



LAND ALIENATION BY ELITES AND ITS EFFECTS ON AGRICULTURAL GROWTH IN ZAMBIA

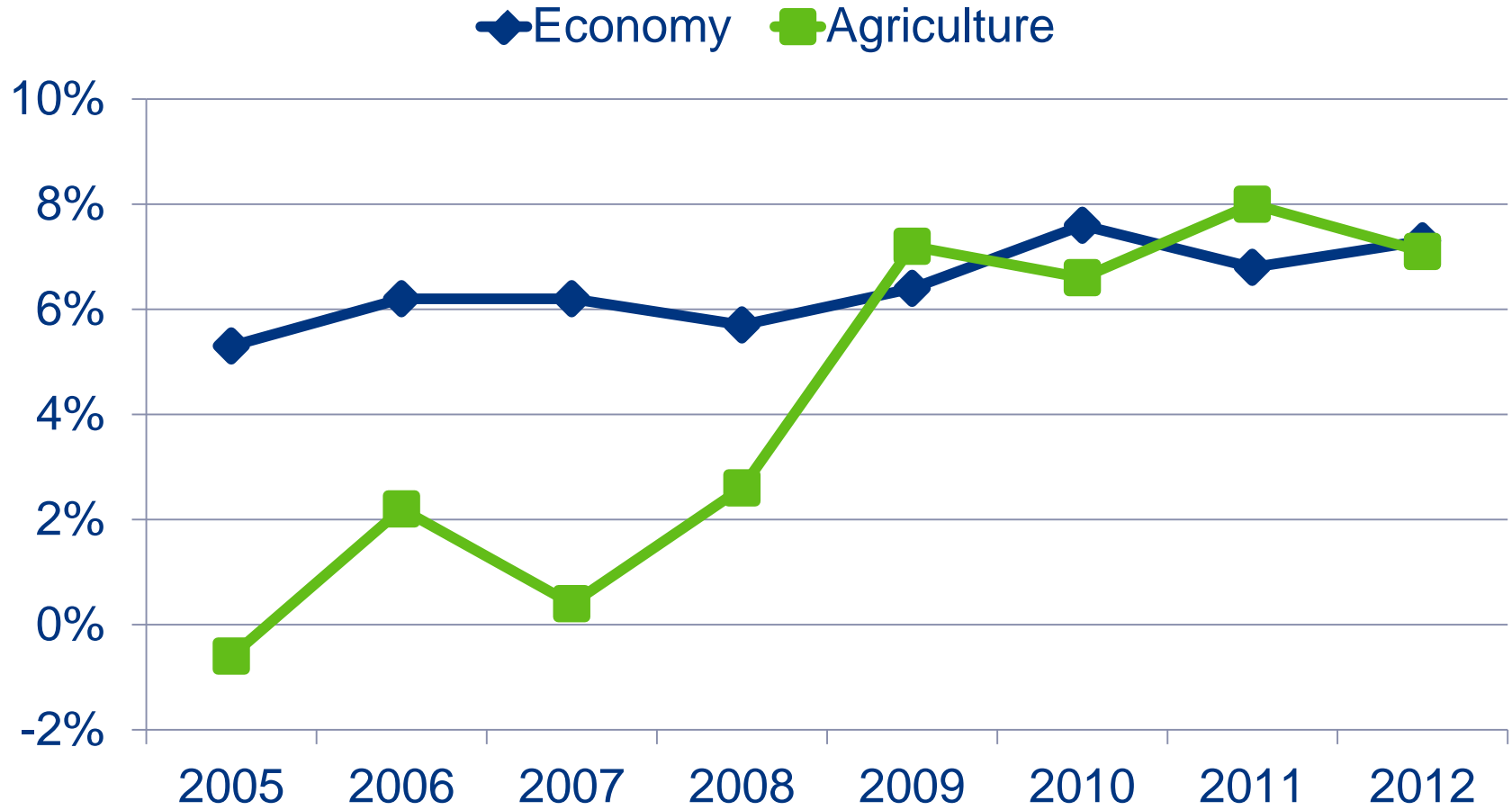
Nicholas Sitko, Jordan Chamberlin, Munguzwe
Hichaambwa, and TS Jayne

Conference on Land Policy in Africa, Land Policy Initiative. Addis Ababa Ethiopia.

November 11th- 14th 2014

Zambian growth: 2005-2012

1



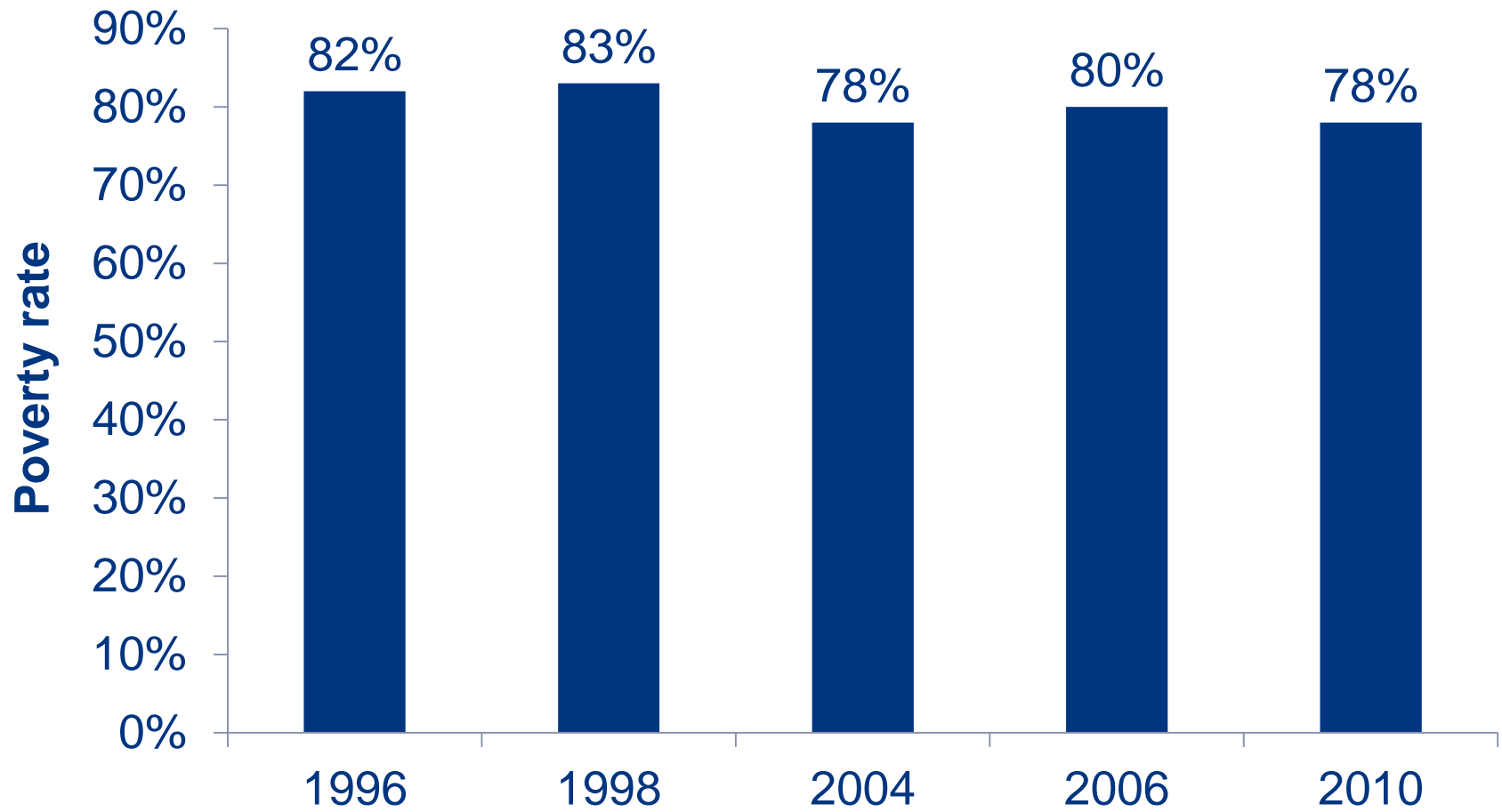
Source: GRZ, CSO

Indaba Agricultural Policy Research Institute



But persistently high poverty...

2



Source: LCMS, various years

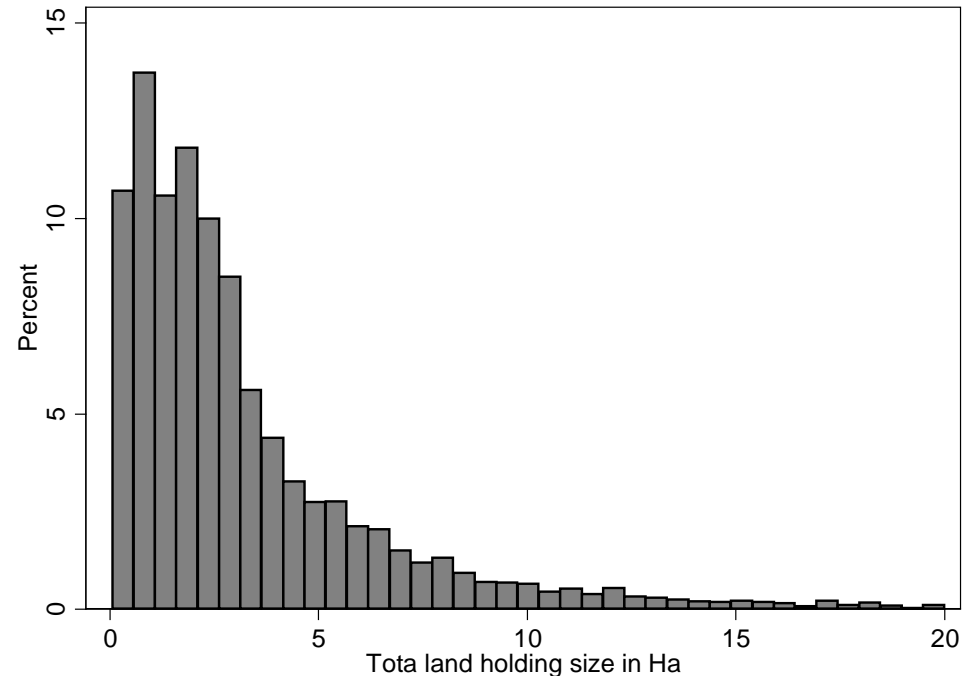
Indaba Agricultural Policy Research Institute



#1: Smallholdings are unequally distributed

3

- 44% own <1 ha
- 64% own <2 ha
- 30% own 2–5 ha
- 6% own 5–20 ha
- Holdings within the smallholder sector are highly skewed



#2: Agricultural sales & market orientation are positively correlated with farm size

4

Farm size category	Avg 2002/3 ag sales (constant 2011 ZMW)
< 2 ha	1,051
2 to <5 ha	3,121
5 to <10 ha	6,536
10 to 20 ha	11,633
<i>Total</i>	<i>2,063</i>

Low annual household agricultural sales for the majority

#3: Agricultural growth is strongly associated with farm size

5

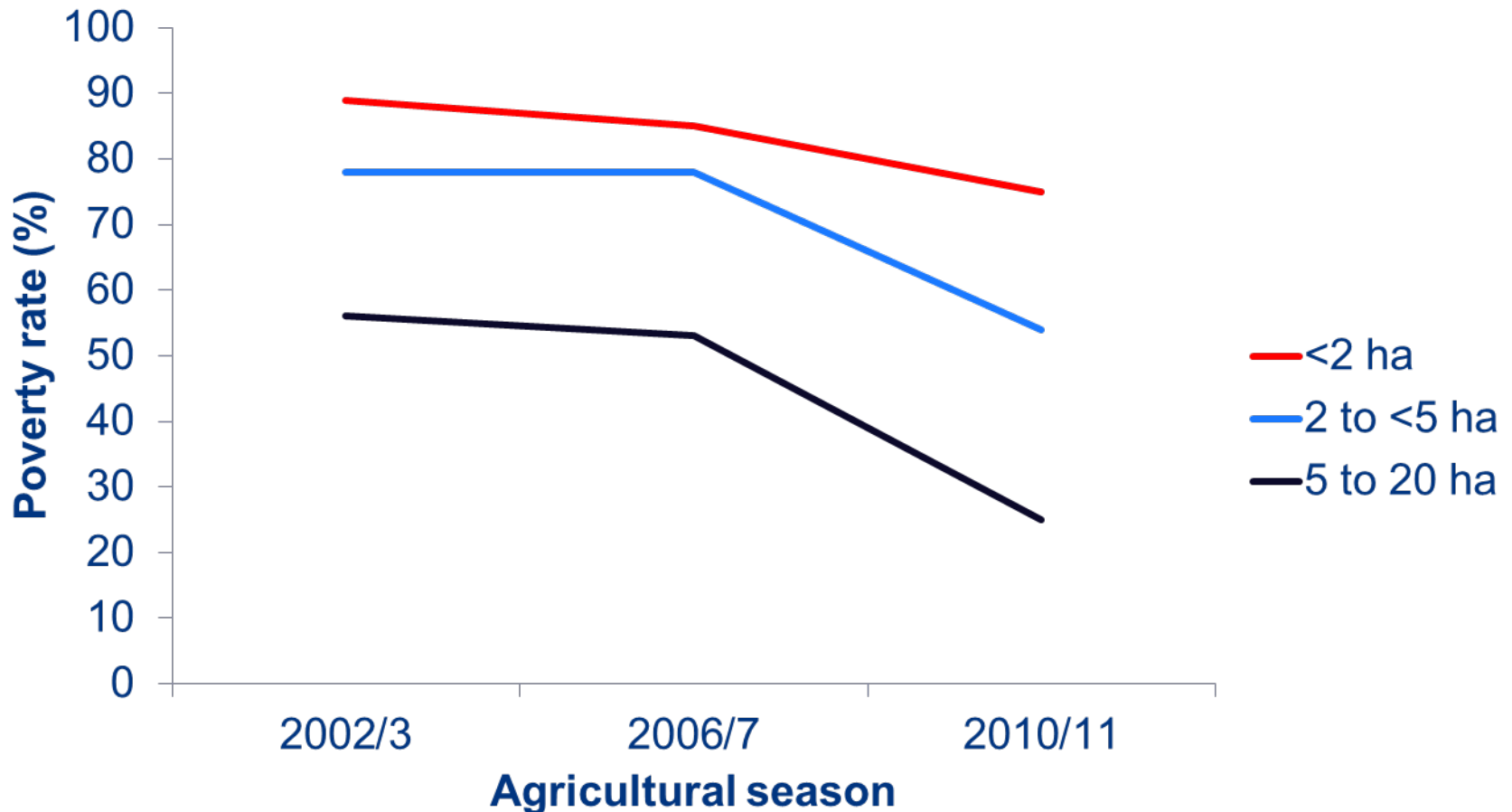
Farm size category	Avg 2002/3 ag sales (constant 2011 ZMW)	% growth (2002/3 – 2010/11)
< 2 ha	1,051	7.8
2 to <5 ha	3,121	9.1
5 to <10 ha	6,536	35.9
10 to 20 ha	11,633	40.6
<i>Total</i>	<i>2,063</i>	<i>14.8</i>

Employment multipliers generated in ag growth is limited due to the small proportion of SHH involved...

Too little for poverty reduction for the majority

#4: Poverty rates are persistently high, especially for the smallest farmers

6



Outline of Presentation

7

- Review of land titling objectives and outcomes in Africa
- Land titling in Zambia: procedures and policies
- Data and methods
- Determinants of smallholder land title
- Land investment and agricultural production effects of title.
- Conclusions and recommendations

Land titles and agricultural development: the theoretical rationale

8

- Advantages of title over usufruct rights:
 1. Tenure security: incentives to invest in land improvements;
 2. Collateral: enables access to credit markets for productive investments;
 3. Land markets: enables land to be transferred to more productive users.

Land titles in practice in SSA

9

- Mixed results:
 - Positive effects often marginal and highly localized
 - Frequently plagued by negative externalities:
 - Speculative acquisition by elites due to information asymmetries
 - Displacement and enclosure of poorer smallholder communities
 - Undermines benefits of customary land:
 - Communal lands
 - Social safety net

Land Policy in Zambia

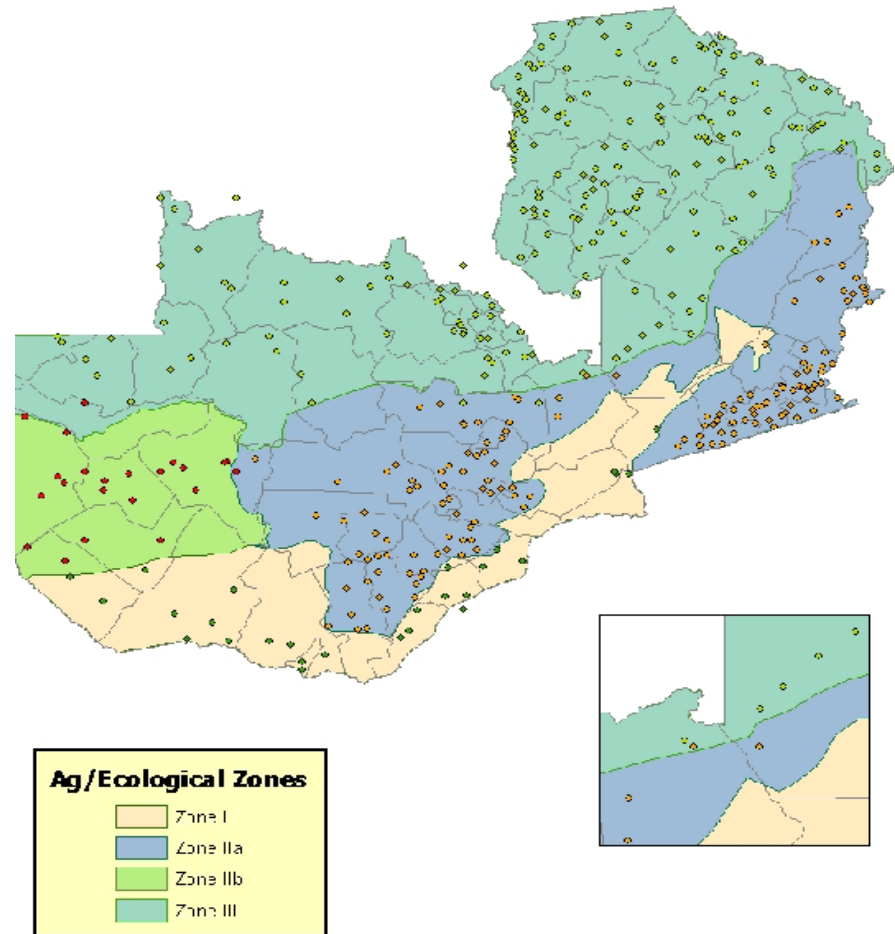
10

- Conversion of customary land to leasehold title central to 1995 Land Act
 - Requirements:
 - Consent from Chief and District Council
 - Cadastral survey
 - Registration of land with Ministry of Lands
 - Annual land rents
 - Areas of concern: No clear objectives and high barriers to entry
 - Highly centralized (geographically and institutionally)
 - High potential costs
 - Opaque

Data and methods

11

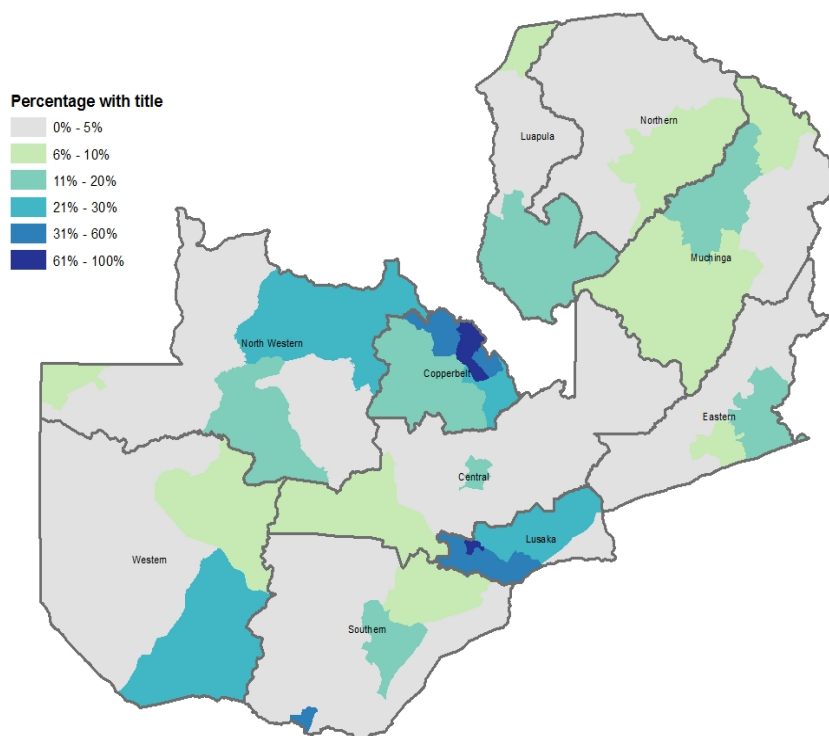
- Nationally representative Rural Agricultural Livelihoods Survey (RALS)
 - >0-20 ha
 - 8,839 hhs
 - Statistical tests and regression analysis
- Structured interviews with “emergent farmers”
 - Greater than 20 ha (not included in smallholder surveys)
 - Descriptive results



How many farmers have title?

12

- National smallholder:
 - 8.4% have title
 - 9.8% of smallholder land under title
- Emergent farmers:
 - 22% have title



Determinants of title acquisition: Smallholders

13

	(a)	(b)	diff.	
variable	Untitled households	Titled households	(b) - (a)	
% female headed households	24%	21%	-3%	
Age of household head	44.6	45.7	1.0	
Years of education of household head	5.6	7.6	1.9	***
% households related to traditional authorities	48%	20%	-28%	***
% households headed by migrant heads	53%	77%	24%	***
% households with private waged labour	15%	27%	11%	***
% households with public waged labour	4%	14%	10%	***

Source: RALS 2012

Indaba Agricultural Policy Research Institute



Determinants of title acquisition: Smallholders

14

Variables	Probability of land title possession
	APE
Years education	0.006***
Farm size (ha)	0.003***
Assets ('000 kwacha)	0.021***
Kin to chief (=1)	-0.042***
Migrant (=1)	0.036***
Waged, priv. (=1)	0.041***
Waged, gov't (=1)	0.034**
Population density	0.001***
N	8432

Source: RALS 2012

Determinants of title acquisition: Emergent farmers

15

	Title holder	Customary land holder
1. Count (n=)	41	142
2. Percent of total sample	22%	78%
3. Median Date of Birth of HH	1958	1964.5
4. Average years of education of HH	10.35	9.35
5. Have held a job other than as a farmer (% of respondents)	95%	63%
6. Average duration of employment (years)	9.9	6.3
7. Formerly or currently employed in the public sector (% of respondents)	62%	35%

Source: Emergent farmer survey

Land titling and income orientation: Smallholder

16

Median household farm and total income per smallholder land title ownership

Household owning land titles	Median per income type (ZMW) in total sample		
	Farm	Total	% farm income at median
No	3,340 ^{***}	4,866	68.6
Yes	2,915	6,900 ^{***}	42.2
Total	3,305	4,998	66.1

^{***} denotes value is significantly higher ($p < 0.01$) than for the alternative titling category.

Source: RALS 2012

Land titling and farm intensity: Smallholder

17

	(a)	(b)	diff.	Prob: diff. > 0	
variable	Untitled households	Titled household	(b) - (a)	p-value	
Farm share of total income	68%	42%	-26%	0.000	***
Marketed share of production	30%	38%	7%	0.000	***
Crop intensity (1000s ZMW/ha)	2,153	2,135	-18	0.858	
Livestock intensity (1000s ZMW/ha)	218	2,108	1,890	0.192	
Crop + livestock intensity (1000s ZMW/ha)	2,371	4,243	1,871	0.197	

Source: RALS 2012

Land titling and land use: Emergent farmers

18

	Title holders	Customary land holders
Total Current Land Area Owned and/or Rented (ha)		
Median	35.05	39.15
Mean	134.985	35.25
Percent of Area owed that is cultivated	27%	45%

Source: Emergent farmer survey

Land titling and investments: Smallholders

19

	(a)	(b)	diff.	Prob: diff. > 0	
Land investment type	Households without titled land	Households with titled land	(b) - (a)	p-value	
Irrigation water/equipment	3%	7%	4%	0.002	***
Application of manure/compost	7%	10%	3%	0.088	*
Application of inorganic fertilizer [‡]	23%	39%	15%	0.000	***
Fallowing	35%	30%	-4%	0.083	*
Soil erosion control	13%	16%	4%	0.049	**
Planting soil fertility trees	3%	3%	1%	0.303	

Source: RALS 2012

Conclusions

20

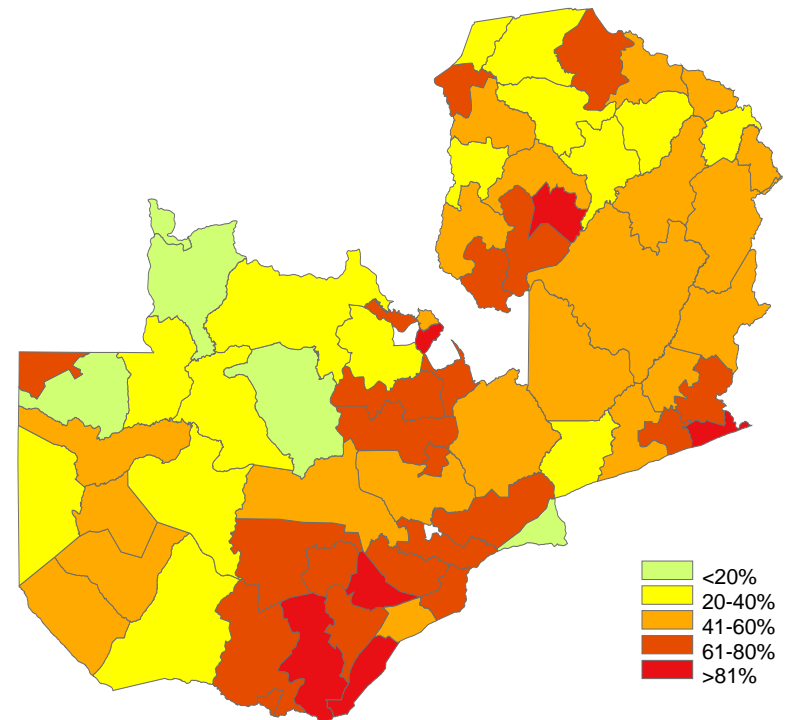
- Land alienation policies are:
 - Not contributing to substantial changes in farm investments and agricultural intensification
 - Enabling land appropriation by relative elites
 - Much of this appears to be speculative
 - Is this a first wave of investment?
 - Limited investment opportunities and wage uncertainty in Zambia make land an attractive investment for wage earners

Conclusions

21

- Concerns about future effects:
 - Scarcity amidst abundance?
 - Majority of smallholders indicate land is no longer available
 - Limits future potential for smallholder expansion

Percent of smallholder that say “There is NO land available”



Recommendations

22

- Clarify the socio-economic objectives of the Land Act
- Decentralize the process of conversion
- Educate chiefs about the long-term consequences of conversion
- Substantial increase in ground rents to limit speculative acquisition

Thank you

23

