FEED THE FUTURE ALL-IN PROJECT IN BRIEF

THE DISTRIBUTIONAL IMPACTS OF LARGE-SCALE LAND TRANSACTIONS IN ETHIOPIA

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Project Partners
Ethiopian Economics Association; University of California, Berkeley

Development Innovation
Large-scale land transfers

Commodity
Multiple

Targeted Population
Small-scale farmers

Country/Location
Ethiopia Benishangul-Gumuz and Gambella Regions

Timeline
2021-2024

Funding
$439,233 (USAID)

Large-scale land transactions in developing countries are intended to transform agricultural systems through domestic and foreign investments in commercialization. However, the welfare impacts these transactions have on local communities remains unclear. This ALL-IN project is measuring the impacts of large-scale land transactions in Ethiopia and identifying the communities and households who benefit and those who does not. The results contribute evidence on how these transactions affect rural resilience, economic growth, gender equality and women's empowerment.

The Challenge

Governments in developing countries are conducting large-scale land transactions (LSLTs), transfers of at least 1,000 hectares for domestic and capital investments, at a historically unprecedented pace. Over the past decade, at least 50 million hectares have changed hands through these transfers, directly affecting over 12 million people in rural communities.[1]

The government of Ethiopia has earmarked more than 11.5 million hectares of land for this purpose, a total area more than four times the size of the US state of Massachusetts. From 2005 through 2015, the government transferred about 2.47 million hectares, most of it from the earmarked land, to investors.[2] The government suspended the program indefinitely in 2016 without transferring all the earmarked land due to implementation challenges.

These transactions have had uneven impacts on local communities in the Benishangul-Gumuz and Gambella regions where the majority of lands for these transactions have been earmarked and transferred. They have denied local communities in these regions, with inadequate compensation, of rights to land that has provided about 28 percent of their income from livestock grazing, collecting fodder and wood for fuel.[3] On the other hand, the transactions have reportedly

RESEARCH INNOVATION

Current research is inconclusive about the welfare impacts of large-scale land transactions (LSLTs) in Ethiopia. A qualitative evaluation[1] of four largescale farms showed that the transfers had substantial effects on land use, driven by relocation and decreases in farm size and communal lands. A study[2] in one district in the Oromia region found that LSLTs negatively affected food security and income of local communities. Another study[3] reported that large-scale farms (>50 Hectares) formed by LSLTs did not contribute to job creation despite modest benefits in terms of technology adoption, input market access and resilience to shocks in neighboring communities.

This ALL-IN study is identifying the communities and households who benefit from and are harmed by LSLTs and why. These results will help to inform policymakers on the consequences of a dramatic policy that can generate outsized development impacts.

[1] Hajjar, R., et al. 2019. "Capital, labor, and gender: the consequences of large-scale land transactions on household labor allocation." *The Journal of Peasant Studies.*
[2] Shete, M. et al. 2015. "Impacts of large-scale farming on local communities' food security and income levels–empirical evidence from Oromia region, Ethiopia." *Land Use Policy.*
[3] Ali, D., et al. 2019. "Does large farm establishment create benefits for neighboring smallholders? evidence from Ethiopia." *Land Economics.*

generated alternative incomes, including jobs and higher agricultural production through technology and knowledge transfers.

The broader impacts of LSLTs are unclear, as well as what communities and households are most affected. LSLTs may generate growth by enabling business development, which expands access to markets and services and increases jobs and entrepreneurship. It could also be that LSLTs weaken resilience among people and systems by taking away from risk management strategies, inhibiting adaptations to shocks and degrading natural resources.

Research Design

This ALL-IN project led from the University of Gondar is testing the impacts of LSLTs on rural communities in Ethiopia's Benishangul-Gumuz and Gambella regions. In particular, the research is identifying who benefits from these transfers and who does not, with a focus on the causes of those varying impacts. The study measures those impacts based on the difference in the amount of land earmarked and transferred land across districts in the regions specifically.

The Ethiopian government targeted and earmarked land in a total of eight districts in the Benishangul-Gumuz region and ten in the Gambella region for agricultural investment through LSLTs. Actual transfers occurred in four of districts in Benishangul-Gumuz and in six districts in Gambella. Communities within these regions are very similar in terms of the religious and ethnic composition of communities as well as environmental qualities like rainfall patterns and soil qualities. Most of the communities in both regions farm, raise livestock or both.

This difference between where LSLTs have taken place and where they have not makes it possible to measure a number of impacts for individual households. These impacts include local economic activities and labor markets, education, employment, living standards, migration and whether LSLTs empower or disempower vulnerable social groups like ethnic minorities and women.

In both regions, the study includes a randomly selected sample of 1,000 households from areas that experienced LSLTs and 1,000 households in areas that did not for a total of 4,000 participants. The research team is also measuring any spillover impacts from communities affected by LSLTs and nearby communities.

Development Impact

Agricultural ministries across the global south are including LSLTs in their long-term strategic plans as a way to accelerate agricultural commercialization. In Ethiopia, LSLTs were intensified during the five-year Growth and Transformation Plan that seeks to improve food security, create jobs, accumulate capital and promote exports by attracting domestic and international investments. This ALL-IN project will build evidence on how LSLTs contribute to or detract from these and other goals.

The project directly contributes to the Feed the Future objectives of inclusive sustainable agriculture-led economic growth, strengthened resilience among people and systems, as well as the cross-cutting intermediate result of increased gender equality and women's empowerment. The project addresses USAID Ethiopia's Country Development Cooperation Strategy (CDCS) Development Objective 3 by investigating how LSLTs and private sector-led economic growth interact with agricultural transformation and market inclusivity.

[1] Davis, K. F., et al. 2014. "Land grabbing: A preliminary quantification of economic impacts on rural livelihoods." *Population and environment.*
[2] Teklemariam, D., et al. 2015. "Transnational land deals: Towards an inclusive land governance framework." *Land Use Policy.*
[3] Angelsen, A., et al. 2014. "Environmental income and rural livelihoods: a global-comparative analysis." *World Development.*

FEED THE FUTURE ADVANCING LOCAL LEADERSHIP & INNOVATION NETWORKS (ALL-IN)

This research is funded by the Feed the Future Advancing Local Leadership & Innovation Networks (ALL-IN) initiative, an innovative collaboration between the Kenya-based think tank International Centre for Evaluation and Development (ICED) and the U.S.-based Feed the Future Innovation Lab for Markets, Risk & Resilience at the University of California at Davis.

Launched in 2020, ALL-IN advances host-country leadership in defining and implementing research projects and to deepen host-country networks. The initiative funds research to develop and test financial and market innovations that take the most promising agricultural tools for rural families in developing economies from the lab to the field.

Historically, Feed the Future Innovation Labs have built their research programs on partnerships between researchers at U.S. universities and researchers at host-country universities and institutions. Historically, these partnerships have been led, in both program administration and the ideas that drive the research, from the U.S. ALL-IN shifts this leadership role to researchers and institutions in Africa.

ALL-IN builds on research capacity in African countries by inverting the traditional model of research collaborations led from U.S. universities. With funding through ALL-IN, researchers at African institutions lead these collaborations, defining research priorities and leveraging their local knowledge, skills and ideas to build actionable evidence for effective policy with U.S. university research partners to supplement their own skills, talents and ideas. ALL IN also addresses capacity gaps among many research institutions in managing large and complex awards.

Learn more at www.iced-eval.org/all-in/

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ABOUT FEED THE FUTURE

As the U.S. Government's global hunger and food security initiative, Feed the Future works to give families and communities in some of the world's poorest countries the freedom and opportunity to lift themselves out of food insecurity and malnutrition. By equipping people with the knowledge and tools they need to feed themselves, Feed the Future addresses the root causes of poverty and hunger, helping people end their reliance on aid and creating important opportunities for a new generation of young people—all while building a more stable world.