

A photograph of a rural village in Uganda. The scene shows several traditional huts with thatched roofs along a dirt road. People are visible in the background, some walking and one riding a bicycle. The overall atmosphere is peaceful and rural.

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

A photograph showing a group of people working in a field. They appear to be engaged in agricultural activities, possibly planting or tending to crops. The field is filled with green plants, and there are trees in the background.

Manon Delvaux

(University of Zurich)

Arthur Laroche

(University College London)

UNHCR - Economic Inclusion Working Group

August 1st, 2024

Pilot study

Stage of the project

- Since July 2022, collaboration with CEFORD (Arua) who provided exploratory data.
- Pilot study → recommendations for scaling-up

Goal: test the effectiveness of a legal tool to support sustainable agriculture for refugees

- **Written tenancy contract between host community landlords and refugees farming on their land**
- Location: in the vicinity of refugee settlements in North-West Uganda

What will change compared to the status quo?

- Before: oral agreement without involving a third-party or witnesses
- After: written contract¹ elaborated with LC1 & RWC1 & witnesses
 - ensures both parties are protected in case of deviation
 - ensures a good understanding of expected behaviors from both parties

¹Content: rent amount, surface, duration, responsibilities and rights for both parties, including how to use the land, protect the crops, or processes for dispute resolution.

Motivation: Why formalize land rental agreements?

- Many refugees in protracted situation
- Reduction in food distribution mid-2023
- Cases of disputes related to land between host community and refugees
(*Refugee Studies Centre; Norwegian Refugee Council*)
 - Eviction before harvest
 - Tree cutting
 - Animals eating crops

Not completely new: some livelihood projects include this component (e.g., CEFORD, HEKS-EPER, NRC, UNHCR, ZOA)

However, they are not systematically used and there are few institutional resources

- 42% of respondents access land for agriculture outside of their settlement
- 75% of the respondents renting have not signed a rental agreement (*Wicker et al., 2023; N=800 refugees*)



Research questions

1. Can land rental contract formalization enhance trust and social interactions between landlords and their tenants, leading to better social integration of refugee tenants?
2. Does contract formalization affect agricultural practices and output by enhancing trust between landlords and tenants and improving land tenure security?
3. Does contract formalization improve food security through increased agricultural output and better land tenure security?
4. Is the lack of information among landlords and tenants about land-use rights explaining the low adoption of formal tenancy contracts?

Existing literature and contribution

1. Access to justice and economic development

- Economic impact of access to justice (*Chemin, 2009; Lichand and Soares, 2014*)
- Knowledge matters for protecting land rights (*Deininger et al., 2008; Goldstein et al., 2016; Aberra and Chemin, 2023*).
- Contribution: highlight mechanisms restricting access to justice related to *land-use* rights

2. Contract formalization

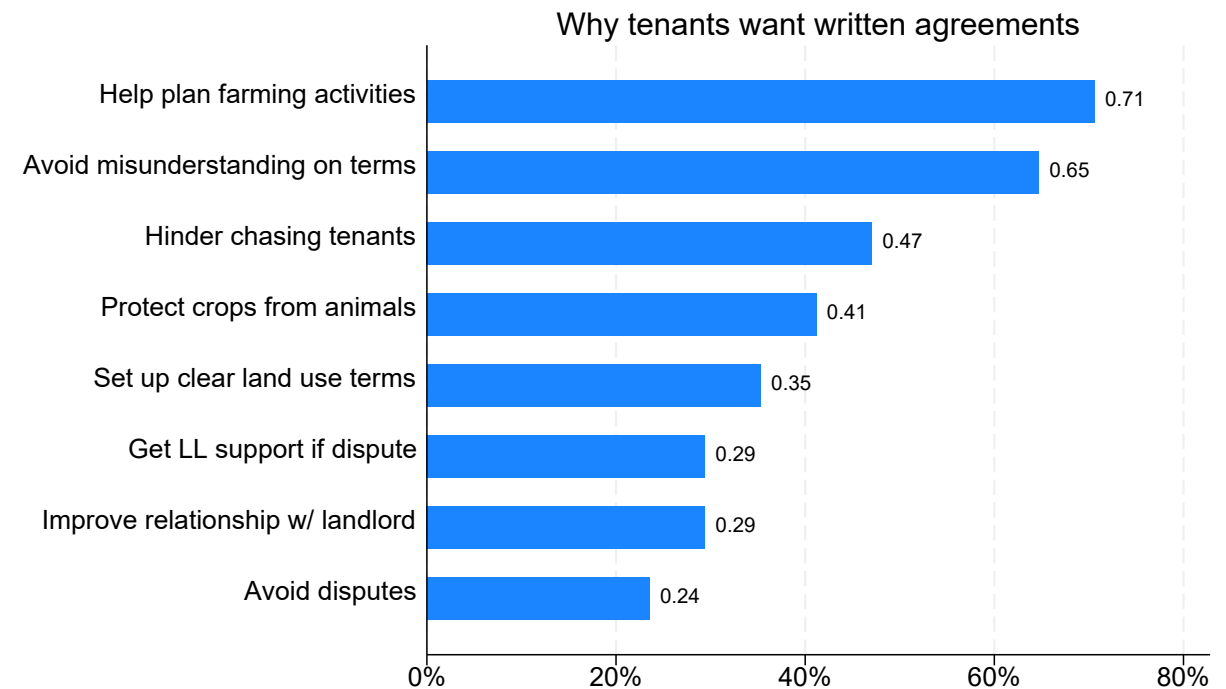
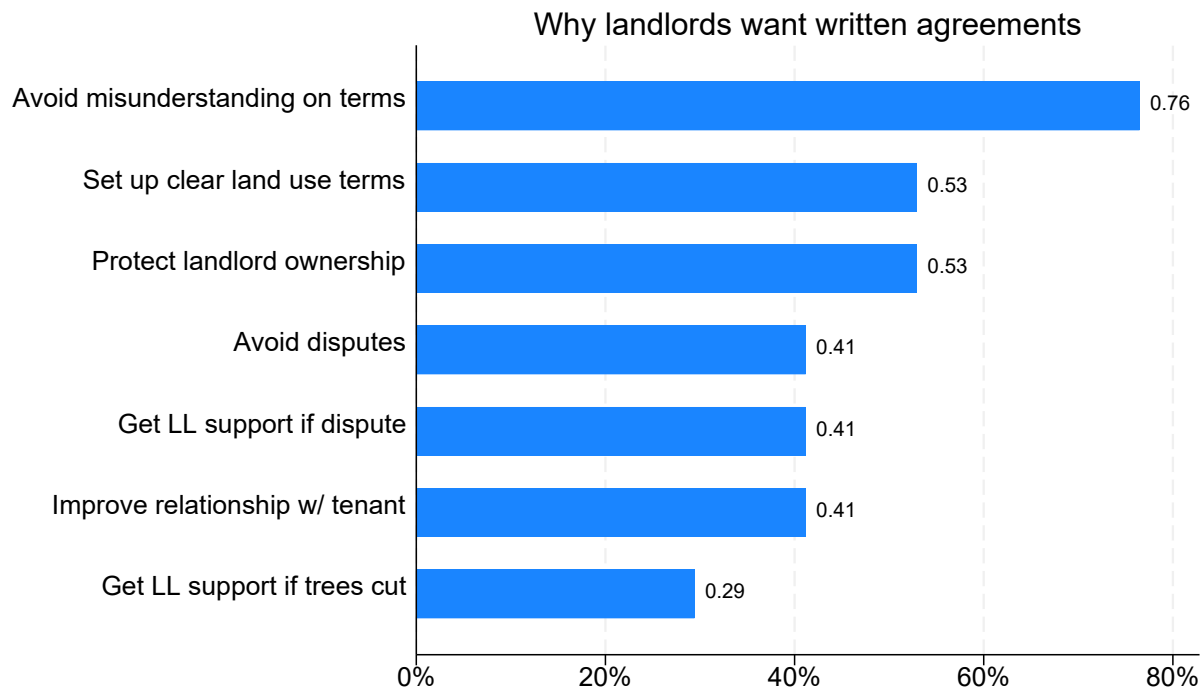
- Empirical evidence on formal and informal contracts, their benefits and disadvantages (*Ntayi et al., 2011; Chandrasekhar et al., 2018; Sanchez de la Sierra, 2021*)
- Contribution: why formal contracts are not widespread and impact of formalization

3. The integration of refugees

- Determinants of social and economic integration of refugees, and policies to enhance integration (*Alan et al., 2020; Hanafi & Marouani, 2022 ; Loiacono & Silva-Vargas, 2022; Mousa et al., 2023*)
- Contribution:
 - How legal services promote the peaceful coexistence of refugees and the host community
 - Refugees living in rural areas

Large interest for written contracts

- 87% of landlords (N=46) and 90% of tenants (N=56) want assistance to obtain a written contract¹.
- Main reasons mentioned: promote collaboration, help avoid misunderstandings and disputes, and facilitate dispute resolution.



¹Exploratory data.

Information frictions

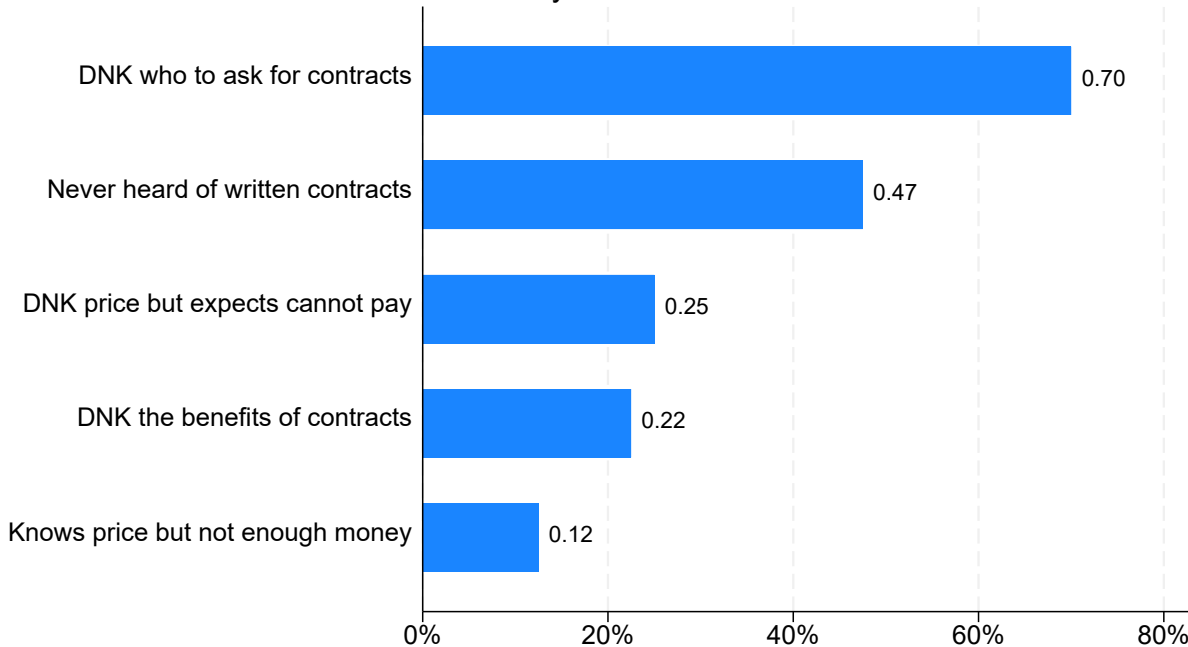
Landlord and tenant surveys¹ (N=40 pairs)

- Vast majority doesn't know the existence, the benefits, nor the process to obtain formal contracts

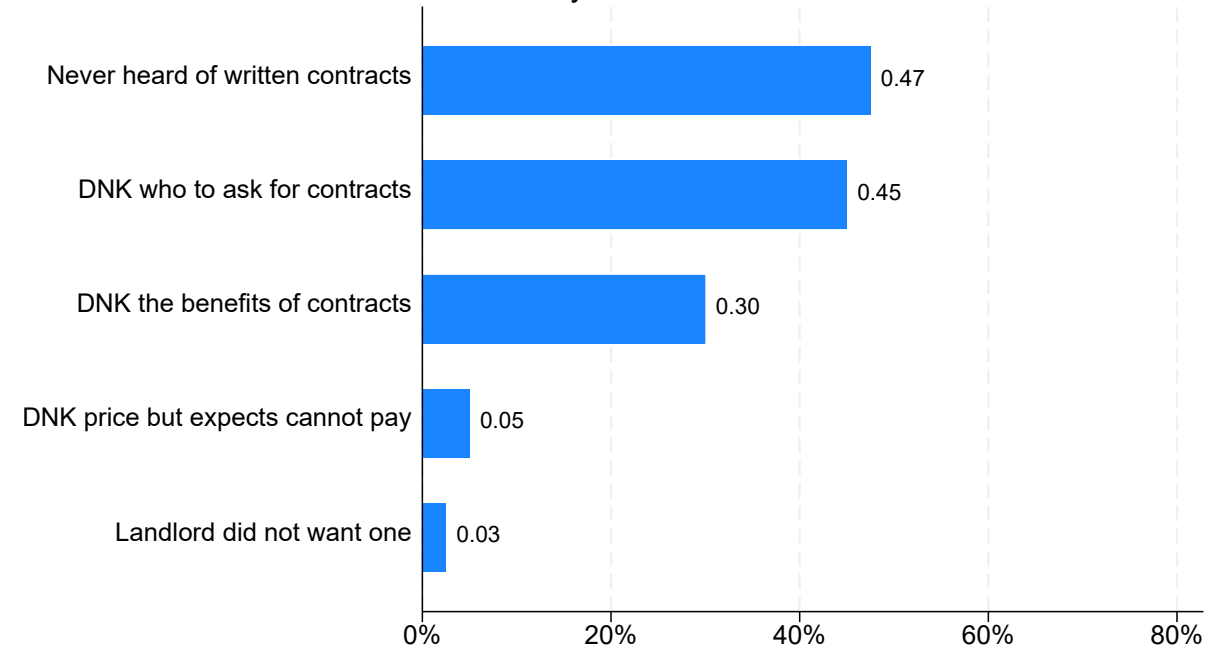
Local leader survey¹ (N=10)

- Main obstacle: landlords and tenants don't know the importance of written contracts

Why landlords do not have written contracts



Why tenants do not have written contracts



¹Exploratory data.

Design of the pilot study *(subject to confirmation)*

Three groups with random allocation

- 1) Treatment group 1: intervention
- 2) Treatment group 2: intervention + more information
- 3) Comparison group: no intervention

Intervention:

- Training for local leaders (LC1 and RWC1)
- Provide contract template
- Support for contract delivery *(meeting with LC1, RWC1, witnesses, landlord, and tenant on the plot to read, discuss and sign)*
- Trees planted to delineate the plot



Theory of change that we want to test

1) Improved security of land tenure through agreements *(Goldstein et al., 2018)*

- optimize agricultural practices → ↑ investment
- ↑ agricultural productivity → ↑ food security

2) Clear tenancy terms & less misunderstanding

- ↓ uncertainty about the other's behavior → ↑ trust & peaceful coexistence
- ↑ cooperation and social interactions between landlord and tenants

3) Increased knowledge about land rights and dispute resolution processes

- ↓ opportunistic behaviors → ↓ disputes
- in case of dispute: easier dispute resolution processes

Long term outcomes: contract renewal ; stable income for the landlord ; food security ; social integration of refugees

Conclusion: Potential for scaling-up

- Offer a better understanding of the benefits and drawbacks of tenancy contract formalization
- Provide recommendations about how to optimize the formalization process
- Shed light on tools that facilitate refugees' access to legal protection
- If significant positive results → motivation for scaling-up
- With existing material and template: easy scaling-up as a component of livelihood interventions

Thanks for your attention !

Comments and questions are most welcome, and can be sent to :
manon.delvaux@econ.uzh.ch & arthur.laroche.21@ucl.ac.uk

References

- Aberra, A., & Chemin, M. (2023). Know your rights! A field experiment on legal knowledge, property rights, and investment in Kenya. *The Journal of Law, Economics, and Organization*, ewad020.
- Betts, A., Chaara, I., Omata, N., & Sterck, O. (2019). Refugee economies in Uganda: what difference does the self-reliance model make? *Refugee Studies Centre*.
- Chemin, M. (2009a). Do judiciaries matter for development? Evidence from India. *Journal of Comparative Economics*, 37(2), 230-250.
- Chemin, M. (2009b). The impact of the judiciary on entrepreneurship: Evaluation of Pakistan's "Access to Justice Programme". *Journal of Public Economics*, 93(1-2), 114-125.
- Deininger, K., Ali, D. A., & Yamano, T. (2008). Legal knowledge and economic development: The case of land rights in Uganda. *Land Economics*, 84(4), 593-619.
- Goldstein, M., Hounghbedji, K., Kondylis, F., O'Sullivan, M., & Selod, H. (2018). Formalization without certification? Experimental evidence on property rights and investment. *Journal of Development Economics*, 132, 57-74.
- Meskers, J., 2019. *Owned spaces and shared places - Refugee Access to Livelihoods and Housing Land and Property in Uganda*, Norwegian Refugee Council. Norway.
- Wicker, T., Dalton, P., & van Soest, D. Helping Cash Transfer Recipients Prosper: Experimental Evidence from a Humanitarian Setting. Available at SSRN 4385267.