Property Rights and Land Disputes: Theory and Evidence from Ethiopia

Jeremy Laurent-Lucchetti∗1, Salvatore Di Falco1, and Marcela Veronesi2

1University of Geneva – Switzerland
2University of Verona – Italy

Abstract

This paper investigates the link between insecure property rights and land disputes using farm-household panel data from Ethiopia. First, we develop a novel theoretical framework of land disputes predicting that if property rights are ill-defined disputes are more likely to arise in difficult times (i.e. when water is scarce). Second, we empirically assess the relationship between land tenure security and clashes relying on the gradual rollout of a land certification program at the village level and on the exogenous variation in water availability, a trigger of land disputes. We find that having tenure security reduces the likelihood for a farm-household to experience land disputes by about 40 percent. We also show that secure property rights are more likely to reduce land disputes when households face adverse weather shocks.

Keywords: empirics

∗Speaker