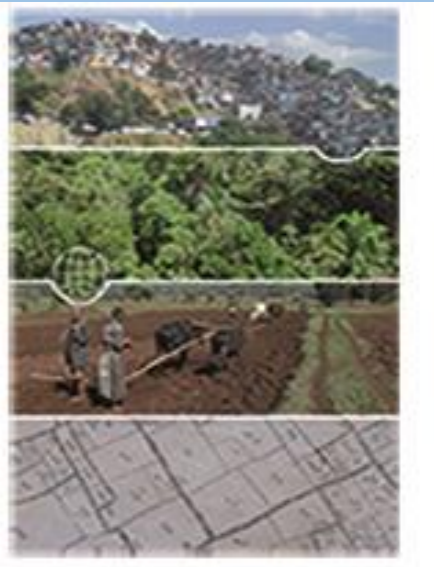


# Institutions for Equity & Resilience

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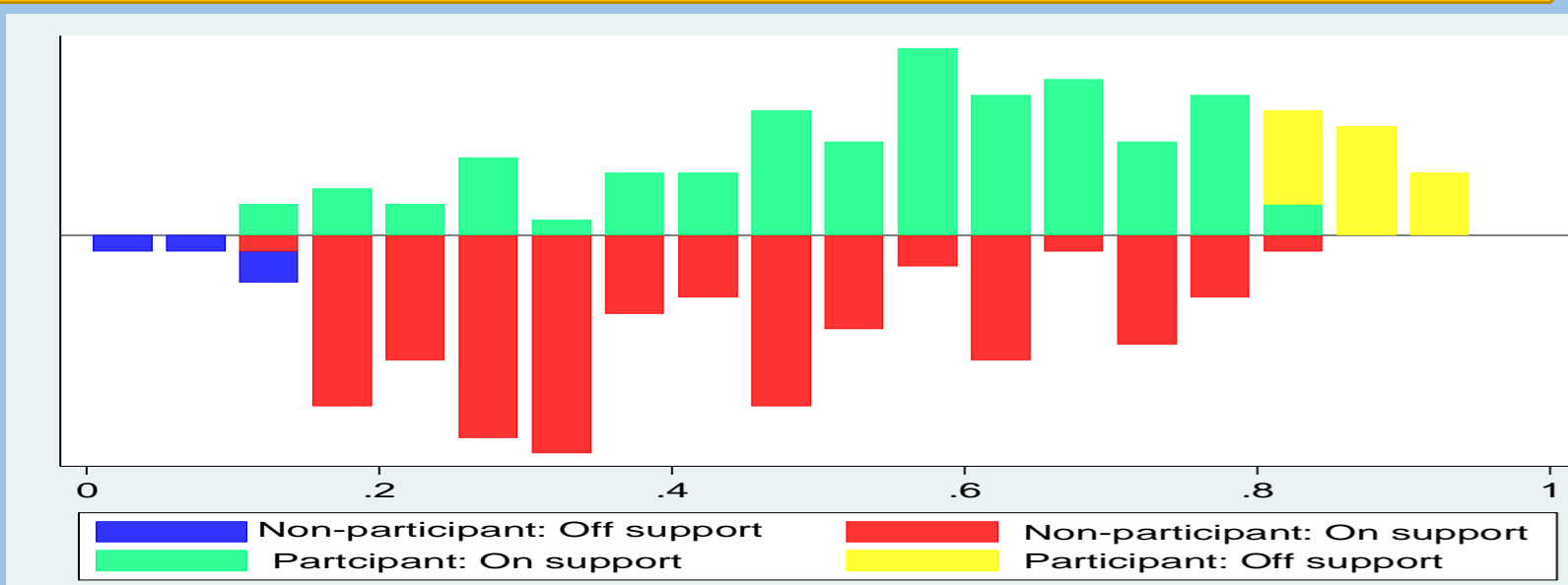
## Impact of Land Renting-out on the Welfare of Rural Households: Evidence from Central Ethiopia

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### Introduction

- Ethiopian youth households are becoming landless due to rapid population growth and lack of sales market in the country.
- Hence, land rental market is a less costly and flexible land transaction system, which can substitute sales market.
- Existing studies focused on the impact of land rental market on productivity and land conservation.
- But, welfare differences on both the own operating and land renting-out households remain hidden.

### Methods

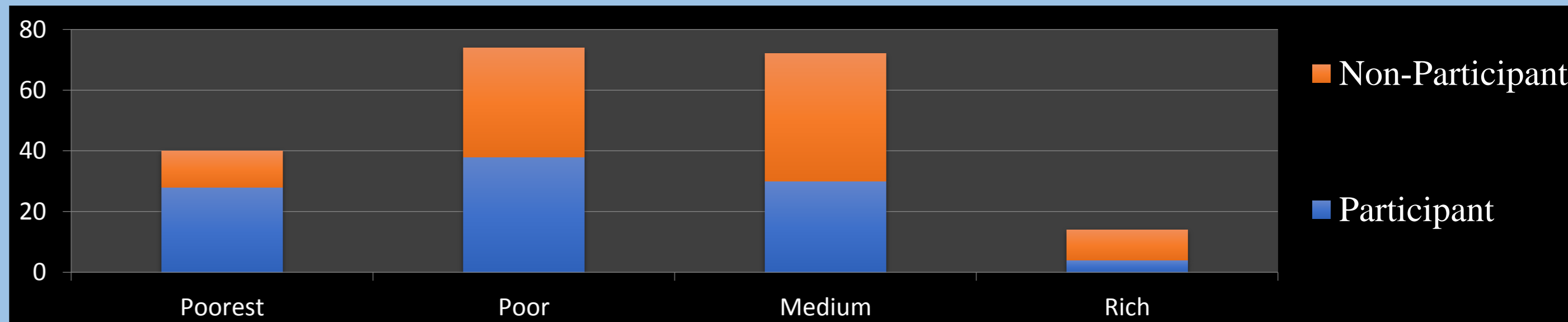
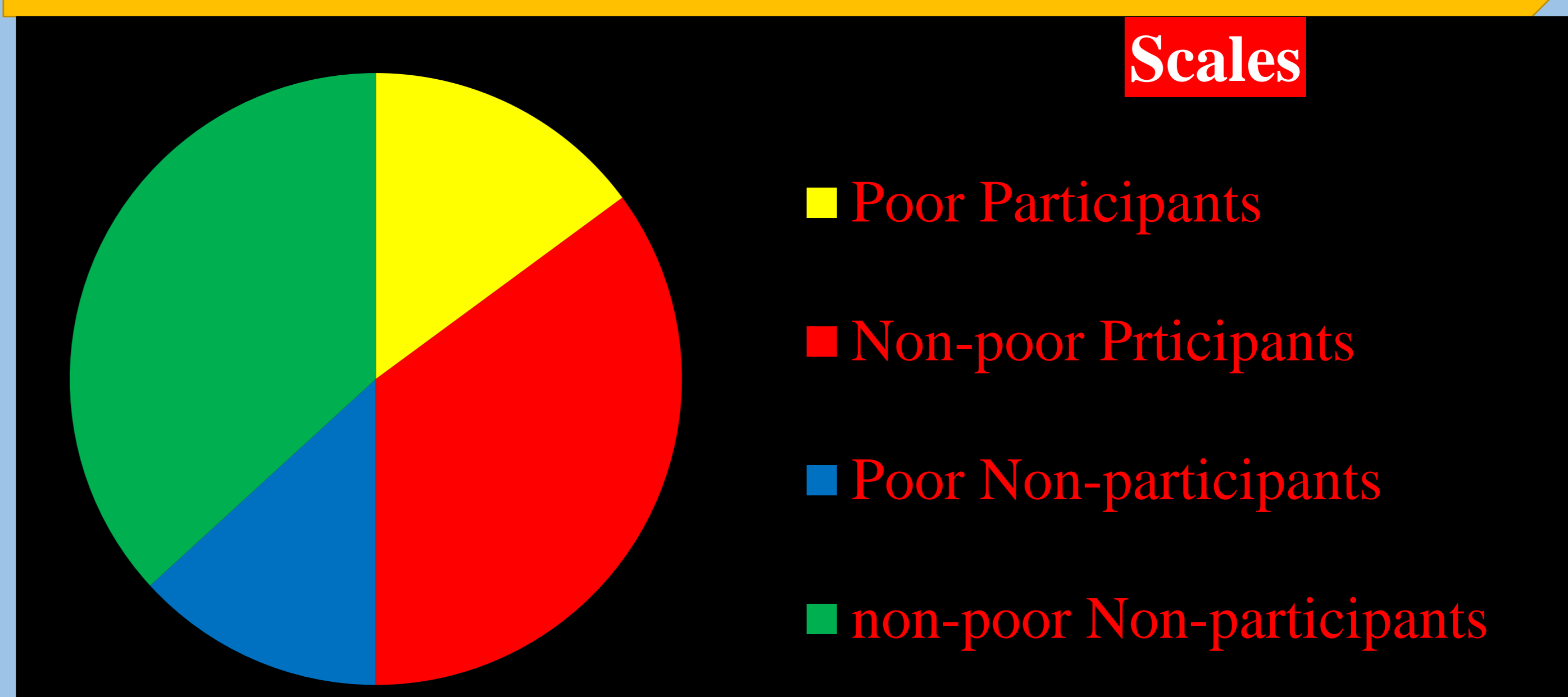


- Propensity Score matching
- Foster, Greer and Thorbecke
- 200 sample households.

### Acknowledgement

- African Economic Research Consortium
- The World Bank

### Results



Outcome Variables	Treated	Controls	Difference	S.E.	T-stat
Annual Consumption Expenditure (ln)	9.50	9.81	-0.314	0.114	-2.76***
Subjective Poverty	2.15	2.50	-0.349	0.140	-2.49**
Diet Diversity	6.08	8.17	-2.08	0.255	-8.18***
Minimum Diet	1.096	.996	0.100	0.077	1.30
Expenditure for education	6.098	6.559	0.461	0.212	2.17*

### Conclusions

- The participant households are spending below the non-participant households, diversify their diet rarely, and most of them perceive themselves as the poorest households.
- Therefore, the study suggests to encourage the farmers to operate by their own and to carry out comprehensive efforts to tackle factors that drove farmers to rent out their lands.

### Literature Cited

- Deininger, K., Ali, Daniel Ayalew A, and Tekie A, 2013.
- Hou, J., Huo, X., and Yin, R., 2017.
- Musa Hasen Ahmed, 2015.