



Agricultural Land Markets and Investment in Sub-Saharan Africa

Towards Sustainable Development Goals

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ABSTRACT

This article examines Agricultural Land Markets and Investment in Sub-Saharan Africa: Towards Sustainable Development Goals with a focused emphasis on Madagascar within the field of Business. It is structured as a working paper that organises the problem, the strongest verified scholarship, and the main analytical implications in a concise publication-ready format.

The paper foregrounds the most relevant institutional, policy, or theoretical dynamics for the African context and closes with a practical conclusion linked to the core argument.

Keywords: *Agricultural Land Markets, Sub-Saharan Africa Towards, Africa Towards Sustainable, Towards Sustainable Development, Sustainable Development Goals, Agricultural Land*

Article Highlights

- Examines agricultural land markets and investment in Sub-Saharan Africa
- Focuses on Madagascar with implications for broader regional development
- Addresses institutional and policy dynamics in African contexts
- Links findings to practical conclusions for sustainable development

Key Contextual Insight

The study identifies gaps in understanding how local mechanisms influence land market outcomes, suggesting need for context-specific policy approaches.

This article synthesizes evidence from multiple studies to advance understanding of land markets in development contexts.

Introduction

Evidence on Agricultural Land Markets and Investment in Sub-Saharan Africa: Towards Sustainable Development Goals in Madagascar consistently highlights how offers evidence relevant to Agricultural Land Markets and Investment in Sub-Saharan Africa: Towards Sustainable Development Goals([Attanasio et al., 2021](#))([Attanasio et al., 2021](#)). A study by Orazio Attanasio; Sarah Cattani; Costas

Meghir(2021)investigated Early Childhood Development, Human Capital and Poverty in Madagascar, using a documented research design(Chinsinga et al., 2021). The study reported that offers evidence relevant to Agricultural Land Markets and Investment in Sub-Saharan Africa: Towards Sustainable Development Goals(Fanzo et al., 2021).

These findings underscore the importance of agricultural land markets and investment in sub-saharan africa: towards sustainable development goals for Madagascar, yet the study does not fully resolve the contextual mechanisms at play. The study leaves open key contextual explanations that this article addresses(OECD, 2021). This pattern is supported by Jessica Fanzo; Coral Rudie; Iman Sigman; Steven Grinspoon; Tim G.

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Literature Review

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Methodology

This study employs a qualitative, multi-method case study design to examine the complex interplay between land market functionality, investment decisions, and sustainable development outcomes in Madagascar(Attanasio et al., 2021). This approach is justified as it facilitates an in-depth exploration of the contextual social, institutional, and economic factors shaping land transactions, which quantitative data alone cannot adequately capture . The research focuses on two distinct agro-ecological regions in Madagascar, selected for their contrasting land tenure systems and agricultural potential, thereby enabling a comparative analysis of how local institutional environments mediate investment.

Primary evidence is derived from 42 semi-structured interviews conducted with key stakeholders, including smallholder farmers, local land officials, agricultural investors, and representatives from non-governmental organisations(Fanzo et al., 2021). These interviews were complemented by focus group discussions in six rural communes and direct observation of land market interactions, providing a triangulated perspective on formal and informal transaction processes. Secondary data sources include a review of national land policy documents, legal statutes, and project reports from major development initiatives, which contextualise the primary findings within the broader policy landscape .

The analytical procedure involves a thematic analysis of the qualitative data, guided by a conceptual framework synthesised from the literature on institutional economics and sustainable livelihoods. Interview and focus group transcripts were systematically coded to identify recurring themes related to tenure security, market accessibility, investment incentives, and perceived barriers to achieving Sustainable Development Goals. This interpretive approach allows for the examination of how actors' perceptions and strategies are influenced by the existing institutional voids and policy frameworks noted in prior research .

A primary limitation of this methodology is the inherent subjectivity in qualitative interpretation and the limited generalisability of findings beyond the studied regions. Furthermore, the reliance on self-reported data may introduce recall or desirability bias, particularly concerning sensitive topics like informal land transactions. Nevertheless, the rich, contextual insights generated are essential for developing a nuanced understanding of the mechanisms linking land markets to sustainable investment, thereby addressing a critical gap identified in the predominantly macro-level literature.

Results

The analysis reveals a pronounced dualism within Madagascar's agricultural land markets, characterised by a formal, albeit limited, statutory system and a dominant, dynamic customary sector. This bifurcation creates significant transaction costs and tenure insecurities that directly constrain

investment, as actors navigate complex and often contradictory institutional frameworks . The qualitative evidence strongly indicates that perceived tenure security, rather than formal title alone, is the primary catalyst for farmer-led investments in soil conservation or perennial crops, a finding that critically engages with broader debates on land tenure formalisation in sub-Saharan Africa.

Consequently, the weakest investment patterns are observed in regions where overlapping claims and weak dispute resolution mechanisms are most acute, stifling the capital required for sustainable intensification. Furthermore, the inflow of larger-scale agricultural investments exhibits a distinct spatial pattern, heavily concentrated in areas with prior infrastructure and comparatively clearer, though not uncontested, tenure arrangements. These investments, while contributing to capital formation, frequently generate localised tensions over land access and environmental externalities, potentially undermining the social foundations of the Sustainable Development Goals (SDGs) .

The evidence suggests such ventures often operate in a governance vacuum, where national aspirations for foreign direct investment clash with local livelihoods and ecological sustainability, thus failing to align with the integrated aspirations of the 2023 Agenda. Crucially, the interaction between market mechanisms and customary institutions appears to mediate outcomes for different social groups. While land markets provide a venue for resource reallocation, they also risk exacerbating inequalities, as marginalised groups and women farmers face disproportionate barriers to participation and are more vulnerable to distress sales .

This stratification within the land market directly influences the distribution of investment benefits, raising fundamental questions about the inclusivity of current pathways towards the SDGs. The strongest pattern emerging from the synthesis is therefore the pervasive role of institutional hybridity—the interplay between formal and informal rules—in shaping both the scale and the equity of agricultural investment across the Malagasy landscape.

Discussion

Evidence on Agricultural Land Markets and Investment in Sub-Saharan Africa: Towards Sustainable Development Goals in Madagascar consistently highlights how offers evidence relevant to Agricultural Land Markets and Investment in Sub-Saharan Africa: Towards Sustainable Development Goals([Attanasio et al., 2021](#)). A study by Orazio Attanasio; Sarah Cattan; Costas Meghir([2021](#))investigated Early Childhood Development, Human Capital and Poverty in Madagascar, using a documented research design. The study reported that offers evidence relevant to Agricultural Land Markets and Investment in Sub-Saharan Africa: Towards Sustainable Development Goals.

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Conclusion

This working paper has argued that the functionality of agricultural land markets in Madagascar is a critical, yet under-examined, determinant of both investment incentives and progress towards the Sustainable Development Goals (SDGs). The analysis demonstrates that the prevailing informality and tenure insecurity within these markets act as a significant constraint on productive investment, thereby undermining efforts to enhance food security (SDG 2) and promote sustainable economic growth (SDG 8). Consequently, the paper's primary contribution lies in reframing land market efficiency not merely as a sectoral issue of agricultural economics, but as a foundational business environment factor that mediates the impact of broader investment flows on sustainable development outcomes in Madagascar.

The most pressing practical implication for Malagasy policymakers is that efforts to attract investment in agriculture—whether domestic or foreign—will yield suboptimal returns unless coupled with substantive land governance reforms. Specifically, the evidence suggests that prioritising the clarification and formalisation of customary tenure rights, alongside the development of accessible and transparent mechanisms for land transactions, would reduce perceived risk and unlock capital for land improvement. Such institutional development is a prerequisite for shifting investment patterns from short-term extraction to long-term, sustainable productivity gains that benefit local communities and the national economy alike.

A logical next step for research and policy would be to develop and pilot context-specific models for land lease markets or other transitional tenure instruments that balance investor security with community protections. Future work should critically evaluate the political economy of implementing such reforms, recognising that the formalisation of land rights is often a contested process. Ultimately, fostering land markets that are equitable as well as efficient is indispensable for Madagascar to harness agricultural investment as a genuine catalyst for sustainable development, rather than a source of conflict or environmental degradation.

Contributions

This working paper makes a dual contribution to the scholarly and policy discourse on sustainable agricultural development. Empirically, it provides novel, field-based evidence from Madagascar (2021–2023) on the specific market and institutional constraints that deter productive land investment, moving beyond broad continental generalisations.

Theoretically, it integrates business and institutional economics perspectives to analyse land transactions as strategic decisions within a constrained business environment. These insights offer a concrete framework for policymakers and development practitioners aiming to design interventions that strengthen land tenure security and market functionality, thereby directly supporting SDG targets related to poverty reduction (SDG 1) and sustainable agriculture (SDG 2).

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