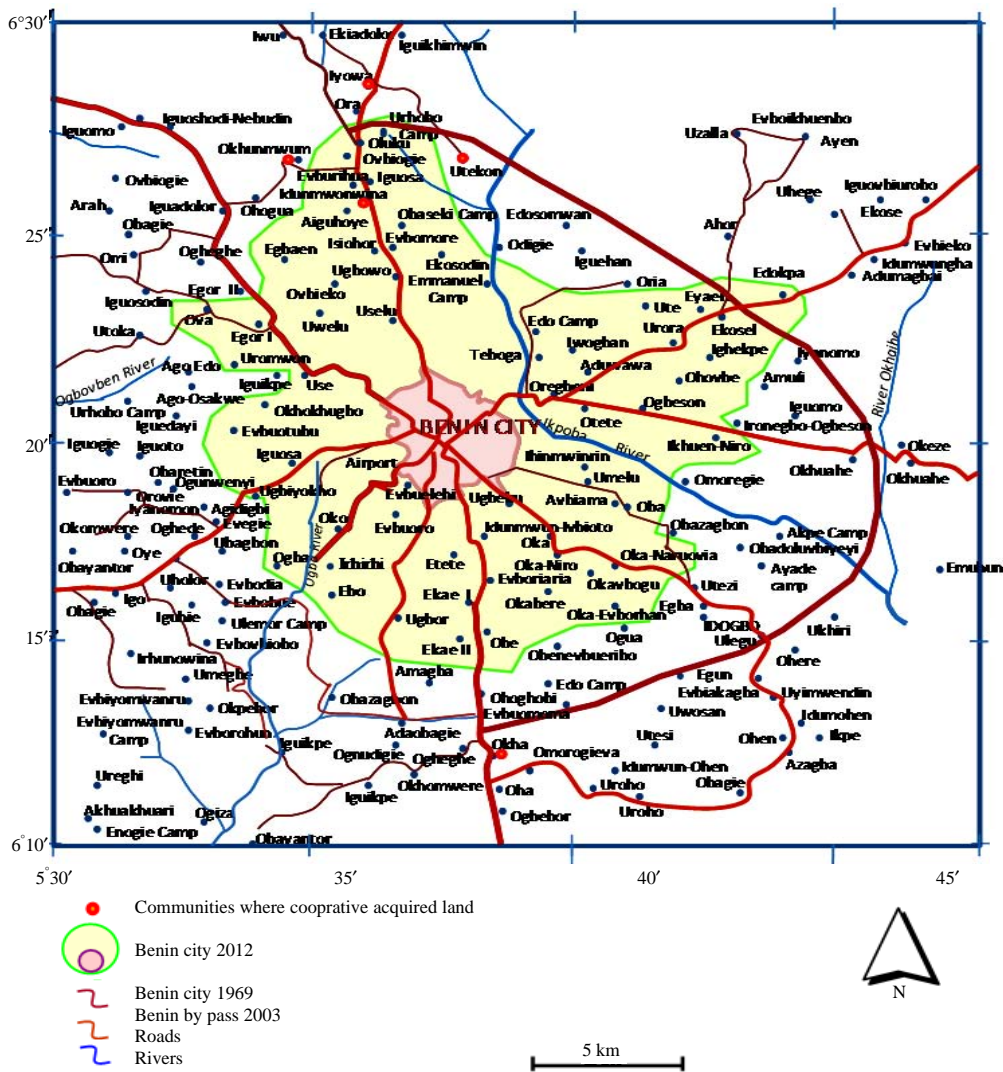


Fig. 1: Study area (Edo State Ministry of Land and survey, modified by Belogun 2012)

terrain with an altitude of about 80 m above sea level. It comprises three Local Government Areas (LGA) which include Egor, Ikpoba-Okha and Oredo. It has urbanization rate of approximately 5.5% yearly (Fig. 1).

Conceptual framework: The increasing stress in acquiring urban land for housing purposes and the resultant conflicts encountered in securing the urban land space even where land is available is a major concern. The salient concepts in this study are: land, landuse act, cooperative societies and land acquisition method.

Land: According to Laka (1994) land could be referred to as all naturally occurring phenomena which can be used in the production process including size of the area, quality and topographical surface and sub-surface water,

air and precipitation. This definition stresses the dynamic character of land which is especially appropriate, since one of the principal reasons for this investigation is the stress and difficulty in gaining access to land in an urban area.

The National Housing Policy which was amended in 2006, aims at ensuring that all Nigerians own or have access to decent, safe and healthy housing accommodation at affordable cost with secure tenure through public-private sector initiatives. The policy focuses on the provision of mass housing for the majority of Nigeria citizens through public-private sector, real estate developers and mortgage financing and making land available. The objective of the Housing Policy is to provide adequate incentives and enabling environment for greater private sector participation in the provision of

housing. It also aims at strengthening all existing public institutions involved in housing delivery at the federal, state and local government levels to promote measures that will mobilize long term and affordable funding for the housing sector and to also promote the use of locally produced building material as a means of reducing housing cost (NHP, 2009). The major hog on the policy is access to land.

The landuse act of 1978 vested all lands in the state (except federal government lands) in the office of the state governor; this seriously hampers the acquisition and transfer of land. The goal of the landuse act of 1978 was to make building plots available at the right time in the right place at reasonable prices for people willing to build to ensure the provision of services and infrastructure and also that building projects are carried out without delay and in accordance with the conditions laid down in planning law. Since, the establishment of the landuse act in 1978, the objectives of the act have not been achieved. The problem of availability of land for housing accessibility, ownership and use constitutes a great obstacle to the economy. As a result of the problems in the land use act, the provision of housing for the ever increasing urban population remains a myriad. Access to land in the market system economy of Nigeria can be categorized into three: individual land tenure, public land tenure and corporate land tenure.

Individual land acquisition: This has to do with an individual going into the land market to acquire a particular portion of the earth surface for his or personal use, possessing legal right to decide the use to which the parcel of land will be put into except where his decision conflicts with that of government, hence the decision of the government will over rule that of the individual using eminent domain right (Okafor and Onokerhoraye, 1986). Gaining access to urban land through the individual acquisition method entails a lot of stress for the majority of the urban dwellers who are low income earners and who left to their own resources, cannot compete in the highly expensive urban land market where land is being bought by and sold to the highest bidder.

Public land acquisition: The role of public authorities in providing the land needed at the right time, location and price might be defined as a basic goal of public land policy (Lichfield and Darin-Drabkin, 1980). Government in rendering its services acquires urban land for various purposes including housing, health care provision, educational provision, public utility services, etc. Though self-evident it is still necessary to begin this section by

Table 1: Cooperatives involved in land acquisition

LGA	Location	Easting	Northing	Association involved
Ikpoba-Okha	Okha	005°38.452'	06°11.513'	RRINCOOP
Urhunmwonde	Idunmwunwina	005°41.684'	06°22.974'	UBTHMCOOP
Ovia North-East	Okhunmwun	005°35.707'	06°26.651'	UBTHMCOOP
Ovia North-East	Utekon	005°37.246'	06°27.594'	UBTHMCOOP
Ovia North-East	Iyowa	005°36.310'	06°28.994'	FAGCOOP
Ovia North-East	Iyowa	005°36.487'	06°28.835'	ASUU

defining the term then explaining the means by which this is accomplished by public authorities; only then do you evaluate the role of public authorities in the process.

Co-operative land acquisition: Cooperative societies around the world have been seen as organized groups of persons, associated together either for religious, cultural, scientific, political, patriotic or any other purposes (Anderson, 2005). Sees cooperative society as a commercial enterprise owned and managed by and for the benefits of customers or workers. Often shortened to coop, the cooperative society in the modern society has proven to be of immense importance in tackling the ever increasing problems of man as it furnishes protection, continuity and security for its members.

MATERIALS AND METHODS

Data for this research, study was obtained directly from the members of cooperative association engaged in cooperative land acquisition. These include members of the University of Benin Teaching Hospital Multi-Purpose Cooperatives (UBTHMCOOP) and the members of Rubber Research Institutes Cooperatives (RRINCOOP), Academic Staff Union of University (ASUU), Faculty of Agriculture Cooperatives (FAGCOOP) all in Benin city. Data was collected through the administration of questionnaires and interviews with the members of cooperatives and the indigenes of the various communities where land has been acquired. Out of the three cooperatives in the University of Benin, two, RRINCOOP and UBTHMCOOP were chosen for interview. Simple random sampling technique was used for the selection of respondents from cooperative members and the indigene of the communities where land has been acquired (Table 1).

RESULTS AND DISCUSSION

A total of 150 questionnaires were administered to members of the selected cooperatives and a total of 129 questionnaires were retrieved for analysis. The result of the analysis shows that 41.9% of the respondents are male while 58.1% are females. This shows that assess to land through cooperative does not discriminate against

female. A total of 65.9% of the respondents falls within the age bracket of 21-59 years while the other 34.1% of respondents are above 60 years. Thus, cooperatives made it possible for people of different ages to have access to land. Thus, as early as 21 years of age you could own landed property and for those nearing retirement who otherwise would not have had the opportunity were also opportuned. The desire to own landed property is high irrespective of age. Analysis of marital status shows that 56.59% of the total respondents are married and 18.60% of the respondents are single while 10.08, 6.20, 8.53% were divorced, separated and widowed, respectively. Though higher among the married yet all levels of status participated.

In Fig. 2a, high percentage of the respondents which amount to 44.2% have secondary education while 31.8% have acquired tertiary education. Those who have only primary education and those who do not have any formal education at all are 15.5 and 8.5%, respectively. This statistics shows that there is general awareness to own landed property although majority of the respondents are literate and this is due to their higher ability for loan repayment.

With respect to the monthly income of respondents as shown in Fig. 3, 44.9% of the respondents earn above ₦51,000 and 26.4% of the respondents earn ₦41,000-₦50,000 monthly while 16.3 and 12.4% earn between ₦31,000-₦40,000 and ₦19,000-30,000 on a monthly basis, respectively. Cooperatives made it possible for even those that are earning as low as 18,000 Naira monthly to own landed property.

Mode of finance and eligibility for land acquisition: Land acquisition was financed through loan from the bank. Loan repayment was subsequently carried out by members through monthly deduction from source that is deducted directly at the salary preparation stage for the served a motivator to the bank. Beneficiary must be a participating cooperative members. The regular income for monthly repayment, guaranteed by the cooperatives, financial member of the association for a given number of years and in addition must be a pensionable staff with a confirmation of appointment. These are to guarantee loan repayment. In the event of default, the amount would be taken from the retirement benefits. Members of RRINCOOP were given one and half years to pay up the loan. The cost of the land together with interest amounted to 350,000 Naira for full plot of 30 m by 30 m while for 15 m by 30 m was 175,000 Naira. FAGCOOP land amounted to 550,000 Naira for full plot and 275,000 Naira for half and members were given 2 years to pay back their loan. This cost is comparatively quite cheap and it was because of

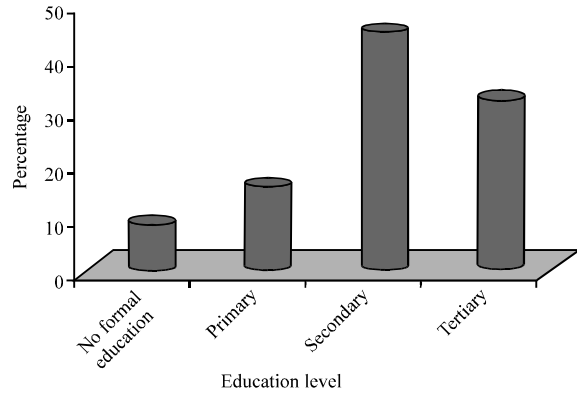


Fig. 2: Level of education of respondents

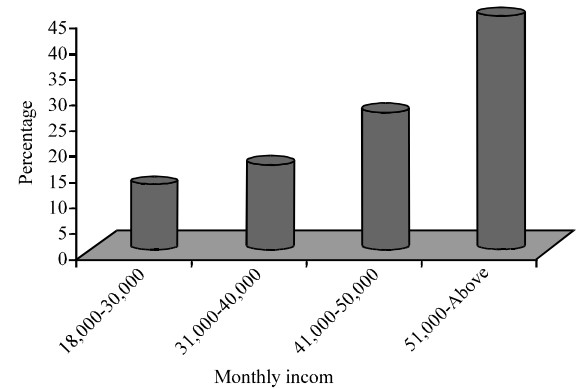


Fig. 3: Respondent's monthly income

the power of collective bargaining and because the land was at the urban fringe. Moreover, the lands were purchased in bulk and paid for immediately and this constituted an obvious financial advantage to the sellers who had substantial amounts available for investment and personal use.

Since, the lands were acquired by cooperative societies a general certificate of occupancy was issued in the name of the cooperatives purchasing the lands. However, individual will be given a copy of the certificate of occupancy together with a cadastral map showing his/her own plot of land. The land is therefore secured and could be traded with. Generally, 86.82% of respondents agreed to the fact that the lands were cheap, secured, accessible and easily paid for through this medium.

Activities of community youths during land development: Cooperative acquired land falls into the category of an informal subdivision of plat while government subdivisions constitute the formal plat. Ordinarily, youth activities often cause additional financial and other kinds of burden to land purchasers in the informal subdivision.

This however is not the case with cooperative land purchases. In fact, 89% of the respondents affirmed that youth activities were greatly reduced while 95.35% of the respondents agreed that this mode of land acquisition has also reduced multiple buyers of the same parcel of land. This could be because the community youth realized that they are not dealing with individuals but enlightened cooperative organizations that are capable of prosecuting them.

Analysis and presentation of result of the communities' survey: Communities where cooperative societies acquired land include Okha-town, Idunmwunwina town, Utekon community, Okhummwun and Iyowa. A total of 90 questionnaires were administered in these communities and 80 were retrieved. About 56.2% of the respondents were males and 43.8% females. In respect to age distribution of respondents 67.4% fall under the age bracket of 21-59 years while 21.2% are 60 years and above; 21.4% avoided the question. Respondents are mature adults and understood the questions they were asked. The 15% of the total respondents are single, 47.5% are married while 37.5% are divorced, separated or widowed.

Generally, 20% of respondents are aware of the land purchased by cooperative society while the majority of the respondents (80%) are ignorant of this development in their communities. Levels of awareness however differ from one community to another. For example 32.5% are aware in Okhummwun while it is 67.5% in Utekon. When asked if they were aware would they have prevented the transaction, the responses suggest they would have gone along with it rather than stop it. The 80% are of the opinion that it is a welcome development in the community as it will bring rapid development to the community.

However, some of the community members have their fears about this new development. For example, 73.75% are of the opinion that cooperative land acquisition will reduce available land for the future generation of the community; 76.2% believe that cooperative land acquisition will lead to sporadic increase in population in the community while 60% of respondents are of the view that cooperative land acquisition will attract non-indigenes thus weakening the community tie and cohesion.

CONCLUSION

This study observed that land acquisition medium in Benin city is taking a new dimension with the emergence of cooperative land acquisition system. An estimated number of 1050 persons have benefited from cooperative

land acquisition between 2005 and 2011 from the two different cooperatives under study. The 700 members from UBTH multi-purpose cooperative and 350 members RRIN cooperative have benefited.

Among the findings is that cooperative land acquisition aid easy access to urban land for their members. It was observed that land is cheaper, safer and more secure when acquired through cooperative medium as opposed to individually acquired land. Cooperative land acquisition aids and facilitates rapid, community development. It is important therefore that cooperative societies be supported and encouraged to continue the policy of land acquisition so that more members will have access to cheap and secured land. Before now urban land acquisition has been for only the higher income class but in recent times cooperative societies in Benin city have been aiding and assisting low income earners to gain easier access to urban land and at affordable cost. Based on the enormous benefits associated with cooperative land acquisition this study recommends as follows:

Since, the government is no longer giving housing loan to assist in provision of shelter and the mortgage companies cannot meet everyone's need, cooperative society involvement in land acquisition should be encouraged. The government should motivate members of the public, who traditionally on individual basis could not afford plot of land in the urban centre to join cooperatives. Since, housing and provision of shelter are the major problems experienced in most Nigeria cities, especially by the low income earners, government should encourage banks to give loan to cooperatives at low interest rate for land acquisition purposes for their members. This will not only reinforce government objective of shelter for all but also serves as instrument for poverty reduction since such lands are acceptable as collateral security by financial houses.

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