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Integrating Market Access and Tenure Security: The role of Institutional Isolation in Crop Productivity in Kenya.

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Abstract

This paper analyses the role of institutional isolation on crop productivity in Kenya using household survey data. The study is based on the theory of agricultural household models and the sustainable land management framework. Ordinary least squares and instrumental variable models for crop productivity are estimated. The results support the hypothesis that institutional isolation adversely affects agricultural productivity. The results also show that the impact of development domains on productivity is context specific, supporting a Malthusian rather than a Boserupian development path. The results further reveal a productivity increasing impact of soil conservation investments. The results illustrate the importance of controlling for potential endogeneity of adoption of conservation investments in the crop productivity model. The results point at a number of policy issues: opening up of remote areas, provision of broad incentives for adoption of soil conservation; improved living standards; and, enhanced social capital would enhance crop productivity.

Key words: Institutional isolation, tenure security, Market access, development domains, crop productivity, soil conservation, Kenya

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