

Researchers

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Timeline

2024-2025

Study Status

In Progress

Study Type

Pilot

Research Implemented by IPA

No

The Impact of Formalizing Land Rental Contracts on Refugee-Host Interactions and Agricultural Production in Uganda



A refugee farmer in Uganda tending to his land © 2018 Aude Guerrucci

Funded by IPA's Displaced Livelihoods Initiative and in collaboration with

Community Empowerment for Rural Development, researchers are conducting a pilot randomized evaluation in Uganda to measure whether formal land rental contracts between refugee tenants and host community landlords improve trust, social cohesion, agricultural practices, and food security.

In northern Uganda's refugee settlements, where food insecurity is high, many refugees cultivate land for their subsistence in the vicinity of the settlements. A large majority of them do not have a formal written land rental contract with their landlords. While informal institutions and agreements can have enforcement power in socially and culturally homogeneous groups, their efficiency tends to decrease with social and cultural distance.^{1,2} In this context of cohabitation between Ugandans and refugees, the absence of clearly defined terms of trade can limit successful farming outcomes, because refugees' rights to what they earn, produce, and consume are more vulnerable to changes. Evidence suggests that formal land contracts grant greater security, which can lead to increased farm profitability, investment and credit opportunities, and economic diversification and growth.

Funded by IPA's Displaced Livelihoods Initiative and in collaboration with Community Empowerment for Rural Development, researchers are conducting a randomized pilot evaluation to measure the impact of formalized land rental contracts between refugee tenants in the Bidibidi and Imvepi refugee settlements and landlords from the host communities. The formal written land contracts indicate the duration of the agreement, the surface area rented, the compensation, the rights and duties of tenants and landlords related to land use and resource protection, and the signatories. Tenants and landlords will be randomly assigned into two groups with formal land rental contracts provided by village leaders—with different information available—or remain with informal land rental contracts and serve as the comparison group.

Researchers will assess indicators including trust, social cohesion, agricultural practices, and food security. They will also investigate why formalized land rental contracts are not more widespread in rural Uganda.

Results will be available in 2026.

Sources

¹ Sanchez de la Sierra, R. (2021). Whither Formal Contracts?. *Econometrica*, 89(5), 2341-2373

² Dixit, A. (2003). Trade expansion and contract enforcement. *Journal of Political Economy*, 111(6), 1293-1317.

Implementing Partner



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Community Empowerment for Rural Development