Tenure security over agricultural land is one form of institution that is crucial in promoting sustainable development. However, in developing countries, institutions that are needed to ensure property right over agricultural land are rather feeble and this creates a challenge for promoting sustainable agricultural development. The situation in Tanzania is not different as property right over agricultural land is for the most part characterized by a customary tenure system and informal ownership. Even if there is an institutional framework that facilitates land registration and titling, the process is costly, lengthy and complicated. The aim here is thus to empirically examine the impact of tenure security or the lack thereof on internal migration in Tanzania. This is important as tenure insecurity and the resulting fear of expropriation can have important implication for an efficient allocation of labor through households’ migration decision and hence for structural transformation and sustainable development.

Using the three waves of Tanzania National Panel Survey, we have estimated a panel data model effectively controlling for village and household level characteristics that potentially influence the impact of tenure insecurity on migration. We find that improved tenure security is negatively related to rural-urban migration. Our findings have implications for the basic principles of structural transformation and rural land holding arrangements in Tanzania where rural-urban migration is a challenge. In countries like Tanzania where there is no vibrant and well-developed urban sector with a capacity to absorb rural labor, rural-urban migration is considered as a policy challenge rather than an integral part of structural transformation process. As our results show, while lack of effective institutions that can ensure tenure security act as a push factor for rural-urban migration, putting the right institutional arrangements in place can help deter migration at early stages of development. This is in contrast to the evidence in the literature for countries in transition where increased tenure security has the impact of increasing labor mobility due to an attractive urban sector that acts as a pull factor.