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## Land Rights and Their Impacts on Agricultural Efficiency, Investments and Land Markets in Zimbabwe

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### Abstract

This paper summarizes results of case studies and panel group discussions carried out in Zimbabwe recently to find out the relationship between land rights and agricultural efficiency, investment and land markets in the smallholder agricultural sector. Results indicate that primary land user rights holders in the three perceived land tenure categories studied do not see security of tenure as a major problem. The major limiting factors cited as reasons for failure to realize full agricultural production potential include lack of or problem with one of the following: draft power, labor, credit, rural-urban migration and the AIDS pandemic among others. The opposite is true of secondary user rights holders such as grown up sons living with parents and some women and other social weak groups who indicate tenure insecurity as a problem of equal magnitude to the other limitations stated above. The results also show some relationship between investment and land rights between the small-scale commercial farming sector and the other two sectors (resettlement and communal). Total credit received is not significantly related to the form of land rights enjoyed by landowners. Land markets in the three categories are thin and 'transaction costs' are high limiting the amount of agricultural land that changed hands. Women access to and control over land, and their bargaining power with their husbands and relatives about land are weak across the three categories studied.

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## Introduction

While it can be true that security of property rights in Zimbabwe can be a fundamental constraint to the long term development of the smallholder agricultural sector, there has been little thorough work done to date of the relationship between land rights and agricultural efficiency, investment and land markets in this sector. This study was an attempt to gain an insight into this relationship. It was carried out in two communal areas, two resettlement areas and one small-scale commercial area. The three of which are perceived to belong to communal, resettlement and freehold tenure systems respectively. The two selected study areas in each category except for the small-scale commercial farming area allowed making a comparison between different agro-ecological zones in each category. The objective of the study was to investigate if the three perceived land tenure forms meant any difference in the day to day economic and farming decisions of the landowners and users with reference to the above stated relationship.

## Background Literature

### *Communal Areas of Zimbabwe*

Under the customary tenure system found in Zimbabwe's communal areas authority over land is exercised by chiefs with the help of councils of elders. It is assumed that the system has checks and balances. However, it might not be the case as land becomes a scarce resource.

Rights of usufruct are allocated to an individual, usually a male, by a chief for as long as he may need it or is cultivating on it. The rights of usufruct in an area the individual lives also include the right to graze livestock, fetching fuel wood, thatching grass, wild fruit and vegetables and hunting game. There are no controls to rights of access to these things as they are considered "free" goods.

The rights of usufruct can be passed on as inheritance on the death of the original owner. The inheritor of the land is based on primogeniture but the wife or wives of the deceased can continue to cultivate the land. Inheritance is complicated where there is polygamy.

Communal areas represent 41% of all land in Zimbabwe, 74% of it in Natural regions 1V and V.

### *Resettlement Areas of Zimbabwe*

Resettlement schemes are a product of the post-independence government policy to resettle landless people mainly from the congested communal areas on acquired large-scale commercial farms.

A permit system is utilised in the resettlement schemes (Government of Zimbabwe, 1998). The settlers' permits do not indicate the period for which they are valid but in practice they could be valid for as long as the settler does not violate the conditions of the permit. These conditions include relinquishing usufruct rights in communal areas and also not getting employment outside the boundary of the resettlement scheme.

Resettlement areas represent 9% of all land in Zimbabwe.

### *Small-Scale Commercial Farming Areas of Zimbabwe*

The small-scale commercial farming sector was created by the pre-independence government in 1930 under the Land Apportionment Act. It was formerly called African Purchase Areas. The sector covers 1,2 million hectares of land mainly in Natural Farming Regions 111 (35,4%) and 1V (38,2%). The average farm size is 124 hectares.

Although the small-scale commercial farming scheme was introduced as far back as 1930 the Rukuni Commission (1994) reported that only 48 percent of land holders had fully paid and received title deeds. Fifty two percent were still leasing the land from government as they had not yet fully paid for the land. The conditions of the lessee are as follows: residing on the farm permanently, practising farming for the exclusive benefit of himself and his family, not to subdivide the farm or enter into any form of farming partnerships and must practise good husbandry.

Small-scale commercial areas represent 3.5% of all land in Zimbabwe.

In general rights over land are divided into use rights (grazing, farming, collection and others); transfer rights (movement of ownership or possession through inheritance, gift, sale, lending etc) and administrative rights (the authority to allocate or withdraw land from use, tax it, to arbitrate disputes, regulate transfers etc) (Zoomers, 2001).

### **Methodology**

The Panel Group Discussions and Case Studies were carried out in Chinyika and Gutu Resettlement Schemes, Zimuto and Chiendambuya Communal Areas and Mushagashe Small-Scale Commercial Farming Area in 2001/2002. Group

discussions focussed on land rights and agricultural performance issues, whilst case studies investigated land markets and investment issues.

Stratified random sampling was used to select participants for both group discussions and case studies. This was desirable to ensure a fair gender representation. In both cases one third of the participants were female headed households and the rest male headed households. Each panel group comprised of an average of twelve people. Case studies involved household heads.

The analysis of the study draws on the World Bank's theoretical framework of rights-based tenure security variables (user and disposal rights). The Bank uses farmers' perceptions of their rights over their land as proxies for tenure security. The greater the number of rights conferred by the tenure arrangement, the greater the potential value of the land resource to the holders (Bruce and Migot-adholla, 1994).

## **Results and Discussion**

### *Land rights*

The interviews show that primary land holders in all the three land tenure categories have the right to choose crops, right to plant trees and invest. Small-scale commercial farming landowners also enjoy to some extent rights to sell and rent land. Properly executed land sales and rentals are recorded in the interviews.

In addition to individual land rights to arable and residential plots resettlement and communal landholders also enjoy rights to common resources such as grazing lands, mountains and on any other land not assigned to individuals.

*Rights to land and tenure security***Table 1.** Nature of Rights to Land held by gender

	<b>Communal Areas</b>	<b>Resettlement Areas</b>	<b>Small-Scale Commercial Area</b>
No. of female primary rights holders	2 (1.7%)	15 (12.5%)	4 (6.7%)
No. of female secondary rights holders	38 (31.7%)	25 (20.8%)	8 (13.3%)
No. of male primary rights holders	55 (45.8%)	38 (31.7%)	38 (63.3%)
No. of male Secondary rights holders	25 (20.8%)	42 (35.0%)	10 (16.7%)
<b>Total</b>	<b>120 (100%)</b>	<b>120 (100%)</b>	<b>60 (100%)</b>

**Grand total=300**

Source: Field work data 2002

There were more male primary land rights holders (see Table 1 above) than females in all three tenure categories, confirming the gender imbalances in land ownership and control found in most patriarchal communities.

In all the three land tenure categories, secondary land rights holders-derived rights holders-(individuals who gain access rights to grow crops on agricultural plots controlled by other people) feel insecure. For example married and grown up sons staying with parents in resettlement schemes consider the current arrangement temporary and would wish to own their land independently somewhere. In Chinyika sons also reported that some parents are more interested to rent out there unused plots to tobacco growers who pay them well rather than subletting their land to their sons as gifts and receive nothing. This made them feel even more insecure and less prepared to making long term investments such as planting trees or contributing towards the fencing of the plots. People treated as squatters in Chiendambuya communal area feel very insecure as they encounter numerous

clashes with members of the local community. Even in the small-scale commercial farming sector where land was abundantly available to meet requirements of all family members not every family member feel equally secure.

In both communal areas studied (Chiendambuya and Zimuto) the notion that land is not owned in any absolute by the man and his household who live on and cultivate it, is disappearing. Efforts by traditional leaders (chiefs, headmen and kraal heads) to maintain their role of a coherent system of land rights in which they are the overlord, while the individual land holder and his household participate by his allegiance to a particular chief, being a member of a particular village at every point and by the particular cultural idiom of his tribal group are vehemently facing resistance from plot holders. In some cases lack of trust and respect of the traditional leaders bring this about. Panel participants reported leaders who allocated land corruptly and biased when mediating on land disputes. The situation is worsened by conflict in the allocation of land rights, particularly between traditional leaders and local government structures. There is no clarity on the roles and functions of the various institutions at local level over the issue of land and natural resource management resulting in confusion, uncertainty and even corruption.

Despite perceived absolute land ownership by even those landholders in communal and resettlement areas some still strongly treat land as a non-tradable commodity. This seems to stem from lack of legal framework to engage in a land market without being cheated and the perception of land as both their pension and insurance.

Whilst all landholders in resettlement areas must have a permit which states the conditions of land ownership most of the participants do not have or have even seen the actual permit. They feel they are secure and can use the land in perpetuity despite the fact that the actual permit contains a clause stating that land rights can be revoked anytime without compensation to any improvements. The blame can again be partly apportioned to poor land administration since the removal of resettlement officers. The local councils and other local structures that replaced resettlement officers are widely questioned and viewed as illegitimate, of little credibility and effectiveness and without power to implement their proposed roles.

Whilst land rights granted to smallholders epitomised those existing under freehold tenure they have some defects. For example panel group discussion participants reported that when the scheme started alienation of land to other people (transfer of land between members of the community) was not permissible, and although mortgaging of land was permitted it was strictly controlled.

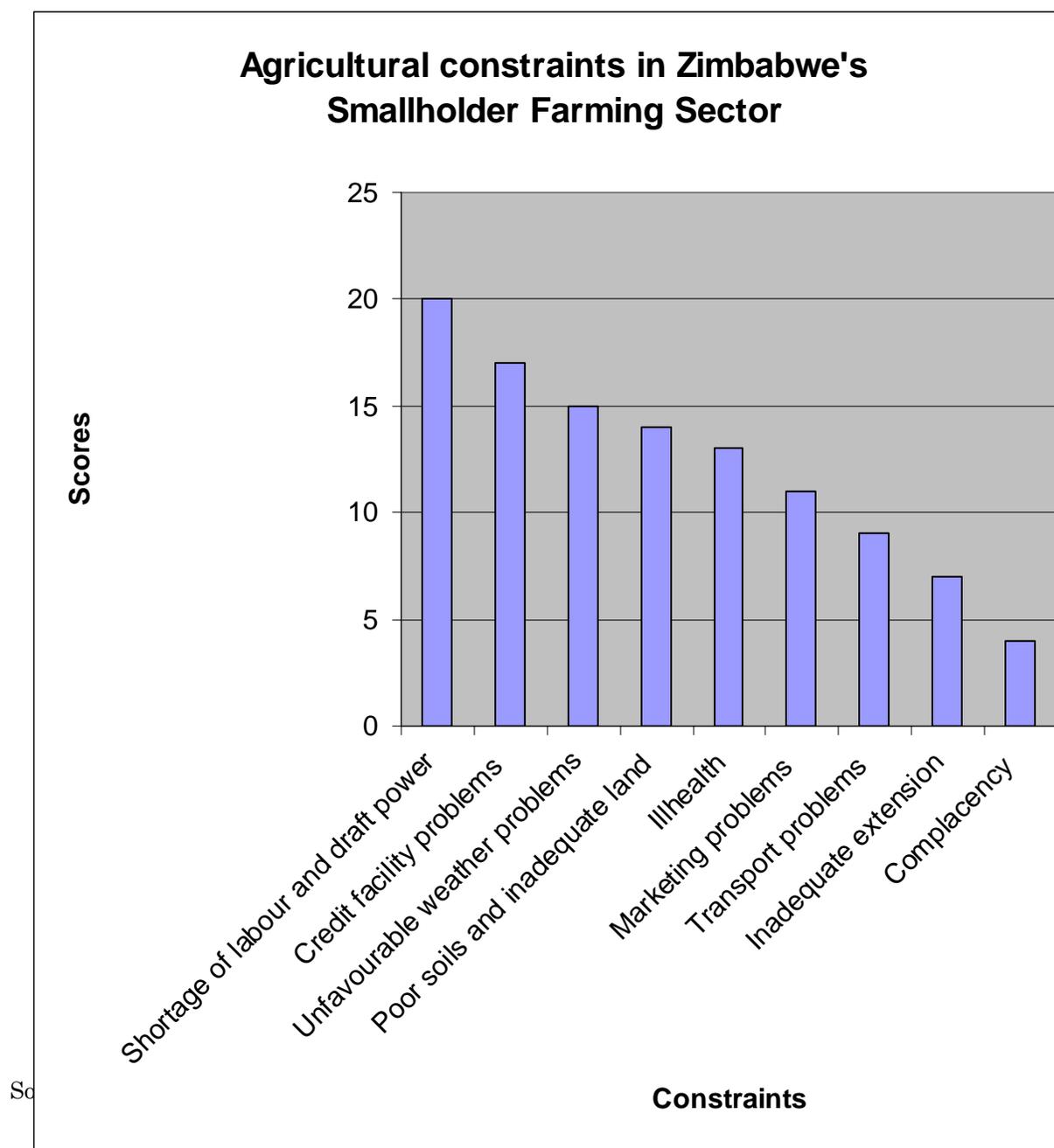
In all the three tenure categories studied it can be generalised that all the land right holders enjoy stable and secure use rights in perpetuity, but transfer rights and administrative rights are not clearly defined, and are the major source of land disputes.

### *Non-tenure constraints*

The study shows that non-tenure constraints such as draft power, labour, lack of input credit and harsh farming conditions (unreliable rainfall and poor soils) are very important and need to be addressed.

### *Panel Groups' perceptions of main agricultural constraints*

The most frequently mentioned constraints ranked according to the number of times they were mentioned are shown in Figure 1.



Failure of farmers to get input credit is attributed to a multiplicity of reasons. Drought risk (inadequate rains even in a normal season) and poor soils are reported in some areas to make borrowing unattractive.

Most smallholder farmers grow maize that is a controlled commodity, and producer prices are low. Maize marketing is a monopoly of the state run Grain Marketing Board which is heavily indebted. With borrowing interests as high as 60% it is only high value crops fetching high selling prices such as tobacco which can guarantee returns good enough to enable loan repayment.

The other problem of smallholder farmers in Zimbabwe with loans is the general bad perception of farmers to the notion of borrowing. This negative attitude towards borrowing is partially attributed to the government in its handling of input loans to farmers in the 1980s. Most farmers received inputs through an extensive government loan input programme but it was not made clear to farmers that they would be required to repay the loans and politicians even went further to discourage willing farmers from repaying the loans. Eventually the government owned agricultural bank, which had guaranteed the loans, was faced with collapse and was forced to act on defaulting farmers in a sweeping move. The bank debt collectors confiscated any valuable assets of the defaulting farmers that they could lay their hands on. This was traumatic to the farmers who were caught unaware and some of them are still smarting from this experience. This was a nation wide event and widely covered by the media and it tainted the reputation of most smallholder farmers borrowing eligibility with other financial institutions in the country.

Banks have also repeatedly voiced their concern of lack of collateral by smallholder farmers. Even the small-scale commercial farmers with title deeds are perceived by financial institutions with suspicion for the reason that the type of freehold they have is conditional.

**Table 2.** Input loan 2001-2002

<b>Amount (ZW\$)</b>	<b>Communal Areas</b>	<b>Resettlement Areas</b>	<b>Small-Scale Commercial</b>
0	55 (45.8%)	45 (37.5%)	32 (53.3%)
<1000	24 (20%)	8 (6.7%)	0 (-)
1001-2000	39 (32.5%)	25 (20.8%)	9 (15%)
2001-4000	2 (1.7%)	35 (29.2%)	19 (31.7%)
4001-6000	0 (-)	7 (5.8%)	0 (-)
<b>Total</b>	<b>120 (100%)</b>	<b>120 (100%)</b>	<b>60 (100%)</b>

Source: Field work data 2002

**Table 3.** Input loan 2000-2001

<b>Amount (ZW\$)</b>	<b>Communal Areas</b>	<b>Resettlement Areas</b>	<b>Small-Scale Commercial</b>
0	120 (100%)	117 (97.5%)	58 (96.7%)
3000-4500	0 (-)	3 (2.5%)	2 (2.3%)
<b>Total</b>	<b>120 (100%)</b>	<b>120 (100%)</b>	<b>60 (100%)</b>

Source: Field work data 2002

**Table 4.** Input loan 1999-2000

<b>Amount (ZW\$)</b>	<b>Communal Areas</b>	<b>Resettlement Areas</b>	<b>Small-Scale Commercial</b>
0	120 (100%)	118 (98.3%)	9 (98.3%)
2000-5000	0 (-)	2 (1.7%)	1 (1.7%)
<b>Total</b>	<b>120 (100%)</b>	<b>120 (100%)</b>	<b>60 (100%)</b>

Source: Field work data 2002

Farmers also expressed ignorance on how to go about the borrowing process with banks.

Chimedza (1995) confirms the above credit scenario when she wrote that Zimbabwe's impressive gains in smallholder maize and cotton production in the 1980s and early 1990s were now being undermined by the erosion of farm support services. In 1995, for example, Zimbabwe government's credit programme was reaching less than three percent of its one million communal households.

The intrusion of the extended family structure into the small-scale commercial farming sector with its inherent family and inheritance squabbles make it difficult even for those farmers who could be in a position to borrow because of lack of consensus in running the farms and inheritance disputes.

The small-scale commercial farmers complained that they are left out in most government input programs. They feel that they have always been victims of the perception that they are commercial farmers who should be able to run their farming businesses independently resulting in neglect and that has been the case since they started farming. They complain that they have never received a proper funding programme, as was the case with their large-scale commercial farming counterparts when they started. And they strongly believe they continue to be ignored even after independence because they are political and economic insignificant.

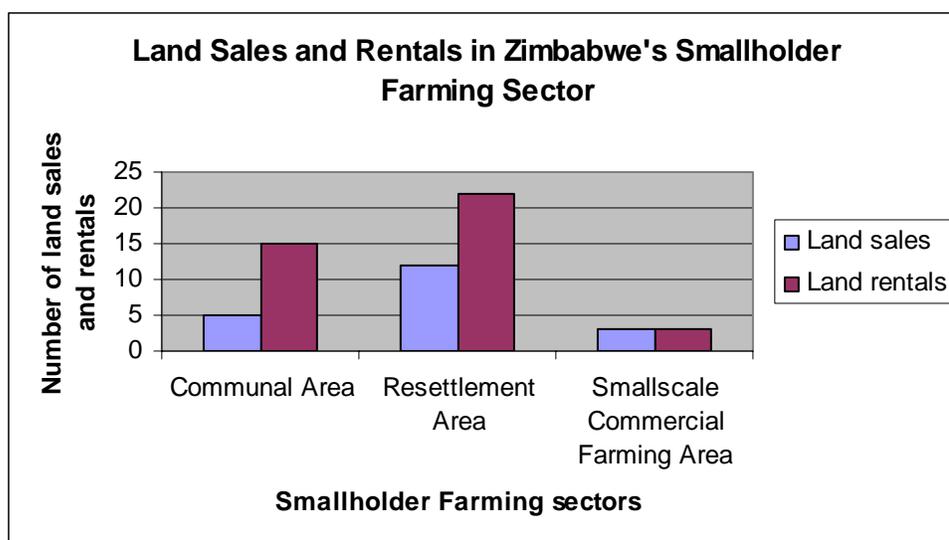
Problems related to labour are mainly pointed to the ravaging AIDS pandemic and rural-urban migration especially by the working age group.

Draft power problem is most severe in communal area and much better in the small-scale commercial farming area. However, large farm areas (125 hectares on average) owned by small-scale commercial farmers in the studied area mean that only small portions of these farms are put under use because of limitations of animal power on these relatively large farms. If full utilisation is to be achieved mechanisation is a necessity. It is also important to point out that farms in Mushagashe generally have poor, light sandy, infertile soils and in some places the soils are shallow and to get a good yield (for example 3 tonnes of maize per hectare) expensive soil fertility improvement methods are a prerequisite.

### *Land markets*

In both resettlement and communal areas land sales and rentals are illegal. However, the interviews show that land is exchanging hands through both distress sales and sales and rentals borne out of landholders rational decisions. This means that a land market exists but there is no legal framework to facilitate its proper functioning.

Examples of land sales encountered include those by elderly people who are living alone and can no longer work the soil. They then decide to sell their plots to raise money to see them through the rest of their lives while they live with a willing member of the family who can look after them properly. Even those people who sale



**Figure 2.** Land Sales and Rentals in Zimbabwe's Smallholder Farming Sector  
Source: Field work data 2002

through distresses such as illnesses can realise better prices if they can openly look for a buyer. But in most cases they end up prey to neighbours or other locals who take advantage of their plight and decide for the desperate victim what they want to pay. Figure 2 above shows cases of land sales and rentals recorded in the study.

Even traditional leaders in the communal areas who are suppose to be custodians of local values and norms are reported to be involved in land sales rackets.

In Chinyika, a tobacco growing area, farmers engaging in tobacco production need more land than they size of the plots they were allocated and they rent land from their neighbours so that they can fulfil the statutory four year crop rotation meant to control tobacco pests and diseases.

Grown up and married sons living with parents expressed their desire to have their own plot independent of their parents even if it meant buying.

The informal nature and secrecy of the communal and resettlement land market makes 'transaction costs'<sup>1</sup> high especially to outsiders. Even in the small-scale commercial farming sector where sales and rentals are permitted transaction costs can be high especially for an outsider. There is need to verify thoroughly the exact owner before indulging in purchase to avoid problems of getting trapped into family ownership squabbles and these can be costly to unsuspecting buyers.

Although title deed transfers are recorded in the land transfer case studies carried out in Mushagashe Small-scale Commercial Farming Area it is important to point out that many of the farmers interviewed during a formal questionnaire survey interview indicated that they did not have the actual title deed. Some are not even sure of the ownership status of their farms. This finding is supported by work done by the World Bank in conjunction with the Ministry of Agriculture of Zimbabwe in 1993. They found that out of a total of 10600 small-scale commercial farm allotments about 48% were held under a conditional freehold title and the balance under long term leasehold. It is unlikely that those under long term leasehold are aware of that and the implications. Some families never bothered to find out because of the ownership acrimony among family members.

Transactional costs caused by information asymmetry especially to outsiders are also quoted in the unpublished field notes of the 1994 Zimbabwe Land Tenure Commission. It was found that absence of a legal framework in some rural areas especially peri-urban areas was making informal land sales more expensive than if

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<sup>1</sup> Transaction costs in the context of my work refers to purely cognitive costs of organising and monitoring land transfers due to ambiguity in property rights. Willing buyers must incur significant search, enforcement and sometimes even litigation costs as a result of which a wedge is driven between the land's value of marginal product in the owner's use and the value of marginal product if used by the most productive alternative user (Platteau, 1996).

formal sales were allowed. Bribes involved were so exorbitant that they made the land more expensive than its true market value.

Through information collected during land transfer investigations the cost of arable land per hectare is established (see Table 5).

**Table 5.** Cost of a Hectare of arable land in the three areas

	<b>Communal Areas</b>	<b>Resettlement Areas</b>	<b>Small- scale commercial</b>
Cost/Ha (ZW\$)	7500 (3 yrs ago)	6000 (3 yrs ago)	3500 (6 yrs ago)

Source: Field work data 2002

It is also important to note that interviews demonstrate a conservative group of people especially in the communal and resettlement areas, and to some extent even in the small-scale commercial farming area, who perceive land as a non-tradable commodity that must change hands only through a certain acceptable family lineage. Some of the people hold this view so strongly that to them alienation of land to outsiders violates deep-rooted social norms. Bitter resentments and even acute tensions can be aroused that may lead to opportunistic acts, and in worst cases even erupt into open violence and this is also a form of the transactional costs.

### *Investments*

Most primary land rights holders in the three land tenure feel secure to make both short term and long investments such as planting trees, stumping, making fence and construction of contour works. But still some pointed out that it would be unwise to invest in a 'big house' in the communal or resettlement area where you would not be able to sell it or rent it out as good as you would do to a town house with a title deed.

Generally, however, there are more investments in the small-scale commercial farming area than in the communal and resettlement areas.

### *Women and land rights*

Most of the land related problems encountered by women in the communal, resettlement and small-scale commercial farming areas are linked to patriarchy, women's subservient status (women are treated as minors with no signing rights) and traditional and societal gender roles. However, some positive changes are taking place. A few women are reported to be land permit holders in the resettlement areas. In Zimuto, a communal area there is a gender awareness

campaign run by a non-governmental organisation. However, some elderly women are contented with the status quo despite the awareness campaigns being contacted.

As for widows and partly divorced women and single women their situation with regard to land access and control can best be summarised in the words of Rwebangira (1985):

*'A widow has a choice between three evils, to be inherited as a wife, or go back to her people (who are these?) and to live where children have allocated all of which require her to be a dependent irrespective of the number of years she has lived with her deceased husband and contributed to the family wealth.'*

### **Conclusions and policy implications**

The importance of land rights and agricultural productivity issues in the small-scale commercial farming, communal and resettlement areas is underscored by the fact that together the three sectors account for fifty five (54) percent of Zimbabwe's agricultural land (3,5 percent, 41.4 percent and 9 percent, respectively) (Government of Zimbabwe, 1998).

The study confirms Figueroa (1977) emphasis that land reform realises its greatest potential when it serves as framework of other policies which include infrastructure development, provision of modern inputs such as credit, extension, research activities, pricing policies and efforts towards rural industrialisation. Infrastructure development includes road and dam construction and introduction of irrigation schemes as mitigation against drought.

It is in view of the above that most World Bank and IMF sponsored structural adjustment programmes sometimes face strong criticism. A typical economic structural adjustment programme usually prescribes reduction of government expenditure and privatisation of state institutions among other things. The smallholder farmer, who relies a lot on these institutions and other state intervention policies, is adversely affected. As already mentioned, in the case of Zimbabwe for example, after the introduction of the Economic Structural Adjustment Programme (ESAP) in the early 1990s government credit programme was reaching less than 3 percent of the one million communal farmers in 1995. This is compared to over 50 percent in the 1980s before ESAP was introduced. Whilst institutional reforms are unavoidable in most cases alternative arrangements must be put in place before changes are implemented to cushion the vulnerable smallholder farmers during the transitional period.

When implementing a system of land rights and their effects on agricultural production it is important to look at the actual stream of rights available to the

farmer than to its particular appellation as communal, state and private property. Secure tenure to the smallholder producer in some form of individual control over land is important.

Tenure security can be increased by putting in place reliable conflict resolution mechanisms and removing legislation, which only confuses and threatens property rights. The creation of formal private land rights, while they are not necessarily a panacea to conflict resolution, has the unambiguous effect of reducing and even eliminating transaction costs so as to encourage efficiency promoting transfers of land (and investment).

Experience from other parts of the world (especially Asia and Latin America) have shown that despite earlier ambitious redistributive land reforms there has been a steady trend towards greater rural landlessness (see Table 6) and in many cases a new pattern of land concentration (Plant, 1994).

**Table 6.** Landlessness in some countries

<b>Country</b>	<b>Landlessness (%)</b>
Kenya	32
Egypt	60
Mexico	60
Peru	75
India	55
Chile	53
Bangladesh	78
Sri Lanka	43
Pakistan	34
Philippines	60

**Source:** Sobhan, 1993.

In Zimbabwe resettlement schemes without a land market mechanism there is already a new generation of landless families (grown up children of resettled families), and the iron is that less than half the allocated land is being utilized.

Women have been observed to be repeatedly among the marginalised with respect to land rights in each of the three studied tenure categories. This problem can be addressed by among other things policy changes, public awareness and women alliances.

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