

The Role of Land Policy in Agricultural Transformation and Inclusive Economic Growth: Implications for Africa

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AGENDA

Context

Motivation

Findings

Recommendations



CONTEXT



Land Policy in Africa: Two Competing Visions

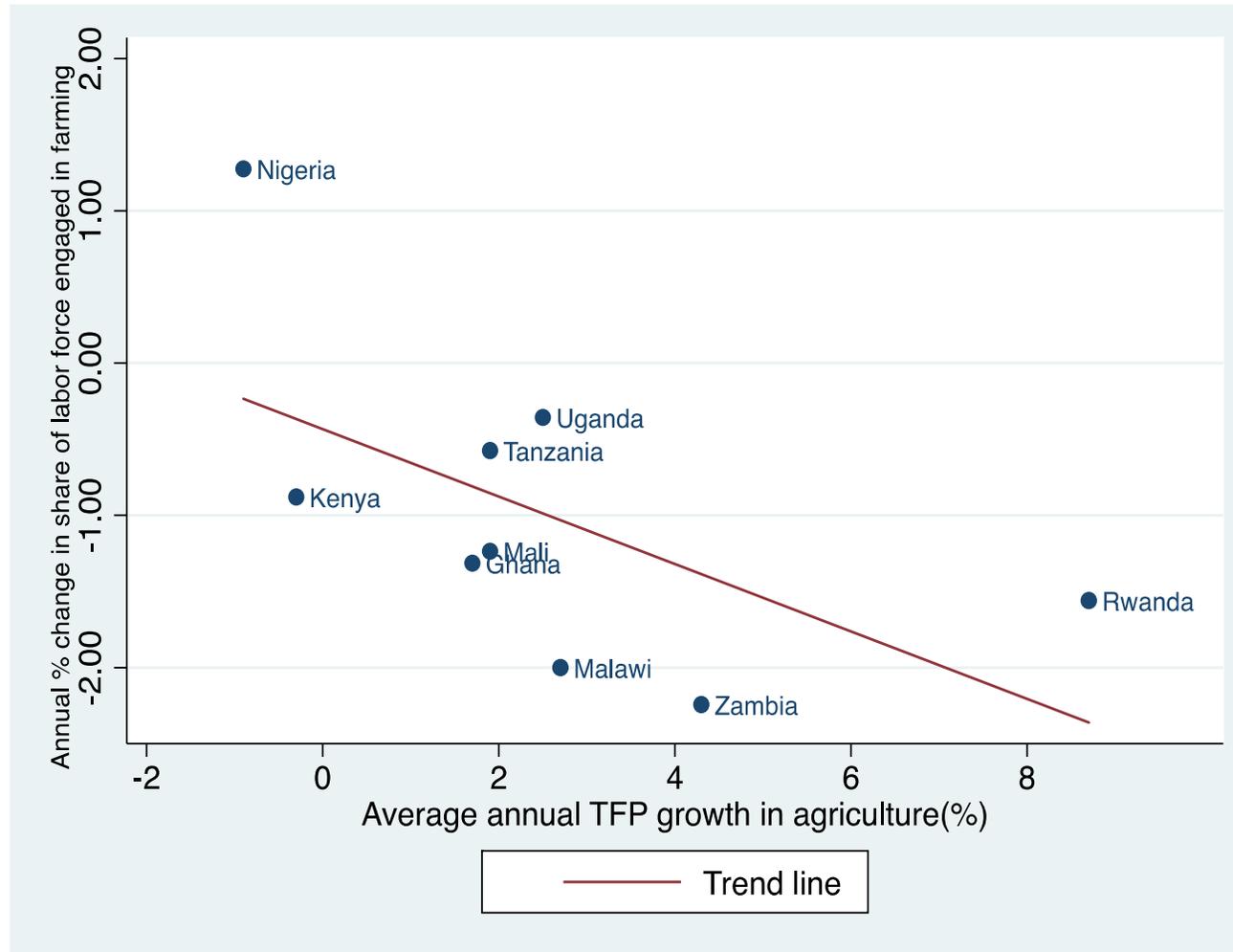
- Rights-based approach
- Modernization / "farming as business" approach



Africa on the Move

- Share of labor force engaged in small-scale farming declining rapidly since 2000

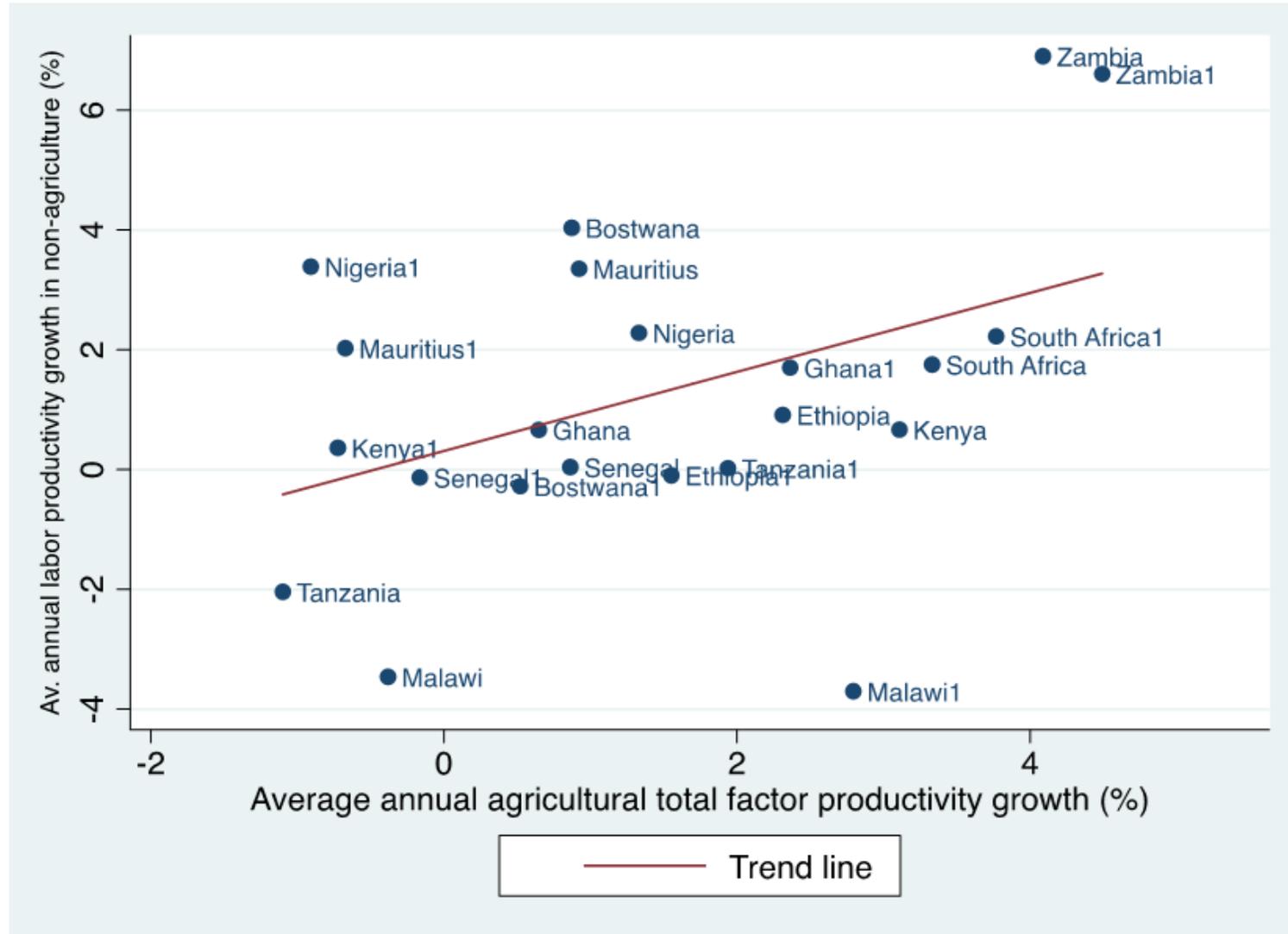
Total factor productivity growth in farming vs. change in share of the labor force engaged in farming, 2005-2012



Source: Yeboah & Jayne (2016). Spearman Correlation coefficient = -0.6862 , Prob $> |t| = 0.0412$

Ag TFP growth vs. off-farm labor productivity

2 observations per country: 2001-2007 period + 2008-2012 period



Africa on the Move

- Share of labor force engaged in small-scale farming declining rapidly since 2000
- Increasing farmland area controlled by medium- and large-scale “investor farmers”
- Increasing control of farmland, especially holdings over 20 ha, by urban elites
- Growing importance of land rental and sales

MOTIVATION



Role of land policy in inclusive economic growth?

How might land policies (allocation, tenure, formalization) affect the relationship between agricultural growth and broader processes of economic transformation?

What are the roles of customary vis-à-vis formal land tenure systems?

- Weaker effects of formalization in Africa vs. other regions (Lawry et al. 2014)



FINDINGS

Effects of land distribution patterns on labor productivity in farming and off-farm activities

- Tanzania, Zambia, Kenya household panel data sets
- Dep var: labor productivity in ag / non-ag / total
- Pooled OLS, moving toward panel estimations
- District-level Gini coefficient
- % of district area on farms between 0-2 ha, 2-5 ha, >5 ha
- Key finding: % of land on farms > 5 ha contributes to labor-productivity growth in ag and non-ag

Historical land tenure & policy trends in Africa

- Colonial – pre-colonial
 - Decentralized management via groups (Bruce & Knox 2009)
- Colonial/early independence – late 20th century
 - Freehold titling aimed to spur growth (Acemoglu et al. 2001; de Soto 2000)
 - High cost titling did not fully replace customary tenure (Lawry et al. 2014; Place & Migot-Adholla 1998)
 - Mixed impacts regionally on farm productivity vs. other regions (Lawry et al. 2014)

Shift toward legal recognition of customary tenure

- Failed experiences with titling → focus on customary tenure recognition
- Legally recognize and codify customary land rights (e.g. Knight 2010)
 - E.g. Framework and Guidelines on Land Policy in Africa 2010
- Goal is low-cost, decentralized land governance and administration
 - E.g. Hagos 2012; Deininger & Binswanger 1999
- Growing number of policy reforms, particularly since late 1990s
 - Botswana (1968), Mozambique (1995), Tanzania (1999), Kenya (2010), South Sudan (2013), Liberia (2013), Zambia (?)

Early evidence suggests some positive impacts...

- Limited rigorous evidence to date on impacts of newer customary rights recognition interventions (Lawry et al. 2014)
- Promising agricultural impacts from customary rights recognition in Benin
 - E.g. ~40% increase in perennial cash crops, tree investment (Goldstein et al. 2015)

But also highlights potential risks, capacity constraints

- Potential for elite capture remains (e.g. Dethier & Effenberger 2012)
 - E.g. Zambia: Chiefs pressured/willing to sell land to urban elites (Sitko & Jayne 2014)
- Potential for (short-term) land market distortions as people assert rights
 - E.g. Benin: Land rentals decreased prior to full registration (Goldstein et al. 2015)
- Potential for (short-term) increase in conflict (e.g. Deininger et al. 2009)
- Overlapping rights may undermine incentives for maximizing productivity
 - E.g. for agroforestry (Ajayi and Kwesiga 2003)
- Need to protect and strengthen the rights of the most vulnerable
 - Women, pastoralists, others with secondary rights often lose out (e.g. La Viña 2015)
- Need to pair recognition with representative, accountable administration
 - E.g. Mexico: Rights recognition tied to democratic institutions (Barnes et al. 2015)
 - E.g. Customary land boards/secretariats in Botswana, Ghana (e.g. Knight 2010)
- Transition to digital as capacity, demand increases (Zevenbergen et al. 2013)

Formal recognition necessary but not sufficient

- Early registration efforts may not have been based on sufficient demand, WTP
 - E.g. Bezu and Holden 2014 on Ethiopian experience
- Sustainable land administration (including transaction recording) remains elusive
 - E.g. Gillingham and Buckle 2014 on Rwandan experience
- Need to tie tenure reform to complementary reforms to other related sectors
 - Judiciary (Gillingham and Buckle 2014)
 - Finance (Sanjak 2012)
 - Land markets (Deininger et al. 2007)

→ In the absence of the above, tenure likely to return to informality

So what if tenure returns to informal/customary?

- May not be problem if customary systems generally provide sufficient security
 - As suggested by recent data from Ethiopia, Guinea, Liberia, Zambia (Stickler and Huntington 2015)
- But concerns remain about implications for agricultural transformation, inclusive growth
 - Equity and accountability of customary tenure systems (e.g. Wily 2012; FAO 2007)
 - Relative inability of these systems to encourage equity-enhancing land transfers, esp. to marginalized
 - Land transfers to non-group members particularly problematic (Stickler and Huntington 2015)
 - Implications for land markets, labor mobility??

→ Toward a hybrid approach?

More research needed on impacts of recent programs

- Impacts of customary rights recognition on:
 - Agricultural productivity
 - Land investment
 - Sustainable production practices
 - Access to (informal) finance
 - Distributional wealth effects
 - Impacts on the poor and marginalized, including potential displacement/land loss
- Effectiveness of both customary and formal land administration systems in facilitating equitable and efficient land allocations and transfers
- Ways to structure (hybrid) institutions to prevent elite capture, promote inclusivity

And on the underlying program assumptions

- Existing levels of tenure security provided by customary tenure systems
- Demand for formalization (or at least formal registration) of customary tenure
- Landholder willingness to pay for formal land administration services
- Cost of maintaining formality

Designing land policies to promote inclusive growth

- Before undertaking land policy reforms/rights recognition interventions:
 - Understand existing perceptions of tenure security
 - Understand drivers of tenure insecurity (inside/outside community)
 - Gauge existing, localized demand for tenure formalization
 - Gauge existing, local capacity for land administration
- When undertaking land policy reforms/rights recognition interventions:
 - Need to protect and strengthen rights of poor and marginalized to ensure all benefit
 - Implement in close coordination with complementary policies/programs
 - E.g. Rural infrastructure, agricultural technology and extension, access to finance

A woman is seen from behind, walking away on a dirt path. She is carrying a bright green bucket balanced on her head. She wears a grey t-shirt and a patterned skirt. The landscape is rural and hilly, with dry grass and scattered trees. In the distance, another person can be seen walking on the path. The sky is clear and blue.

THANK YOU

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