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Land tenure and agricultural productivity in Uganda

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Uganda's significant economic growth over the last twenty years seemed to create favorable conditions for increased agricultural productivity, but agricultural productivity has failed to increase concordantly. As a result, most increases in aggregate crop production have been achieved from the expansion of cultivated land rather than increased investment in production technologies to raise crop yields per unit area of land. As access to land is increasingly constrained by high population growth, further expansion of cultivated land will be unsustainable. How can Ugandan farmers make more productive use of the land they now have? Research has shown that secure land tenure is an important institutional factor affecting agricultural technology utilization by smallholder farmers by providing incentives for greater investment to enhance the productivity of the land. This brief seeks to determine the relevance of security of land tenure to agricultural development in Uganda.

With Uganda's population density now around 230 persons per square kilometer – far above the threshold of 100 persons per square kilometer that most development studies consider a high population density – intensive methods of farming are increasingly becoming necessary in Uganda. Households with limited access to land are found to use more labor per unit area cropped, substituting more intensive and labor-demanding production for extensive, land-demanding production. Although Ugandan farmers generally do not use inputs such as fertilizers, pesticides, hybrid seeds, and modern land management practices, land-poor smallholder farming households have been found to use many of these inputs more intensively than farming households with larger landholdings. As a result of higher labor and input use, land-poor households obtain higher value of crop production per acre, although they have substantially lower incomes per capita than land-rich households. As such, access to land is a key factor affecting the intensity of land management, the use of higher-yielding agricultural technologies, the profitability of agricultural enterprises, and rural poverty.

Land tenure systems in Uganda

The Land Act of Uganda 1998 recognizes four major systems of land tenure:

1. Customary tenure is the most common tenure system in Uganda whereby access to land is "governed by the customs, rules, and regulations of the community." Holders of land under the customary system do not have a formal title to the land they use, but generally have secure tenure.

2. *Mailo* tenure is a quasi-freehold tenure system established in 1900 by the British colonial government to reward colonial agents who advanced British interests in many regions of Uganda and remains a relatively secure and well-defined system of tenure, particularly in the Central region. An important feature of *mailo* systems is that much of the land is used by tenants who are restricted in their security of tenure on the land they farm.

3. Freehold tenure is a system whereby owners of the land have a title to their land which allows them to hold the registered land indefinitely. The landowner is given complete rights to use, sell, lease, transfer, subdivide, mortgage and bequeath the land as they see fit, so long as it is done in a manner consistent with the laws of Uganda.

4. Leasehold tenure is a system where the owner of the land grants the tenant exclusive use of the land, usually for a specific period of time. Land

may also be leased from the state to individuals for typical lease periods of five, 45, or 99 years. In return, the tenant usually pays an annual rent or service under specified terms and conditions. Leaseholders may or may not hold formal contracts with the owner.

How are land markets evolving with increased population pressures?

Currently, most land is acquired in the informal market. Very few freehold land owners get titles for the land they own, because the process is expensive and bureaucratic. The development of the land market in Uganda has largely been due to the various land reforms that successive governments have made since colonial times. However, weak legal institutions, a lack of understanding of property rights, and the lack of security to facilitate investment have constrained the development of properly functioning land markets. Because land tenure systems in Uganda remain relatively informal, agricultural land still is not commonly used as a collateral asset for acquiring financing for agricultural production.

Is there variation by land tenure systems on the level of investments to enhance the agricultural productivity of land holdings?

Tenure security is only one of the factors that influence investment to enhance land productivity. Generally, investment in soil management practices in Uganda is not common, but land owners are more likely to invest in soil management practices than are tenants and other occupants. Fertilizer use in Uganda, at an average of one kg per ha, is much lower than sub-Saharan Africa's average of 8 kg per ha. Fertilizer application rates in Uganda have been found to be highest in plots operated by owners and on land under freehold tenure. Although, the level of manure application is higher than fertilizer application, it is still low, and is mostly found on freehold land. Fallowing also is most often found on freehold plots. This is probably because fallowing is considered a practice that increases tenure insecurity under customary tenure systems since it sends a signal to others that the land is available.

Application of crop residues on farm plots has been found to be the most commonly used short-term investment in soil fertility management. An IFPRI study found that, on average, 29 percent of all plots had crop residues applied to them. However, owner-operated plots had the highest frequency of application, while tenants were the least likely to apply crop residues. Mulching rates followed a similar pattern.

Crop rotation is less common on *mailo* than on freehold plots. This may be due to insecurity about future access to land, since crop rotation involves sequencing different crops on the same plot of land according to a predetermined plan.

Long-term investments may be more appropriate for examining the impact of tenure systems on investments to enhance productivity levels. However, it is possible that causality runs the other way. Long term investments, such as trees, have been shown to often be planted by tenants in order to increase their security on the land they farm.

Conclusions and policy implications

There is a relatively limited literature on the effects of land tenure type on natural resource management and investments in agricultural productivity in Uganda. It has been observed that differences of land tenure are associated with differences in some land management practices. However, one of the reasons why it is difficult to identify the difference in agricultural productivity between tenure systems is that nearly all farmers employ low-input farming systems. While Ugandan farmers will increasingly need to increase the productivity of the land they farm in the face of increasing land pressures, this agricultural transformation is still in its formative stages.

Moreover, factors other than land tenure may play a bigger role in determining farmers' decisions to invest in their landholdings. These include agro-climatic conditions, population density, farm size, presence of perennial crops on the land, access to local markets, and distance of the plot from the homestead, especially for bulky products. Thus, while land tenure does impact the level of investment made, it is not necessarily the most significant determinant in this regard.

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The Uganda Strategy Support Program of the International Food Policy Research Institute (IFPRI) works closely with the government of Uganda, represented by the Secretariat for the Plan for the Modernisation of Agriculture (PMA), and other development partners to provide information relevant for the design and implementation of Uganda's agricultural and rural development strategies. For more information, see www.ifpri.org/themes/ussp/ussp.htm or www.pma.go.ug.

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