

ENO J. USORO

*Agricultural Resource Activation and the Problem of Rural Poverty  
in Nigeria*

In recent years, scientific knowledge gained through education and contact has contributed significantly to noticeable economic changes and improved standards of living principally in the Third World urban locations. The transmission of the benefit of such revolutionary development leverage or of their effect to rural areas cannot be adduced for their impact on transforming the socio-economic conditions within the rural area – that known cradle of rural poverty – in the Third World. The purpose of the present sketch is to summarize, from the Nigerian experience, those inhibiting obstacles to effective adaptation of introduced ideas and knowledge into the Nigerian rural setting on a scale that could activate and mobilize enough resources for the improvement of the standard of living of the rural poor.

Over the years, significant interest (expressed through rural agricultural policy resources, implementation procedures, administrative organization, and investment expenditure allocations) has been shown by various Nigerian governments in the attempt to raise rural living standards through increases in agricultural output. Enchanted by agricultural research results in biological and engineering sciences, the government has encouraged the gradual adoption of micro-orientated ideas drawn from general scientific knowledge (high-yielding crop varieties, selective fertilizers, irrigation construction and so on) in rural agriculture, but with minimal effects. Therefore, useful as the policy measures may be, the present emphasis on improved agricultural productivity as the single approach to combat the problem of rural poverty ignores the social environmental barriers – cultural, economic and political – which constitute obstacles to the transmission of productivity benefits to the rural poor.

**POLICY THRUST AND SOCIAL-ECONOMIC CUM POLITICAL  
CONSTRAINTS**

The implication of the first legal land reform attempt in Nigeria (Land Use Decree No. 6 of 1978) may suffice to illustrate the incongruous divergence between the objective of increased productivity in agriculture and a

corresponding reduction in rural poverty. Essentially the thrust of the decree was on evolving a uniform tenure system and encouraging the development of privately owned large-scale commercial agricultural enterprises, whose indirect demonstration effect on rural farmers and possible employment opportunities could improve the level of rural agricultural practices as well as the rural standard of living. The legal protection provided would-be agricultural entrepreneurs against possible local land conflict, plus government financial support through the Agricultural Credit Guarantee Scheme Fund Act (Act No. 20 of 1977)<sup>1</sup>, ensured a smooth transition from traditional to modern agricultural practices and enhanced levels of rural well-being. Thus, implied in the policy and the measures adopted is the false hope that modern large-scale commercial agriculture will, by itself, circumvent the social and cultural problems of traditional agriculture and rural poverty.

Clearly articulated in the land reform decree is the 'battle cry' for upper and middle class capitalist farmers drawn from both the rural and urban population. These are entrepreneurs, who with superior social relations, access to decision-makers and commercial organizational ability, can maximally benefit from biological science research advice and economic inputs, from the adoption of appropriate cultivation techniques, the utilization of extension services and subsidies and the recruitment of local labour from the rural farming communities. These paragons of agricultural progress (our would-be commercial farmers) comprise the core of agricultural lieutenants who, guided by profit motives and encouraged by policy, no longer operate within traditional social and cultural constraints. But this approach leaves the majority of our rural farming population – the rural poor – in limbo, and creates social and political problems of a dimension that may defeat Nigeria's overall commitment to the eradication of rural poverty.

By emphasizing efficiency in rural agricultural resource allocation, organization and output flow under the management of the property-owning class, government policy erroneously ignores the size and magnitude of the participating rural farmers, their agricultural problems, past creative and productive capacities and their experience gained through years of traditional farming as irrelevant to rural agricultural development and improvement in the farmers' well-being. Thus rural farmers are alienated from participation in a scheme formulated for their benefit through the extent to which resources are devoted to affecting large-scale changes over small select areas, as against small-scale changes over large areas. Therefore, policymakers' insensitivity to the limited capacity of commercial agriculture to transform traditional institutions in organizing production, renders its agricultural bias anti-poverty programme operationally ineffective.

Equally important in alienating the possible beneficiaries of the programme – the rural poor – from active participation is the divergent interest between the politically powerful entrepreneurs and the politically defenceless rural farmers. For, while the former is conscious of the benefits of the programme which they view primarily in political and economic terms, the

latter harbours a fear of the possible consequences of land displacement, loss of dignity, self-confidence, respect and the erosion of their known traditional way of life. These pessimistic attitudes (which derive from their feeble political strength, emanating from their low level of literacy, absence of organization with a leadership able to challenge the power elite) engenders mistrust of government bureaucratic programmes for rural development.

The rural farming communities' weak political bargaining power poses several rural organizational and implementation problems with adverse consequences for the improvement of the living standard of its poor members. Thus the communities' inability to participate or be consulted about traditional socio-cultural and economic issues relevant to evolving a rural anti-poverty oriented programme (which requires the co-operation and active involvement of its members), inhibits the formulation of a pragmatic plan with a rural focus. This weakness underlines the observed urban directed strategy for rural agricultural planning, the government's conservative financial expenditure on improvement in purely traditional agricultural activities, as well as the disproportionately heavy taxation burden on rural farmers during the heydays of the Marketing Boards (Bauer, 1954). It is therefore tempting to speculate that as long as the rural farmers' political weaknesses persist, rural poverty could remain a feature of the Nigerian countryside.

The capitalist ideological alignment of the Nigerian Power élite represents yet another societal constraint which prohibits enthusiastic support for rural anti-poverty programmes. The known capitalist inordinate desire for wealth accumulation through profit oriented private enterprises, reinforced by their perception of poverty as the consequences of individual failings (for which the extended family system and not the society should be held responsible), explains to a large extent, the power élite's callous attitude towards rural anti-poverty schemes. Thus, despite government intervention, the power élite's capitalist attributes discourages wholehearted involvement in the formulation and implementation of a poverty programme for which they perceive themselves as prospective losers.

Viewed from its urban-oriented goals, government policy concern over rural agriculture does not represent an attempt to alleviate rural poverty, but rather seeks to satisfy the present and future demands for agricultural output. For, if the policy was meant to play a dual role – inducing increases in agricultural output *and* improving the standard of living of the rural poor – measures could have been incorporated to ensure

- (a) the creation of a structural framework designed to increase the effective activation of rural resources;
- (b) the minimizing of the political and ideological constraints to policy implementation, and
- (c) the creation of possible increases in the rural poor income through expenditure on incentive inducing measures.

## MEASURES FOR ALLEVIATING NIGERIAN RURAL POVERTY

Policy strategy for the development of rural agriculture and of improvement in the living standard of the rural poor is not pursued for the separate development of an isolated group, but as part of a national planning strategy that mobilizes farmers for the task of nation building. Since our planning objective incorporates the desire to eradicate rural poverty, the search for a corresponding strategy must recognize those problems that are peculiar to our rural conditions and seek solutions appropriate to the framework of our rural institutions. For unlike industrial planning, management and production in manufacturing enterprises, a borrowed technology and the lofty ideas of management cannot be successfully transplanted into traditional rural agricultural settings. The specific nature of the region's problems, the farmers' long process of trial and error in resolving them, their adaptation to the requirements of farming in particular locations, their knowledge about the availability and relative costs of local resources, and their organizational methods encouraging self-reliance and revitalizing communal traditions must all be taken into account. Thus, in the process of policy formulation, a strategy should develop that focuses on the farmers, their well-being and their future.

The process of evolving an effective structural measure relevant to the eradication of rural poverty through agricultural output increases in the present context depends on rectifying at least two policy defects in perception. First, acknowledging 'people' and their basic human needs as the primary concern, and concern with agricultural output increases as secondary. Secondly, willingness to understand the traditional intricacies of rural organization and operation. It cannot be denied that rural farmers command defined sets of practical information or stocks of knowledge about traditional agriculture that could assist in guiding the evolution of new techniques appropriate for rural agricultural transformation. Thus the policy-makers must 'understand the farmer, not patronise him: assume that he knows his business better than we do, unless there is evidence to the contrary' (Polly Hill, 1970).

The relevance of understanding rural communities can be realized by examining how policy changes can be brought about in one of the most important structural measures that adversely affect the rural poor in Nigeria – farm-size. In a country where a communal land use system and its consequential land fragmentation has deprived many rural families of a decent means of livelihood, prospects for acquiring large-scale farms require evolving an acceptable co-operative system that could adopt modified farm practices to advantage. Unavoidably, such a system touches upon land tenure. Land to the farmers is a source of livelihood to be preserved, if possible, for the future. Thus irrespective of the land decree, large-scale land-use treads on explosive political and emotional grounds. Therefore as a starting point, the formulation of a policy involving large-scale land-use requires knowledge of the history of social and political relations within and among rural communities. In addition it requires

continuous dialogue with rural farmers that could elicit their understanding of the possible courses of action open to them. This way the rural farmers have a participatory role to play in ascertaining community response to any proposed changes. These would be changes which recognize the relationship between the earning capacity of individual families and farm size as a means of alleviating the problem of rural poverty.

Measures adopted to effect farm structural changes alone without also effecting administrative structural reorganization may be inadequate to counteract the inordinate interest of the political power élite in a rural anti-party programme. The physical remoteness of bureaucratic administrative authorities (the official local representatives and guardians of the farmers' interest) from rural areas ostracizes farmers from participatory administrative and political decision-making. This absence of an effective communication channel between both (government administrators and rural farmers) under the prevailing condition of the latter's lack of political cohesion, renders ineffective an attempt by farmers to challenge the interest and authority of the power élite. Therefore, the creation of more local government units sufficiently compact (in which elected rural farmer representatives are incorporated) provides a possible communication link with policymakers through official local government representatives and at the same time challenges the existing dominant influence of the urban power élite on decisions affecting rural communities.

Structural defects and organizational deficiencies have, in planning rural agricultural development, restricted government rural area investment commitments to purely select indirect schemes such as primary education and access roads that do not convey immediate benefit to the rural poor. While such indirect productivity measures may benefit enterprising rural farmers, they cannot deal with poverty associated with ill-health – a characteristic of the rural poor – in a country where free medical delivery services are limited; nor can it alleviate the heavy tax burden – a direct antithesis of rural anti-poverty measures – on the rural poor. Thus, increased government expenditure on rural public health and the adoption of such fiscal measures that make the tax burden less regressive (by relating it to the ability of individuals to pay) equally portrays policymakers' awareness of the nature of indirect benefits that recognize the low income earning capacity of the rural poor and of their physical well-being.

## CONCLUSION

Rural poverty in Nigeria is real and its problems intractably complex. In spite of government consciousness and concern, the economic interest and political influence of the power élite, manifested through the country's capitalist ideological bias, rescinds policy thrust to the disadvantage of the rural poor. Urban orientated policy measures, plus incorporated borrowed ideas which disregard traditional experience and ignore farmers consulta-

tion, weaken the implementation of a policy meant to activate rural resources for the benefit of the rural farmers and the rural poor.

Rural development policy may be perceived as a set of principles developed to guide the management of the rural sector's affairs. Its elements are the relevant ideas that go to make up the concept of the system. Thus if the ideas are external to the system, so are the goals, the assumptions made about the situation to be met, the selection of alternative courses of action, the determination of optimum ways of implementation, and finally the ultimate system itself that emerges. In our own case, the initial specification of our goals in social and economic terms requires policies directed to the development of the human potential of the group. This means evolving a modified yet identifiable system that retains the basic characteristics of rural agriculture, but comes to grips with the practical problems which face the rural poor, the rural farmers and the nation.

## NOTES

<sup>1</sup> The Federal Government and the Central Bank of Nigeria have so far contributed ₦51.3 million and ₦34.2 million respectively out of the ₦100 million provided for in the Act establishing the fund.

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## DISCUSSION OPENING – D. H. PENNY

The issues raised in this paper are as old as the first plantation ever established in the New World. They are also as new as the 1978 'land reform' laws in Nigeria that were passed to facilitate the establishment of large commercial agricultural enterprises whose 'indirect demonstration effect on rural farmers and possible employment opportunities could improve the level of rural agricultural practices as well as the rural standard of living' (Usoro, p. 360). The act provides 'legal protection' to 'would-be agricultural entrepreneurs [capitalist farmers] against possible local land conflict' (p. 360).

Usoro's paper presents a well-argued case against the plantation system for Nigeria. It also has many useful lessons for other countries.

His paper can be briefly summed up as follows. Economic growth can beget rural poverty; the 'agricultural production approach' to rural poverty is probably too narrow; the people who own or manage large-scale commercial farms (or plantations) often have good connections in the upper echelons of government and can therefore get special treatment; the self-

same people are substantially cut-off from the peasants and from the traditional social and cultural constraints (that apply in the rural areas); the government ignores or at least underestimates the knowledge of the peasants; the support given by government to the capitalist sector makes the peasants wary and sceptical of the value of programmes aimed directly at them; to be effective, anti-poverty programmes need the active involvement of the people affected; the new élite loves accumulation (of money) and appears to believe that poverty is due to the failings of individuals. In the final sections of the paper Usoro argues that human needs should be the first consideration and that nothing really effective can be done to alleviate poverty unless officials have a good understanding of rural organization. He also says that officials should be closer to the people, and that the main aim of development policy should be to build on indigenous institutions, including the wisdom of the rural people, and not to rely on alien imports like plantations.

I have only two small criticisms to make of the paper: first, the author tells us far too little about the actual circumstances of the village people in Nigeria and how their economic performance and potential differs from that which is likely from the new capitalist farms; second, his suggestion that 'officials should strive to become closer to the people' might not be politically feasible, given the realities of the market system. It would also have been interesting to hear something of how things have worked out in Nigeria since the law was passed in 1978.

There are a number of interesting parallels with what seems to be happening in Nigeria and with Indonesia's historical experience of plantations. In a 1963 paper, Zulkifli and I compared the productivity of peasants and plantations on the East Coast of North Sumatra, Indonesia, an area where estates and smallholdings have long co-existed, by no means always happily. The estates and the smallholdings described in the paper were neighbours; they were on the same sort of land, which meant that the land could have been used equally well for rubber or for rice, and they were equally close to the major market. The smallholdings were completely subsistence-oriented and no improved varieties of rice, fertilizer or pesticides were used. The productivity comparison was as follows:-

	Estates	Smallholdings
Value added per hectare	Rp 7,500	Rp 9,800
Value added per man employed	Rp 16,700	Rp 8,900

The average labour force per hectare on the estates was 0.45 persons per hectare; it was 1.1 persons per hectare on the smallholdings.

The comparison would have looked rather different if we had compared rubber smallholdings with rubber estates, but even here it is likely that the household incomes of the peasant rubber growers would mostly have been higher than those obtained by the plantation labourers, even though value added per hectare, and more particularly per man employed would have been higher on the estates.

Most comparisons between estates and smallholdings involve production units where the same crops are grown. However when the comparisons are between the best uses of land by peasants and the best uses of land by plantations in the self-same district, the comparison is much less likely to favour the plantations, if at all.

The following Indonesian figures for 1981 illustrate what I mean. A plantation with an average rubber yield of 1000 Kg per hectare (drc) produces the gross equivalent of 1830 Kg of milled rice. If paid out costs are deducted, then value added per hectare is 1640 Kg (Barlow and Muharminto, 1982, p.125). A typical rice smallholding, with the capacity to produce two crops per year, will produce 3500 kilogrammes milled rice equivalent (mre) per year, or 3150 kilogrammes net (value added). The household income of the peasant will be 3150 kilogrammes, assuming that his farm is one hectare in size. (Many peasant farms are larger than this in the Outer Islands of Indonesia.) On the estate, the daily wage was just over 5 kilogrammes more a year. If his wife worked, too, she would expect to get about the same. The one hectare peasant farm shows a substantial advantage when it comes to value added per hectare and per man; it shows an even greater advantage over the plantation when it comes to labour use per hectare, for labour's share of the 1640 kilogrammes mre on the estate was just 450 kilogrammes (or 27 per cent), whereas the family would get almost all the value added, 3150 mre, from the rice farm.

I believe that these comparisons are in the spirit of Usoro's paper, and it will be interesting to see what happens in Nigeria. In the meantime, however, it should probably be pointed out that many national governments and international aid agencies continue to use incomplete and inadequate economic calculations to justify giving priority to investments in plantations. (Etherington's 1974 paper shows what happened in Indonesia's tea industry.)

If the goal is accumulation rather than the most economic use of the land then plantations are perhaps to be preferred, for it has long been known that it is easier to get profits – and taxes – from the docile labour forces on plantations (Mandle's 1972 article is good on this point) than it is to persuade peasants to share their earnings with the people who live in cities.

In conclusion, I hope that conference participants will be stirred by Usoro's paper to do further research on the economics of land use so that we can all get a better picture of estates versus small holdings and of the long-term social and political, as well as economic, consequences of preferring the one over the other.

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## GENERAL DISCUSSION\* – RAPPORTEUR: J. A. EVANS

In general discussion of Dr Usoro's paper some scepticism was expressed about what had been achieved for farming people either by schemes for small farms or large plantations and the view was expressed that the value system had to be altered radically. It was also thought that the new attention given to peasant farmers by agricultural economists was an important sign of changing values generally. Others questioned whether the problem was as acute as the paper suggested or indeed whether it was peculiar to developing countries. Income support for farmers unable to help themselves was a possibility considered in some developed countries, though this was essentially a social rather than an agricultural measure. More information was sought about the aims and probable outcome of the 1978 Decree as to whether farms of the large size described were in fact expected, whether the ultimate aim was just to promote some increase in average farm size and whether landlessness would result.

In reply Dr Adegboye pointed out that the 1978 Decree had been introduced after long explanation and debate. Some progress was being made both in land acquisition and in increasing output. Land left unfarmed under the traditional tenure system was being brought into production but it was not the aim to produce landless people. He took the view that free education and medical services, though indirect in effect, were better than income support.

In general discussion of Dr Sugai's paper, information was sought about the experience of small farmers in the export sectors such as citrus. It was suggested that the unfavourable outcome for poor farmers of all kinds of policies might be explained by the way the political process was structured and operated. One view of the basic problem was that ways had not been found of developing commercial farming without further depressing the position of small farmers.

In reply Dr Sugai said that strategies were being sought to improve the lot of small farmers, for example mineral exploitation in the north of the country was being combined with development schemes for agriculture. Quantitative evidence certainly existed to support his analysis but the present paper aimed to indicate only the broad lines of the argument.

Dr Filho, who had collaborated in the paper, stressed that although there was a deliberate emphasis on policies which had a negative effect on small farmers the paper also showed that changes had been made where possible to modify these effects. Among exported crops citrus was an important new crop, though it was concentrated in one region. Promotion of soya beans for

\*Papers by Sugai and Teixeira and Usoro.

export would help farms of all sizes. It was true that small farmers had no say in policy, but he believed Brazil was looking for ways of reducing inequity and was conscious of the need to feed her own poor people adequately.

Participants in the discussion included R. I. Molla, R. W. Bohall, J. M. Slater, M. E. Andal, W. Zohlhofer, P. von Blankenburg and T. Tuma.