

Discussion of ‘The Political Economy of Land Reform’

Discussion by Kenneth Hounbedji

1 SETTING THE SCENE

As a resource, land produces a range of services for human development, such as food production, housing, and ecosystem services through forested areas. While statistics related to homelessness are scarce for Benin, the most recent statistics of the United Nations Food and Agriculture Organization (FAO) estimate that agriculture and forest represented respectively 33 per cent and 38 per cent of the land area of the country in 2016. However, in terms of contribution to food security, employment, income generation, and the creation of goods and services, agricultural activities play a central role in the social and economic life of the country. According to the most recent statistics, the share of the employed population working in agriculture in 2018 was estimated at 41 per cent, and contributed to producing 23 per cent of the value generated by economic activities (World Bank, 2018).

Despite this position and the positive economic performance in recent years, the agricultural performance in Benin is still very much lagging behind in international comparisons (Food and Agriculture Organization Corporate Statistical Database FAOSTAT, www.fao.org/faostat/en/#home). While the rest of the world experienced gradual and substantial productivity gains through the entire period, despite steady growth since the 1990s land productivity remains low in Benin. Moreover, even though the country has privileged access to trade routes and imports food from abroad, the latest report on the state of food security and nutrition in the world ranks Benin among low-income, food-insecure countries. This underlines the fact that agricultural output is not sufficient to meet local demand for food and the country lacks the resources to fill the gap by purchasing food on the international market. In that context, it is estimated that the population is affected by multiple forms of malnutrition – including a high prevalence rate of anaemia among women and

child stunting – and that one out of ten persons (i.e. 1.1 million persons) was undernourished in Benin between 2015 and 2017. Agricultural production is also particularly vulnerable to climate change and this situation raises concerns regarding the future prospects of food security in Benin (see FAO et al., 2018).

This chapter on land reforms provides a thorough and in-depth analysis of the political forces that shaped the orientations of successive land reforms in Benin. In this discussion, we propose to analyse the land reforms in Benin through their impacts on the social and economic lives of individuals. To pursue that goal, we provide a bird's-eye view of the theoretical and observed effects of the land reforms implemented and offer remarks on some of the challenges and opportunities ahead to promote sustainable improvement of the social and economic lives of individuals in Benin.

II LAND REFORMS IN BENIN: THEORETICAL EXPECTATIONS

A property right refers to socially recognised structures of allowable individual actions. It determines how a resource is used for consumption and/or income generation (see, e.g. Besley and Ghatak, 2010). Hence, a system of property rights provides the incentives and devises the constraints that shape human interaction, whether political, social, or economic (North, 1990).

There is a well-established theoretical literature that shows that the enforcement of private property rights, which makes it possible to legally exclude others from using a good or asset, within an effective legal framework should in theory increase productivity and spur economic development (Besley and Ghatak, 2010). The literature proposes three channels through which productivity gains arise in these contexts. First, the codification and enforcement of private property rights reduce expropriation risks and promote long-term investments. Second, enforceable property rights should lower transaction costs and allow productive farmers to negotiate land use rights from less productive farmers, thus making both parties better off. Third, a clear definition of property rights reduces information asymmetry about ownership rights and can allow individuals to use their property as collateral for loans. Nevertheless, to be effective, the ability to use land as collateral requires a number of conditions, including the presence of a properly functioning credit market.

Theoretical predictions of the effects of the enforcement of private property rights on productivity suggest that places where property rights are clearly defined and enforced should be more productive. However, most agricultural land in Benin is held under customary rules, where the allocation and enforcement of land rights involve a diverse and complex set of arrangements made and upheld by local stakeholders, such as village chiefs, councils of elders, and land chiefs (Le Bris et al., 1982). Therefore, private property rights, as conceptually defined in theory, do not match local practices of land rights management.

Yet, there are good reasons to consider that land tenure insecurity represents a challenge for investment and living conditions in Benin. First, using

detailed information on agricultural practices on plots, Lawin and Tamini (2019) find evidence suggesting that land tenure arrangements significantly influence farmers' decisions to invest in practices that improve agricultural productivity while preserving the environment. Second, there is evidence that under customary land management, land tenure insecurity prevents farmers from leaving their land fallow, a low-cost soil fertility management investment practice that improves agricultural practices (Goldstein et al., 2018). Third, available statistics estimate that 34 per cent of the population in Benin felt insecure about their tenure rights over the home they owned or rented in 2018 (Prindex, 2019).²⁷ Though home tenure insecurity appeared to be evenly distributed across urban and rural areas, it varied geographically and was highest for vulnerable groups, such as women and renters.

To reduce land tenure insecurity, in a context where allocation and enforcement of land rights have historically been vested in customary practices, policy makers in Benin approved the Rural Landholding Law of 2007, which provided formal recognition of land held under customary arrangements. A new land law was then adopted in 2013 to improve the definition of property rights. This established ANDF, a national agency with responsibility for the implementation of land policies.

While little is known about the effects of the implementation of the 2013 land law, more can be learned from studying the effects of the implementation of the Rural Landholding Law of 2007. In practice, the Rural Land Law allowed willing villages to produce Rural Land Use Plans, or PFRs, which embed the resolution of land disputes, the demarcation of plots, and the recognition of individual land rights within customary practices, and which provide documentary evidence of those rights. PFRs are a community-driven approach that seeks to provide legal recognition of land rights held under customary tenure systems (see, e.g. Colin et al., 2009; Cotula et al., 2004; Lavigne Delville, 2014). The approach systematically demarcates several plots at once, making it an affordable policy option. However, the impacts of the PFRs are theoretically unclear, since customary land rights that are formalised are not necessarily private and still remain (partly) vested in customary practices.

III EMPIRICAL EFFECTS OF THE PLAN FONCIER RURAL IN BENIN

To our knowledge, available empirical studies of the effects of Benin's PFRs include a study of changes in land security for landowners and access to land for tenants (Yemadje et al., 2014), variation of agricultural investment decisions (Goldstein et al., 2018), and changes in individual levels of cooperation and trust (Fabbri, 2021) as a result of land registration activities.

²⁷ Perceived tenure security was assessed via a central question about people's homes: 'In the next five years, how likely is it that you could lose the right to use this home, or part of this home, against your will?' (See Prindex, 2019 for more details.)

In the oil palm-based cropping system on the Adja Plateau, Yemadje et al. (2014) report that following the land registration activities carried out as part of the PFRs, land conflicts have decreased and there was a shift towards agricultural intensification. Tenants and landowners increasingly invested in land through rotations between maize and cowpea (rather than maize mono-cropping) and the use of mineral fertilisers, without increased use of household waste. The paper suggests also that as a result of the PFRs there was a shift from oral to written land rental contracts, from unwitnessed to witnessed contracts, and from contracts backed up by local chiefs under customary rules to contracts backed up by the state in a legal system.

Covering a larger study area that spreads across forty of the seventy-seven communes in Benin, Goldstein et al. (2018) compare the agricultural decisions of rural households in villages that were randomly selected to receive a PFR intervention to otherwise comparable households in villages that were not selected. The authors find that following land demarcation agricultural households were on average more likely to have their plots demarcated. In line with theoretical predictions, households in villages that implemented a PFR were also on average more likely to shift their investment decisions to long-term and perennial cash crops. There was also evidence that, on average, the PFRs helped to reduce the gender gap in fallowing, a key soil fertility investment.

The results reported by Yemadje et al. (2014) and Goldstein et al. (2018) are in line with the effects reported for similar interventions in other countries of sub-Saharan Africa. In Ethiopia, Deininger et al. (2011) find that the registration of land rights in Amhara significantly reduced fear of land loss, and increased the propensity to rent out land and the propensity to invest in soil and water conservation measures by 20 percentage points. Studying the effects of Rwanda's large-scale land tenure regularisation programme, Ali et al. (2014) find that the land tenure regularisation increased soil conservation investments among male-headed households by approximately 10 percentage points, and that the impact for female-headed households – at 19 percentage points – was nearly twice as large.

The long-term impacts of the registration of customary land rights on agricultural productivity and food security in Benin remain an area of active research. However, outside Benin, Holden et al. (2009) find that, up to eight years after the rural land registration in the Tigray Region in Ethiopia, plot productivity increased. In Vietnam, Newman et al. (2015) studied the effect of the land use certificate (LUC) on rice production and find that 'plots that move from not having a LUC to having a LUC experience gains in rice yields of 4.9%' (Newman et al., 2015, p. 99).

IV CONCLUDING REMARKS

Theoretical and empirical results suggest that land tenure arrangements matter for agricultural practices. Empirical studies of the PFRs provide evidence

that the land registration activities have on average increased agricultural investment and have encouraged the adoption of soil fertility management techniques in parts of Benin. While detailed studies of the long-term impacts of the PFRs on land productivity in Benin remain to be carried out, it seems unlikely that the formalisation of land rights alone will boost agricultural productivity to the level observed in the rest of the world. To sustain investment in agriculture and maximise the chances of improving food security in Benin, a systemic approach is needed to connect farming to local demand for food while reducing externalities on the environment.

While the evidence suggests that the formalisation of land rights in rural areas can be instrumental in increasing land tenure security, it raises a number of concerns about the distributional effects of land registration under customary settings. As pointed out by Yemadje et al. (2014), land registration of customary rights does not exist in a vacuum. Land registration activities take place in contexts marked by spatially heterogeneous land tenure management systems, and the issuance of formal documentary evidence of land rights changes expectations and coordination between individuals. For instance, the issuance of land certificates can skew land tenure security towards holders of land certificates. This can reduce tenure security for other individuals who may have claims to the same piece of land and to different dimensions of use of that land (Lavigne Delville, 2014; Udry, 2012). This is particularly a salient concern for women, who typically obtain land use rights via a male intermediary. Alternatively, land registration activities can embed conflict resolution mechanisms and can help uphold the land rights of vulnerable groups, as protected by the legal system. In this way there are also reasons to expect that land registration activities act as a magnet that helps customary and legal practices coevolve and converge (Aldashev et al., 2012).

Overall, given, on the one hand, the role that access to land plays in social recognition, access to housing, and the economic lives of individuals, and, on the other hand, the spatial variation of existing customary practices, land registration activities are expected to produce an array of impacts depending on the constraints that are locally relaxed and/or exacerbated. It therefore seems worth considering various approaches to land registration activities depending on local context.

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State Capture and Rent-Seeking in Benin

The Institutional Diagnostic Project

Edited by

FRANÇOIS BOURGUIGNON

Paris School of Economics and EHESS, Paris

ROMAIN HOUSSA

*Development Finance and Public Policies, Center
for Research in the Economics of Development
University of Namur*

JEAN-PHILIPPE PLATTEAU

*Development Finance and Public Policies, Center
for Research in the Economics of Development
University of Namur*

PAUL REDING

*Development Finance and Public Policies, Center
for Research in the Economics of Development
University of Namur*



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