



Emerging Land Issues in African Agriculture: Implications for Food Security and Poverty Reduction Strategies

Presentation Transcript

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Julie MacCartee:

My name is Julie MacCartee, and I'm the Food Security and Agriculture Program Manager with the USAID Knowledge-Driven Microenterprise Development project, and I'd like to welcome you all to today's special seminar entitled "Emerging Land Issues in African Agriculture: Implications for Food Security and Poverty Reduction Strategies." Before we get started, I would just like to remind everyone to please silence or turn off your cell phones, and also to please hold your questions until the end, after the speakers have given their presentations. We are expecting a sizeable online audience, and during the Q&A, we like to pass around the microphone so that our online audience can hear your questions and participate.

Lastly, I just wanted to call your attention to a couple of upcoming events. Next Tuesday, June 5, we are holding a special, all-day event with the Cornell Agricultural Biotechnology Support Project, and this will be at 1717 H Street, and we've got an all-day, great lineup of technical speakers, and they'll be speaking to lessons learned from more than ten years of supporting agricultural biotechnology research and product development in India, Bangladesh, the Philippines, Indonesia, Uganda, and Mali, and you can sign up for that on Agrilinks.org. There's limited in-person space, but we still have spaces available, and you can hop on and off the webinar all day based on the sessions that you're interested in. Then, on June 27, we have our usual Ag Sector Council at the end of the month, and next month it will be Curtis Weller, who is a Jefferson Science Fellow. It will be part of that speaker series. Now, to introduce the event and our speakers, please welcome David Atwood, who is with the Bureau for Food Security policy team.

[Applause]

David Atwood:

Good morning. I am so pleased to introduce two outstanding presenters this morning, Thomas Jayne and Karol Boudreaux, speaking on this very important and timely topic, timely for two or three reasons. The FAO-led committee on food security just completed a, I think, year-and-a-half or longer process of stakeholder consultation and consensus building leading to approval earlier this month of the guidelines on tenure of land, fisheries and forestry in the context of national food security that are going to be very important over the next few years in helping governments and emerging and developing countries and donors in the private sector, and farmers work through some of the land issues that Karol and Thomas are going to be talking about this morning. Timely, also, because – and that process was chaired by USAID's Gregory Myers.

Karol works with Greg and for Greg on the USAID land – what used to be the Land Tenure and Property Rights Team. It's now the Land Tenure and Property

Rights Office. I don't think I have the name exactly right, but this session today is timely also because we, in USAID, have elevated land policies to significantly extend the amount of people we have working on them and elevated that to an office in the Bureau of Economic Growth, Environment and Education, just earlier this month, or last month, and timely because these issues really are coming to the fore as major policy issues in a number of African countries, and important because land is such a critical element, both in smallholder and rural people's food security, and in enabling and leveraging the kind of investments that we hope will help as a key part of transforming African agriculture.

President Obama and USAID administrator Rajiv Shah, just a couple of weeks ago at the G8, talked quite a bit about the extensive, new investments that we are trying to leverage into Africa and the issues that Tom and Karol are going to talk about are key to doing that right and doing it well. So, introducing Tom, Tom is a professor of agriculture, food and resource economics at Michigan State University, and a Core Faculty member at the African Studies Center. Karol Boudreaux is the Africa backstop in the agency's Land Tenure and Property Rights office. She recently joined USAID – not that recently but about a year ago – coming from George Mason University's Mercatus Center. Thomas and Karol both have done extensive research on these issues and on food security in Africa. So, thank you very much.

Thomas Jayne:

Well, good morning, everybody. It's a pleasure to be here in Washington, and to see a bunch of familiar faces again. I have been told that I have 25 minutes, so I'm just going to start straight in, very little introduction. David has already given a good sort of context for what this seminar is about. I would like to acknowledge two of my coauthors, Milu Muyanga from Tegemeo Institute in Kenya, and Jordan Chamberlin, formerly of IFPRI and is now a graduate student at Michigan State. Okay. Has everybody seen these news clippings? If you open up a typical newspaper in one of capital cities in eastern and southern Africa, there's going to be lots of talk about land-grabbing, foreign-direct investment, elite capture of land distribution, all of these issues. In his opening address from the American Agricultural Economics Society, Tom Hertel talked about the specter of a perfect storm emerging, and this perfect storm is the confluence of rising food prices, creating a rising demand for land in the world, along with climate change perhaps, and more extreme weather events, all of these things potentially converging to create a massive rush for land in the world.

Now, ironically, Africa, which is the poorest and the most food-insecure place in the world, also happens to have the greatest supply of unexploited, unutilized, fertile land, so it's in this context now that we'd like to discuss what are the

options? What's in the best interest of African countries to handle this agenda? The main issues that I'd like to cover today are, first, is this really a problem? If you fly over the continent, going from one place, you look down and there's a lot of apparently unexploited, open land that hasn't been developed, so first of all, is this an issue? Number two – and I'm going to say yes, this is an issue, despite possible appearances. Secondly, what are the impacts of growing land constraints on farmer behavior, farmer welfare, what their options are for the future? The third issue I'd like to deal with is this debate that's now emerging. Is everybody familiar with Paul Collier and Paul Collier's arguments, a very well known development economist from Oxford?

He's basically arguing that there really is no future, no real future for smallholder agriculture in Africa, and therefore we have to go to a commercialized, large farm system, and that the challenge is really how to get the millions of smallholder people who are on the land, how to segue them out of agriculture into productive, non-farm employment, and so forth, and I'd like to present some empirical findings from several countries that show just what's likely to happen under that kind of scenario. Then, lastly, where does that leave us for priorities, for Feed the Future, for CAADP, country investment plans? The train has already left the station to some extent, but still it's, I think, important to sort of reassess what the role of land policy should be in a holistic food security strategy. So, that's what I'd like to cover today, and just in case I run short of time, I'd like to give you the conclusions up front, too, so if the stop sign flashes here in front of me, at least you'll have the takeaway message.

Even in countries that are experiencing major agricultural production growth in Africa, and there are a few that are experiencing pretty impressive agriculture growth, if you look at where that growth is occurring and who's accounting for that production growth, it's largely at the larger farm scale. I don't mean commercial large scale, 1,000 hectare farms. I'm not talking about that. I'm talking about the more commercialized, smallholder population, the 20 hectare, the 10 hectare, even the 8 hectare farms. But that accounts for about two percent of Africa's farms, so the massive majority of farms in Africa, which are one to two hectares, those farms are not benefiting, they're not participating in these growth processes. So, the challenge for poverty reduction is how to get growth occurring in that strata of farms. Input subsidy programs, which is another policy flashpoint in Africa, the evidence to date is showing that these subsidies are promoting production, but they're promoting production generally for the larger, smallholder farmers. They're not trickling down to benefit the smallest and majority of the smallholder farmers, which is where real poverty is currently concentrated.

So, the corollary to this is that agricultural growth is occurring without much reduction in poverty. The second thing is that now let's deal with this foreign-direct investment. Is foreign-direct investment bad? No. There's a role for foreign-direct investment, there's a role for large-scale farming, but if it diverts public resources away from dealing with the main, core problems of dealing with poverty and agricultural growth for the majority of Africa's farmers, then it becomes a problem. So, the tradeoff really occurs if it diverts resources and attention away from the core problem, which I think it has, to some extent, in recent years. Then, lastly, let's reassess, in light of these empirical findings, what the role of land and land policy should be in a holistic, agricultural growth and poverty reduction strategy, so with particular reference to CAADP, for example.

Data sources, I'm going to go over this very quickly. We're using usually nationally representative farm household surveys to derive the conclusions that I'm going to show you now, and then, after having the GPS, the coordinates of these farms, we're able to merge this with spatial data that's become available in recent years, and that spatial data allows us to look at how the rural farm population in these surveys, how they're clustered into – are they dispersed, are they clustered, and so forth. Having done that, that allows us to produce figures that look like this. This is Kenya. This, of course, is Nairobi. The dark blue, or densely populated area, so kind of the size of this shows you where the population density is concentrated. This is Mombasa, this is Nairobi. This is the Central Highlands of Kenya, rural area. This is the western area. This is _____. These are all rural areas, but many of them – I don't think it's wrong to say this – many of these areas have become rural slums, where farm sizes have shrunk so much that it looks like garden plots. It really looks like rural slums in some of these places.

So, this shows you how clustered the population is in Kenya, even when there's large tracts of largely un-arable land that are quite unutilized in other parts of the country. This is Zambia. Zambia is one of the least densely populated countries in the world. But, nevertheless, in some of the fertile areas of Zambia out here in the Eastern Highlands, for example, there's no land to be had. Every parcel of land is spoken for, and these are coming from farm surveys that ask farmers is it possible for them to expand their landholding size, is there unallocated land in the customary areas? So, these kind of phenomenon are occurring even in the presence of what would seem to be major unexploited and unutilized land in other parts of the country. So, let's talk about the evidence of land pressures right now.

Here's Ethiopia. This is the second most populated country in Africa. If you

take, again, these spatial grid cells, they're one square kilometer grid cells, and there's tens of thousands of them in Ethiopia, and if we compute the population density for those 10,000 or so grid cells, it turns out that the majority of them, almost 80 percent of these grid cells, are in very sparsely populated areas. There doesn't seem to be hardly anyone or any grid cell that's over 400 persons per square kilometer. So, this would give you the impression that there really are no population pressures here. This is counting all rural grid cells. But when you take out the grid cells that are not arable and you just look at arable land, and you change the unit of observation from pixels to rural people, here's how it changes. This is the same country, Ethiopia, but we're just looking at arable land, and we're looking at people. The unit of observation is no longer grid cells, but it's where the people are located.

Now you find that roughly 20 percent are in this cell, about 500 persons per square kilometer, and when you sum up all of these people here, you find out that roughly 40 percent of Ethiopia's rural population is in areas that exceed 400 persons per square kilometer. Now, let's talk a little bit about that. Four hundred persons per square kilometer might not seem like very many when you compare it to Bangladesh or India, where the population density is much denser. But these places, Bangladesh and India, usually have irrigated land; they'll have two or three cropping seasons. There's a much different agriculture potential on most of Asia, where the Green Revolution occurred, than there is in rain-fed, semi-arid conditions, where fertilizer use is sometimes profitable and sometimes not so profitable, so it's very, very different here. There's an FAO report, just to give you kind of a baseline, that estimated that roughly at 500 persons per square kilometer, that's the kind of maximum carrying capacity of one season, semi-arid agriculture. So, you can see that in Ethiopia's case that about 40 percent of the population are already living in areas that exceed that population density.

Let's look at Nigeria, which is the most populated country in Africa. You would think, again, counting all grid cells, really not a problem. When you convert it now to people, you also see that roughly I think it was 35 percent of Nigeria's population exceeds 500 persons per arable square kilometer, and of course the population density is rising fast. Here's the story for Rwanda. This is probably the most extreme of all the countries that we looked at, where the vast majority of rural people in Rwanda are really cooped up in very densely populated areas. Here we have Kenya, where there are 40 percent or so below 400, but quite a few above. So, anyway, my point, and I put Zambia here just not to paint with too broad a brush. Zambia is a place where what I'm talking about is not yet occurring, okay? So, there are places in Africa that are not reaching acute proportions, but most of these countries are.

So, the takeaway message here on this first part is that, number one, much of sub-Saharan Africa's rural areas are sparsely populated, and that's clear just by flying over the continent and looking down, but the second point is that a high proportion of the rural people in Africa do live in densely populated areas, so this is not a contradiction. This is just due to the way that infrastructure has been laid, people concentrate around where the infrastructure is, they tend to have settled in relatively high potential areas to begin with, so this leads to the sort of nucleation or clustering of the population. Okay, let's go on to the next – well, there's one more point I wanted to make about this. This has major impacts on farm size. Based on I think all but one of these surveys is nationally representative, and when you take the whole 8,000 farms and rank them according to farm size, that's what we did here, and then we broke them into five equal groups, quintiles. What you find is this fairly consistent picture across all of these countries, where the bottom 20 percent of the farm population in these countries is virtually landless. They have about a half a hectare on average of land.

The bottom 40 percent still have less than one hectare of land under rain-fed conditions. So, these households are extremely land-constrained. It's not really until you get into the top 20 percent of these smallholder farmers in each of these countries do you start to find four hectares, five hectares of land, and not coincidentally, this is where the majority of the farm surpluses are coming from in these countries. The market in surplus and so forth is all up here in the top 20 percent, and I'm going to just – yeah, let me do that. This is, I think, fairly dramatic. In Zambia 2008, what we did was we disaggregated the total smallholder population into three groups. The first group was those farmers, these are all smallholder farmers, these farmers who produce half of the maize sales in the country, and that's two percent of the farmers in the country.

So, 2 percent of the farmers accounted for 50 percent of all of the marketed maize output in Zambia. The rest of the maize sellers, these are the smaller ones who are still producing a surplus, that's 30 percent of the total, so two thirds, and two thirds of the farmers in Zambia do not produce a maize surplus; they sell no maize. Why? Well, farm size tells you a lot about that. Seven hectares among the bigger maize sellers, 1.9 hectares for these small, you know, 30 percent of the households who sell a little bit, and then a little bit more than one hectare on average for the people who are not commercialized on maize. So, now let's look at their asset values. These are the values of plows, harrows, ox carts, livestock, things like that, irrigation equipment. The more commercialized smallholder farmers have almost \$4,000.00 of assets per farm. Among the smaller maize sellers, look at that, it is less than ten percent of what

these ones have, \$257.00 per farm. Among those who are not commercialized, \$129.00. So, gross revenue from maize sales, by definition, this is zero. These bigger ones are getting about \$3,000.00 per farm worth of maize revenue.

Okay, now it's possible, and let me just deal with this, it's possible that maybe these ones down here are not producing maize but maybe they're selling other things. It could be ground nuts, it could be cotton, it could be cassava, so let's look at the total value of agricultural output here, and you see that it really doesn't change much, even here, so \$57.00 worth of revenue. This is way below the poverty line, and then total income, it's possible that these farmers are getting non-farm income and that's their main source of livelihood, but that's not coming out to be the case, either. So, when you compute a dollar-a-day poverty rate, almost all of these households are below that level, and this part of the equation here is crucial, that the ability to produce a surplus is very much related to landholding size. Now let's look at the impacts of rising population density on African agriculture.

As we've shown before in the more densely populated areas, this forces kind of a fragmentation in smaller landholding sizes, and there's a very close relationship between farm size and income in all of these countries. These are based on regression results using survey data, and a very small increase. All it takes is going from .25 hectares, or .1 hectares per person up to .25, and it's associated with quite a large increase in income. So, one of the points that I think comes out of this is that even if it's possible to double farm size from one hectare to two hectares, for example, it can have a very big difference on poverty. Okay, thank you. Okay, so let me summarize some of the main findings from the survey data here.

The first one is that we're finding that in the densely populated areas, there's an outflow of labor, a higher outflow, the rate of outflow is higher than in the least populated areas. That stands to reason. They're going into the towns and the urban areas, and in that way, land pressures in rural Africa are not unrelated to some of the urban problems that African cities are incurring in terms of congestion, overcrowding, slums, sanitation, stresses on health facilities, and all the like, so these are related problems. The urban overpopulation problems are partially an outgrowth of land pressures and people being pushed out of rural areas due to land constraints. Farm size is shrinking over time. In the paper that's posted on the Agrilinks website, there's quite a bit of data on that. I think that this is a remarkable fact, so I'd just like to take a second to say it.

In Kenya, we asked households in this survey done a couple years ago what was the landholding size of their parents. Of the people in this survey, 0.9 hectares

was the average in areas that I think had over 400 persons per square kilometer, but their parents had over four times that land. So, in one generation, the average landholding size in these densely populated areas of Kenya went from four hectares down to less than one hectare. So, for this generation, who's growing up now, where are their children going to go? How are they going to subdivide that land among their two or three children? Again, this is now, I think, helping to explain why urban populations are mushrooming in many of these countries, because there just isn't a lot of residual land to expand onto.

Another thing that I think we should keep in mind is land markets are developing, and in Kenya, where it's been legal to have land markets for quite some time, it turns out that 25 percent of the sample in one farm sample did not inherit land. They acquired their land by having to purchase it in land markets. So, some very unusual things are starting to occur, unusual in the sense as a major departure from the past. Fallow areas are going down, so soil fertility issues are becoming increasingly an issue. Response rates to fertilizer are also going down. I think the evidence of that is becoming much more clear as the soils are becoming more mined of their nutrients. We are seeing shifts in crop mix. This is a logical response to land pressures.

If you had ten hectares growing a low-value crop, like maize, might make sense if you only have a half of hectare, you want to maximize the potential revenue you can get off of that scarce land, so we are seeing shifts into horticulture and other kind of higher valued commodities. It's a partial solution to this problem. Unfortunately, most of these farm households still derive the majority of their income from agriculture, so non-farm employment is rising, but there are two kinds of non-farm employment. There's productive non-farm employment, where you can earn a livelihood from that, and then there's the non-farm employment that you're pushed into, largely as a desperation strategy because agriculture is not viable anymore, and that's like petty trading, hocking. It's usually poverty non-farm employment.

So, our takeaway message here is that many areas are already reaching a threshold of population density, where beyond this – is everybody familiar with Ester Boserup, Boserup's hypothesis? She had a major impact on the way we think about land and population, and so forth, and she wrote back in the 1960s. Her thought was, "Well, as Africa becomes more densely populated, we're going to move from shifting, cultivation to more sedentary, intensive agriculture and higher productivity," which was all a good thing, up to a point. Beyond some threshold level of population density, many of these virtuous cycles that she referred to, they may have reached their end. I would submit that there are parts of Africa that have reached that threshold, beyond which some negative

trends are starting to occur. Those are listed in one of the papers on our site.

So, I need to get moving here because I only have five minutes left, so let me go on to making the case for smallholder – so far, I realize that I've painted kind of a negative picture about the future for smallholder agriculture, especially in these densely populated areas, and I want to create a sobering picture about what the prospects are. But, at the same time, I think it's very important that we deal with this emerging view that smallholder agriculture has no future, because the prospects for smallholder agriculture are going to depend entirely on what the public sector does. If the public sector continues to view – well, I shouldn't say this with a broad brush. There are some governments in Africa where the agenda has now become, "We have all this unutilized land here. The goal is to reach national self-sufficiency, so let's figure out how to use that land," and what's happening from these land policies that are making it easier for people – large farmers, political elites, and foreign investors – to buy up that land, to get access to it, and then get the state to help come in with infrastructure, like rural roads, electrification to these areas, and irrigation, so public funds to facilitate the exploitation of this unutilized land.

What I would like to ask is whether benefit cost analysis has been done to show if you devote that level of public resources to promote large-scale agriculture, if you took that same set of resources and expenditures and devoted them to smallholder customary areas, where would the payoffs be greater? Would they be greater in the large scale, or would they be greater in small-scale agriculture, where the majority of the populations resides? I don't have time to go through a slide that I wanted to show you, but having disaggregated the production growth in Zambia, there has been a doubling, a very impressive growth in agriculture in Zambia, but rural poverty rates are flat in that country, and that part I can show you without much problem. Over the last 15 years, if I superimposed production growth on this, it would be quite impressive, and you'd think, "Well, my goodness, this kind of growth rate must have had an impact on poverty." But, if you disaggregate the growth, you find out that it's coming mainly from households that were well over the poverty line to begin with, and so it's not reaching down to allow these growth processes to occur in the 80 percent of farms that are below two hectares in Zambia.

Okay, this is how public expenditures are being allocated in Zambia. The blue here is marketing – this is the Food Reserve Agency's expenditures. That's elevating the price of maize to roughly \$275.00 per ton, so it's a fairly good proposition for farmers to produce a surplus. But, as I showed you before, this surplus of maize is really being generated by five percent of the farms who produce over half of the surplus, so this is really going to farms that are over ten

hectares. This one here are input subsidies, but if you look at the way that input subsidies are being allocated, they also are disproportionately going to the five or ten percent of the farmers that have 5 hectares, 10 hectares, 20 hectares. They're not reaching down into where poverty is. So, this is the kind of expenditure patterns that are going on now, largely benefiting larger farms.

So, the takeaway message here, and I think I'll end just after this, is that we need to have an explicit focus on a broad-based and inclusive form of growth in order to reduce rural poverty. We shouldn't be lulled into thinking that agricultural growth is the end in itself. Of course, agricultural growth is necessary to have the food available to feed people, but more attention to who's generating that agricultural growth is a critical part of the story here. This is consistent with documented evidence from the Green Revolution in Asia. Here's a quote from Michael Lipton here, who has tried to survey where poverty reduction has really occurred in other parts of the world, and his conclusion is that it's always been associated with an inclusive form of agricultural growth.

So, let me just summarize the conclusion verbally, dealing with the Paul Collier debate about is it smallholder farmer or is it large-farm agriculture. I wish we could get him here to actually debate these issues, because my sense is that USAID is firmly committed to a smallholder-based strategy, and that's the way Feed the Future looks to me, so trying to come to terms with this debate will be very critical. There are other segments of the development community that I think are – he has some compelling arguments, and if you look at the way smallholder agriculture has largely languished, one could easily agree with that conclusion. But one of the things that I'd like to stress is that if it is the case that smallholder agriculture loses out over the next few decades to large-scale farming in Africa, it will not be because they were less efficient or less productive; it'll be because the public sector didn't make the investments that it needed to make for a level playing field to support that 80 or 90 percent of farmers where poverty is. So, with those points, I'd like to thank you for your time and I'll look forward to getting comments and questions. Thanks.

[Applause]

Karol Boudreaux:

So, let me begin by suggesting for those of you who haven't had a chance to do so already to please take the time to read Professor Jayne's papers that are posted on the site. He and his coauthors have done really quite a marvelous job of looking in extraordinary detail at some of the challenges and problems that people are facing, particularly smallholder farmers are facing in sub-Saharan Africa. For my discussion, what I'm going to do is talk a little bit about some of the questions that Professor Jayne has raised in the paper, and then talk a little

bit about some of the ways that USAID and international actors are trying to think about and sort through these challenges.

So, as I read the papers, I saw a number of very interesting questions. I think we could spend at least a half an hour talking about any one of these questions, but because I'm representing the land tenure office at USAID, you will not be surprised to learn that I'm going to concentrate on the fourth of these questions, the final question, which is how do we understand this apparent paradox of abundant, underutilized, arable land in sub-Saharan Africa, at the same time increasing land scarcity, because Professor Jayne is exactly right. There is, in fact, increasing land scarcity when it comes to the important asset of arable, underutilized land in sub-Saharan Africa. I don't want to say that the other questions aren't important – they're really fascinating – but let me take my time and concentrate on that final question.

So, for me, as I think about it, I wonder, "Well, is this really a paradox, or is there something else going on that helps us understand the apparent puzzle of scarcity in the face of abundance?" I'm going to argue that, in fact, it's not really a paradox, that what we're seeing is the result of decades of policymaking and policy decisions that have led to a situation where, in fact, just as Professor Jayne has been able to show really effectively, especially with his geo-spatial data, that people are increasingly concentrated in particular areas, and this increasing concentration is leading to, in many cases, decreasing returns in terms of investments and in terms of agricultural yields. So, the paradox, though, seems to be the following. We do have lots of lands. You know, those of you who have flown over Africa, it's kind of like flying over the middle part of the United States. You look down, and gosh, there's really not a whole lot down there that we can see.

So, it's not surprising maybe that people who are interested in food security, who are interested in bio fuel production, who have interests in getting access to water resources are looking at sub-Saharan Africa and seeing a goldmine or a potential goldmine. They're looking around and saying, "Wow, there's not a lot of people down there, and surely some of us should be able to go into these countries and put these assets to good and productive use." I want to point out something that Professor Jayne also said – Tom also said – let's just be honest about it. There is a need for private sector investment in sub-Saharan Africa. There is a strong need for responsible private sector investment in sub-Saharan Africa, and so some of the people who are going in and making investments mean to do well, but they're going into environments that those people who work in development understand are very complicated environments with a lot of complicated social dynamics, and so sometimes investors, whether ill-

intended or well-intended, don't really understand the context that they're going into. So, we see this increasing demand.

What happens when demand increases normally in situations like this? We would expect land values to rise, we would expect land to be allocated through market systems to highest-value users, and in fact, what we are not seeing in many African environments is the development of robust land markets that empower smallholder farmers to make decisions about how to allocate land, or that empower communities, if you're still under a communal land regime, to make their own decisions about how they wish to allocate their increasingly valuable asset, which is the land they occupy. So, I'm going to be talking a fair amount about that, but what I want to say before I move on to the sort of legal policy issues is the following: I think, in many ways, what we're seeing right now is a kind of a perfect storm, and we're seeing land turn into the new resource curse in sub-Saharan Africa.

So, a bit like minerals, a bit like oil, land is becoming so valuable because there are so many competing demanders, or so many competing uses for arable land and water sources in sub-Saharan Africa that there's a phenomenon going on that looks a lot like a resource curse in mineral wealthy countries. But, of course, a resource isn't destiny, right? We're not necessarily predetermined to experience a resource curse. A resource curse is always tied to the governance in a particular country, and so let's talk for a few minutes about land governance in sub-Saharan Africa. Well, why is land a constraint in the sort of way that Thomas and his coauthors have pointed out? I would argue that land is a constraint because land policies and land governance are constraining the sort of expected behaviors that we would anticipate in situations where assets are becoming increasingly attractive and prices should be rising, but in fact there really aren't effective markets in force to send effective and transparent price signals to people who might want to be in that market.

So, first, think about this: who owns the land in sub-Saharan Africa? Who is the ultimate owner of the land? The government. In more than 20 countries in sub-Saharan Africa, the radical titleholder of land is not the community, it's the government, it's the national government, which means that even in countries where you have very robust, customary law environments, if the government decides that it wishes to enact a policy that says, "We believe it's in the national interest to transfer properties to the private sector for the purposes of investment that we believe is going to drive economic growth, something that might look like a kind of expropriation in other countries, that's going to be okay," and you can believe that communities are going to be faced with a very difficult situation of protecting their lands because it is the government that's

the ultimate radical titleholder in many countries. So, who gets the rents when land is reallocated? Is it communities? Is it the smallholders themselves who are usually getting paid directly when investors come into their countries to create large-scale, I don't want to call them mega-farms, but multi-hectare, many thousands of hectare farms? No, it is not. It's not the communities who are oftentimes the beneficiaries. It's not the communities who sign the lease with the investors. It's government actors who are signing leases with investors, many times in opaque, non-transparent manners.

So, one of the things we're thinking about, especially at USAID but other international donors as well, is how can we empower communities, how can we empower smallholders with clearer, stronger land rights so that they can be on the other side of the contractual equation, so that it's not necessarily the government actors who are controlling those contractual arrangements, sometimes in a well-intentioned but oftentimes paternalistic way? How can we devolve those responsibilities and those opportunities down to the community level? What legal rules obtain when you're dealing with access to land in sub-Saharan Africa? Let me tell you, if anyone in the room wants to spend time thinking about an interesting legal puzzle, this is it. This is an environment where there are at least four different overlapping sets of laws that you have to contend with if you're working in the property environment.

Typically, customary laws and principles which are informal, statutory laws, some of which are going to be still reflecting colonial era decisions and rules, post-colonial decisions and rules, and international rules and obligations that countries have signed on to. In other words, every sub-Saharan African country is a country where there is extensive, complicated, legal pluralism, and so a very difficult environment to work under. Because there's extensive legal pluralism, it means there are opportunities to work in the interstices of the legal environment, and maybe take advantage of unclarity sometimes leading to problems of corruption. Do countries have elaborate, legal safeguards for communities? No, they do not. They do not. International donors may have rules and principles around how you safeguard a community when you want to use their land. But, typically, national governments don't have these safeguards in place yet, and so this is another area where USAID is working to try to work with host countries to develop more robust safeguards for communities.

What's the role of customary systems? In Professor Jayne's papers, he spends a lot of time, or spent some time, talking about the role of customary allocation systems in sub-Saharan Africa. Well, these systems also, not only is the land under pressure, these systems are under intense pressure, as populations rise, as populations move and migrate, as one community has to interface with new

communities that may have different customary rules, there's a real stress point in the customary legal system right now. So, we need to be attentive to thinking about how we can help customary legal systems, customary dispute resolvers meet the needs and challenges of a rapidly evolving and changing land environment.

What do we know about land resources in this area? It's absolutely true, in some countries, you walk in and the host government will say, "There's a lot of land available for investors, and we'll be happy to put you in a car and drive you out to see it," but, in fact, in most sub-Saharan African countries, land information systems are not robust – that would be one way to say it. There's actually not a lot of good data about boundaries of land, boundaries of communities, and so we're really lacking some of the very essential geo-spatial information that we need in order to understand where farms should be, where infrastructure should be, because anytime you put infrastructure into an environment, what do you immediately do? You immediately make the land along that infrastructure more valuable, and if you're not careful about understanding who has rights to that land when you put in infrastructure, you're creating opportunities for a potential conflict. So, another thing USAID has really focused on over the last several years is developing a strong geo-spatial capacity, and some of my colleagues from the geo-spatial center are here with us in the room this morning.

Then, finally, why is land constrained? Here's another significant challenge. Land administration systems just are not accessible. There aren't offices to register properties when properties are transferred, if there's an option to transfer property, and, in many cases, there's not that option. They're neither accessible, transparent, nor accountable. So, we have a whole host of problems, sort of legal and regulatory problems that constrain access to land in sub-Saharan Africa, but – so here's my next question – is the real problem access? It will not come as a surprise to anyone who read my biography and saw that I'm actually a lawyer, even though sometimes I like to play an economist, it will not come as any surprise that my answer to that question is the problem is really not so much access; the problem is really rights. The problem is really about people, especially smallholders, living in countries where they have extremely weak or insecure rights to the land and other natural resource assets that they have traditionally controlled over the course of centuries.

What would security mean? If we were able to focus in some of our policy work on securing land rights for smallholders, for other vulnerable groups, for women especially, in sub-Saharan Africa? Dr. Jayne's report talks about the difficulties

of smallholder farming in general in sub-Saharan Africa. He doesn't focus a spotlight or disaggregate the concerns of women smallholder farmers in sub-Saharan Africa who have an even bleaker situation, an even bleaker outlook than do their male counterparts. They tend to be on even smaller parcels of land, with even poorer soil nutrients, and they tend to be supporting lots of children. These are vulnerable groups that need some attention in our policy work. So, what would it mean to secure the rights for these groups, these smallholder groups and other vulnerable groups? Well, oftentimes, what it's going to mean is formalizing the rights, getting the national government to recognize the rights of communities to make decisions and to benefit from the use of the land that they've traditionally occupied.

It does not necessarily mean individualization. It does not necessarily mean providing individual titles to one _____ hectare plots to people. It may – we would naturally expect property rights theory natural suggests that in situations where demand is rising, populations are rising, you might see a shift from communal ownership to individualized property rights. But, in lots of parts of sub-Saharan Africa, what we might prefer to see is some formalization of communal rights that would allow communities to benefit from the use of their land. Why would we want to see this? For the sorts of reasons that you'll all be familiar with, in order to shift behaviors so that farmers do have good incentives to spend more money purchasing improved inputs, or, importantly, to provide protection against predation; predation of public sector actors, as well as predation against private sector actors, but also to improve governance. Giving secure land rights to local communities allows them more robust opportunities to govern their resources, and that helps overall, we would argue, improve governance on the ground.

So, I want to talk for a few minutes now about what's needed; what can some of the responses be to the problem that Tom and his coauthors have identified. Well, I've just been talking about the need to explicitly address land rights of smallholders and others. So, again, this would mean, in many countries, going through a process where customary rights are formalized, formally recognized by the legal system so that communities have greater protection. It also requires, of course, implementing those rights. Nations have to be willing to implement new rights when they're created. What is it also going to mean? It's also going to mean addressing, as our colleagues at the Millennium Challenge Corporation have been doing on quite an extensive basis in many countries, addressing land administration challenges, that is building capacity in land administration offices, whether it's in _____ or it's in GIS capabilities, but focusing on those challenges.

It's going to mean identifying strategies that allow communities to leverage their rights. This, I think, is the greatest opportunity we have moving forward, whether it's at USAID or at other development organizations. How can we help communities use land rights to enter into beneficial arrangements with private sector investors, or to enter more into value chains in a more meaningful way? How might this happen? Well, we might experiment around things like land trusts, providing a community an opportunity to develop a legal entity called a land trust, and allow the land trust to contract with private sector investors, either to lease land or to engage in other beneficial transactions. We do need to address the needs of customary systems. Again, as I mentioned a few moments ago, these systems are under tremendous stress, and understanding how we can build bridges between customary systems and formal legal systems to improve both is, I think, in some ways, sort of the cutting edge of law and development challenges at the moment.

So, having provided that background, in my last few moments what I'd like to talk about is a very interesting effort at the international level to deal with some of the concerns that have been raised and really are very visible in terms of land challenges in sub-Saharan Africa, and that's the voluntary guidelines. The voluntary guidelines have a long and cumbersome name. They're actually called the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the National Context of Food Security. Again, as David Atwood said at the beginning of the presentation, these are guidelines that were managed by the FAO and the CFS at the FAO, an 18-month-long really sort of unprecedented negotiation chaired by the United States, and specifically USAID's Dr. Gregory Myers.

It was a highly participatory process in that member states and CSOs both had voice at these negotiations, and so CSOs that are very concerned, very aware of the problem of large-scale land acquisitions, and very vocal about how these should be dealt with, were sitting at the table with nation states talking about what should be done to protect communities on the ground. The guidelines were endorsed earlier this month, signed by 96 countries in the European Union. It's a fascinating document. We have the link to the document on the slide, and I believe we'll also have it available on the website, so I encourage you to go take a look at the voluntary guidelines.

I'm going to talk very briefly about what the guidelines are trying to do. In a sense, what they're trying to do is address the problem of weak land governance. Weak land governance is a big basket. There's a lot of things that are involved in weak land governance, but that's the goal, try to strengthen land governance, because by doing that, you will improve human rights on the

ground, you're likely to improve economic growth, you're likely to reduce environmental degradation, and you are more likely to encourage responsible agricultural investments of the sort that we would like to see. So, what are the key features of this brand new, international document that has been signed by a majority of countries around the world and that has been supported by many CSOs?

Here are some of the key features, and I'll just pick out a couple of these that I think are important to talk about. Respect for legitimate tenure rights. The document enshrines the principle of respecting the tenure rights of people on the ground, whether those rights are customary rights or formal rights. This is a very important step forward, and hopefully nation states will be willing to follow this guidance. Note, also, that there is strong guidance in the guidelines to work to prevent, you know, be proactive and work to recognize and prevent tenure disputes before they happen. Most of the violent conflict in sub-Saharan Africa is connected to land in some way, shape, or form. It's either a conflict over access to minerals or access to water, or access to pastures, and so dealing with land governance challenges should have, if it's done effectively, a direct linkage to reducing conflict in this region, as well.

Just a couple of other key features. Establishing meaningful guidelines to protect communities is just a vital need in many of the countries where we're working, and so I pulled out one quote for you from Section 7.1 of the voluntary guidelines, "Noting that safeguards should protect, of course, communities at large, but also pay special attention to the needs of women and vulnerable groups who, oftentimes, hold secondary property rights or even tertiary property rights, like rights to gather firewood." So, recognizing the complexity, the layered complexity of property rights is important. The document has an extremely strong gender equality focus, and so in sub-Saharan Africa, where customary legal systems often – well, I mean didn't evolve this way, but over time have developed in such a way that women's rights may not be as well protected as men's rights, this is a strong statement and quite important, as well.

Last slide on the key features, and then I will be – I'm lying to you. It's not the last slide. You can look at this, and we see some other very important guidance that's being provided, including dealing with expropriations and evictions in ways that provide due process for citizens, and trying to improve informality, especially important in urban areas. Okay, really, here's the last slide on the VGs. So, final, to wrap it up, what else are the VGs trying to do? Well, address things like land use planning, something that we might not think about but that actually is an extraordinarily important issue for folks who are thinking about

constraints on land, how may certain areas be used, and thinking rationally about those use opportunities. So, that's a very quick and completely summation of the VGs that in no way, shape or form does it justice, but there we are. That's the problem of presentations, we run too long.

What are the next steps for the voluntary guidelines? Very exciting for us at USAID. At the recent G8 meetings, the G8 countries supported the adoption of the voluntary guidelines, which is a signal to the rest of the world to move forward with adopting the principles that are contained in the voluntary guidelines. There have been calls for supporting implementation of the guidelines, and that's really curious. You want to think about what would it mean to implement some of those principles that I just talked about. It could be that the six new alliance countries may be good targets for implementing the voluntary guidelines. They have, certainly, strong needs. Some countries have tremendous – they all have good agricultural potential, and they all have needs to address tenure challenges on the ground. What would it look like if we were to implement the voluntary guidelines on the ground? I think a lot of what it would look like would be working not only with the land administration offices and country to improve accessibility and transparency, but I think a lot of what it would look like are doing the kind of work that I was talking about, working with communities to enable them to contract more directly with investors who are coming in order to create positive synergies between those two groups.

So, looking ahead, what I would say is that I actually see – I know Professor Jayne's paper says, "Look, it's like a wakeup call to us. Look, pay attention, wake up! This is a really important problem." I do see increasing attention to the problem of land as a constraint to growth in sub-Saharan Africa. Much of the attention is coming from the civil society sector, and so much more attention does need to be focused in terms of policy actions and policy efforts, both from the donor community, as well as from national governments. In fact, it is national governments who really do, in sub-Saharan Africa, need to make the most important changes to protect their people on the ground. That's why the voluntary guidelines are so exciting. They do provide a good starting point for dealing with these challenges.

So, let me close with a quote that I like. Our focus in the land tenure office at USAID is, as I said at the beginning of the program, really to work on securing land rights for all users, because our belief is that when you secure rights for all users along the continuum, from those farmers who are operating on .5 hectare of land, all the way up to the people who are operating very large-scale commercial farms, that what we're more likely to see is the kind of broad and inclusive agricultural growth that will lead to an important change in sub-

Saharan Africa. So, my little tagline for the close of this discussion is secure land rights, secure the future. I'll turn the floor over for questions, and thank you very much.

[Applause]