

Rural History

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Land market within family groups

Functioning of a land market embedded in kinship relations
in Madagascar Highlands

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Outline

- 1) Background & research questions
- 2) Data & presentation of the case study
- 3) Results : The functioning of a land market embedded in family relations
 - General information about land markets in Ambatomena
 - Behind the land sales : a plurality of institutional arrangements
 - The « right to sell » : different rules depending on the origin of the land
 - The role of the family in land market regulation
- 4) Discussion : a continuum between market and non-market transactions
 - The definition of a market transaction in the light of the field

Active land markets in subsaharian africa

Empirical studies show that land markets are becoming common in Africa

- In Kenya (Yamano et al. 2008) ; Ouganda (Deininger et al. 2008) ; Burundi (Place 1995), North Tanzania (Wineman 2017) ; Mozambique (Uru 2001), Ghana (Amanor 2010), irrigated areas of Mali (Diallo 2005), forest regions of Côte d'Ivoire (Colin and Ayouz 2006)

In economics, there is a growing literature on the effects of land markets ... but concrete functioning of land markets remains relatively understudied by mainstream economists.

An important literature on the commodification of land. Land markets can be embedded in community memberships or social positions.

Gray and Kevane, 1999; Mathieu et al., 2002; Benjaminsen and Lund, 2002; Colin and Ayouz, 2006; Colin and Woodhouse, 2010 ; Chauveau and Colin, 2010 ;

The issue of family-market interactions has been less studied.

Research questions

In Madagascar, land sales market are active in many regions (Burnod et al., 2014 ; Boué 2003 ; Boué and Colin, 2018, Di Roberto 2020, Rakotomalala *in press*)

What are the rules governing land market transactions in Madagascar highlands ?

- Land is an asset that can be sold, but under what conditions and to whom?
- Which institutions enforce and secure land sales transactions ?

How does the family regulate land sales transactions ?

- Before transactions → by authorizing/prohibiting a transaction
- During transactions → by organizing the circulation of information about land supply
- After transactions → by securing contracts or generating land conflicts

A « market transaction » can be defined as a...

- Voluntary transfer ...

(Commons 1934 ; Schmid, 1987; Ménard, 1995; Hodgson, 2015)

- of property rights ...

(Idem)

- in exchange for a due and equivalent counterparty ...

(Schmid, 1987; Testart 2001 ; 2007 ; Colin & Bouquet 2022)

- based on a specific mechanism of regulation : the price

(Schmid, 1987; Ménard, 1995; Colin & Bouquet 2022)

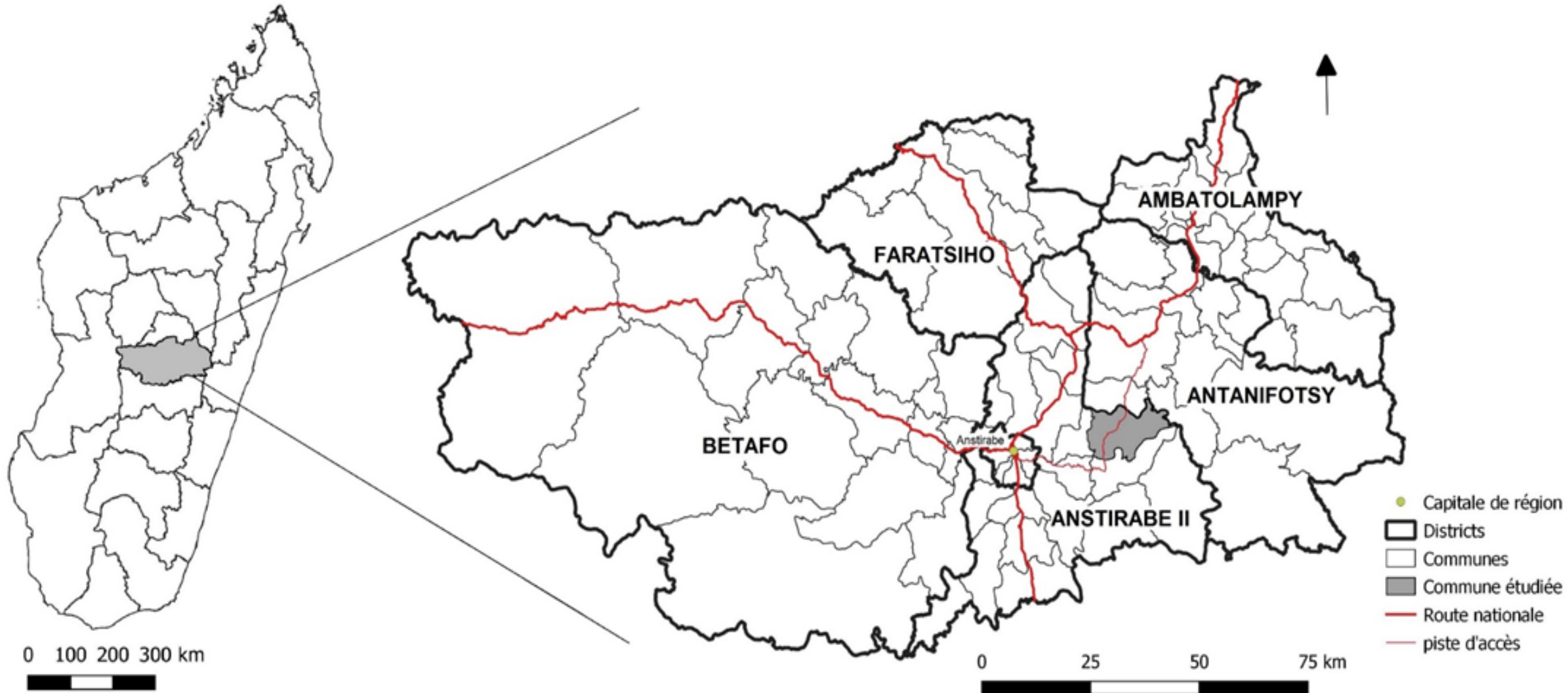
- Markets are embedded in political and social institutions ...

(Polanyi 1944 ; Bohannan and Dalton, 1965)

- and social networks.

(Granovetter, 1985, 2000)

Ambatomena, a rural municipality of Vakinankaratra in Madagascar highlands



Ambatomena, a rural municipality of Vakinankaratra in Madagascar highlands

Small family farming

- No mechanization (spade, fork, weeder)
- Production of rice, corn, potatoes, vegetables
- for self-consumption; subsistence agriculture

Low incomes

≈ 200 euros per year and per household

Small land holding

- Average farm size = 1,1 hectare
- Population pressure
- Land scarcity



Qualitative and quantitative data in a rural area of Madagascar Highlands (*Vakinankaratra*)

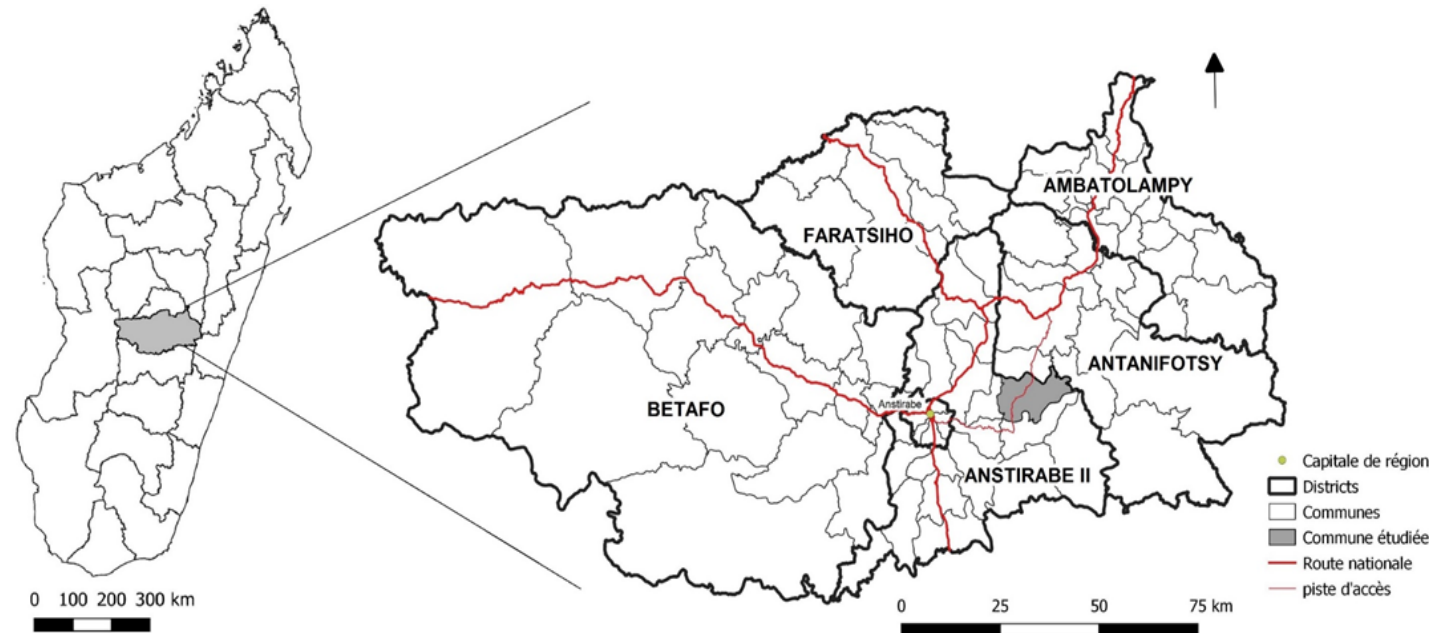
Qualitative data

- 6 month of field work in the municipality
- 200 qualitative interviews
- 101 persons interviewed
- 483 documents from municipal or individual archives

Quantitative data

2 samples of 300 and 600 households

Representative sample (random selection)





RESULTS



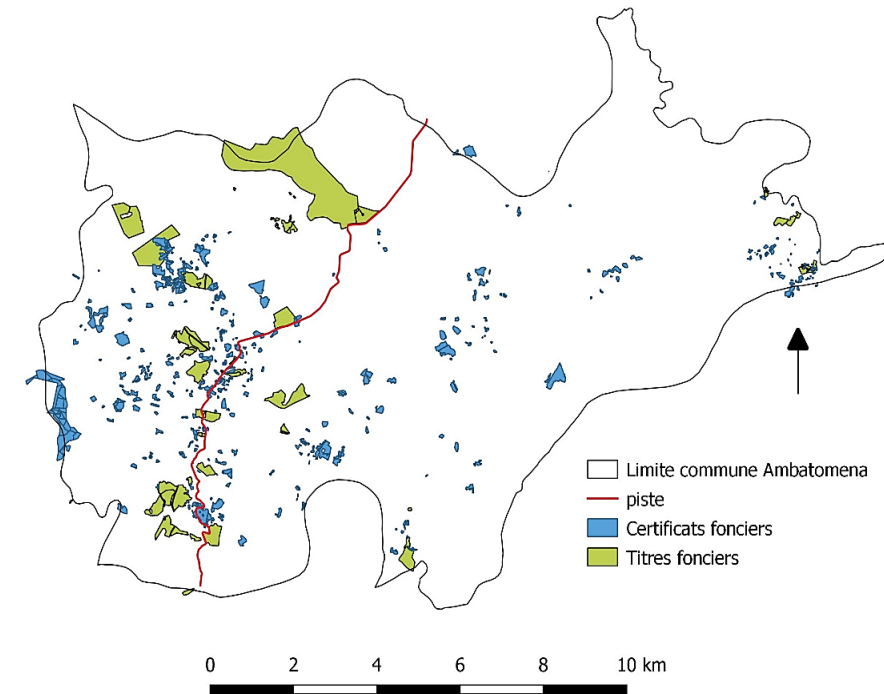
Land markets in Ambatomena, Madagascar

- An active land sales market :
 - 48 % of the households own purchased land
 - Between 2011 and 2016, 43% of the young (<35years old) has purchased land.

Land markets in Ambatomena, Madagascar

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 - Between 2011 and 2016, 43% of the young (<35years old) has purchased land.
- An « informal » land market
 - 83 % of purchased land has no property documentation
 - 44% of transactions are conclude without any paper

Titles and land certificats are scarce
in Ambatomena

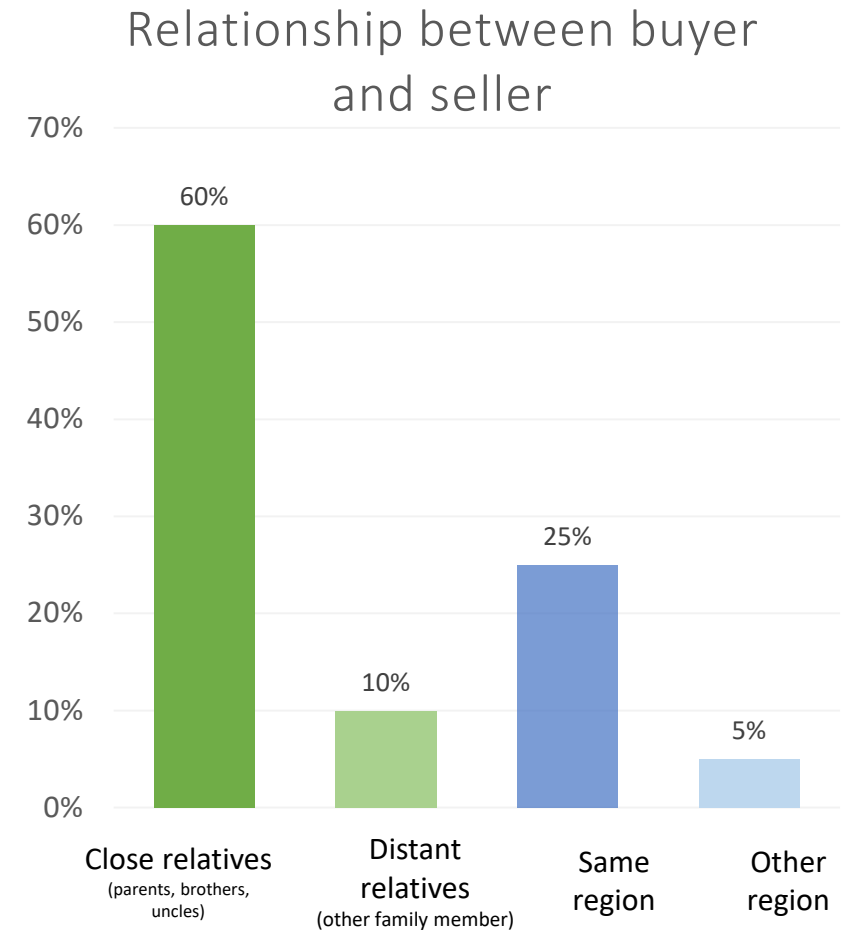


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 - 44% of the transactions are concluded without any paper
- 70% of land sales are « distress sales » (economic or domestic shocks)
- 70% of land sales are concluded within the family



Data : Salima-2016 ; 104 transactions concluded between 2011 and 2016

Behind the land sales : a plurality of institutional arrangements

Varo maty : « dead sales »

Permanent and complete
transfer of the land rights

Varo belona : « living sales »

Redeemable sales ;
re-purchase agreement

→ It concerns 25% of the
households who buy land

« Living sales » (varo belona)

Two types of redeemable land sales

Type 1 : a buy-back agreement

- The buyer can not sale to a third party
- The buyer does not have the right to sell
- Credit logic

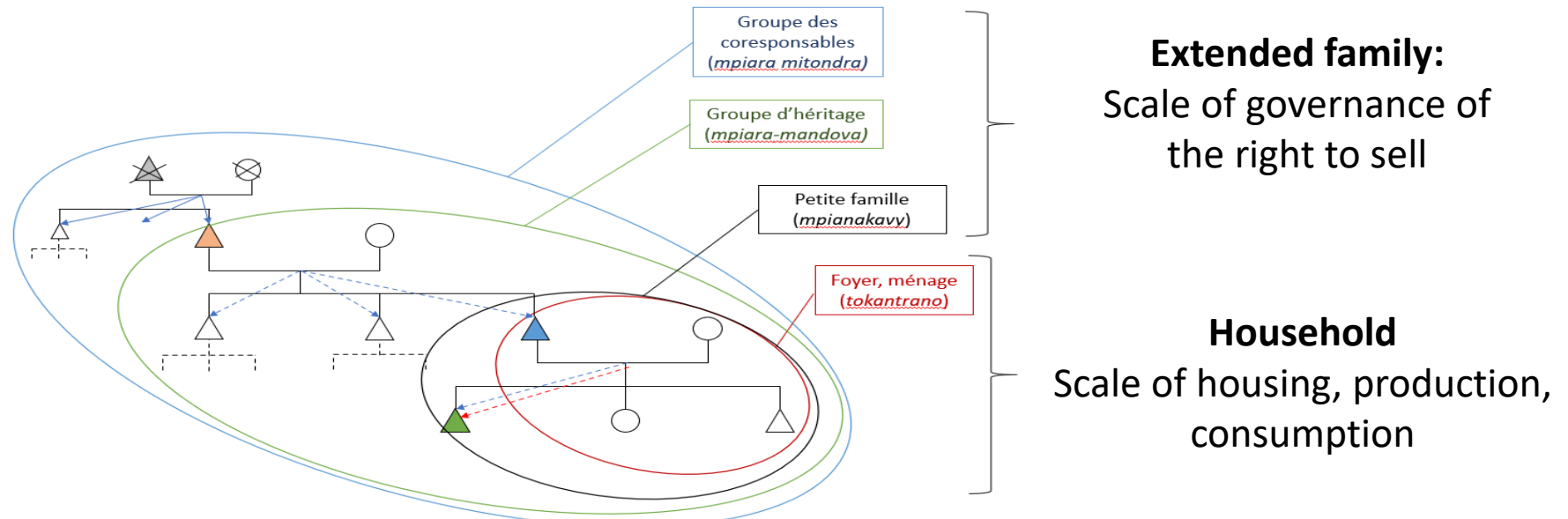
Type 2 : Sales with right of pre-emption

- The seller has the right to re-purchase before the opportunity is offered to others
- The seller can make buy-back proposals

The « right to sell » : different rules depending on the origin of the land

The right to sell purchased land : no family constraints

The right to sell ancestral land (inheritance/donation) :
strong family regulations



The family regulation of land sales

- **Ask the family to approve (or not) the transaction according to the reason for the sale**

“If the sale serves to spend a “good life”, to buy a motorcycle or to drink, we are opposed. You cannot sell either because you are leaving the village. But we can’t prevent selling if it’s for an emergency.”

The role of the family in land sales regulation

- **Ask the family to approve (or not) the transaction according to the reason of the sale**
- **Priority given to relatives to buy the land. Information on offers circulates first within family networks.**

“Before selling, I talked to my parents and explained my need for money. We decided that we had to sell this rice field. Since my father couldn't pay, he offered the land to his brothers who bought it. It's better to do it this way, so that it stays in the family.”

The role of the family in land sales regulation

Ask the family to approve (or not) the transaction according to the reason for the sale

Priority given to relatives to buy the land. Information on offers circulates first within family networks.

Family approval is essential to ensure the security of the transaction.

Often, the buyer himself consults the seller's family in order to secure his land rights

The role of the family in land sales regulation

- **Ask the family to approve (or not) the transaction according to the reason of the sale**
- **Priority given to relatives to buy the land. Information on offers circulates first within family networks.**
- **Family approval is essential to ensure the security of the transaction.**
- **Intra-family transactions allow the possibility of a future re-purchase of the land**

“As long as it's in the family, the land is not really lost”



DISCUSSION



The definition of a market transaction in the light of the field

Market transaction as a ...

Voluntary transfert ...

➡ Voluntary, **but** not entirely disconnected from social obligations (repurchase agreement and priority to relatives)

of property rights ...

➡ The « right to sell the land » is conditional (for inherited land and redeemable sales)

in exchange for a due and equivalent counterparty ...

➡ Equivalency → Payment cancels the debt relationship between the buyer and the seller

based on a specific mechanism of regulation : the price

➡ No preferential prices but no pure concurential prices either.
The encounter of buyers and sellers linked to family networks. Family enforces specific rules for market transactions. Sometimes mutual aid motivations.



THANK YOU FOR YOUR ATTENTION

