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## **Land Subdivisions, Monitoring of Land Transactions and Agrarian Structure in Zimbabwe**

### **Activity 2 Land Transaction Monitoring and Evaluation of Public and Private Land Markets in Redistributing Land**

#### **Scope of Work**

Centre for Applied Social Science, University of Zimbabwe  
Land Tenure Center, University of Wisconsin-Madison

#### **Zimbabwe Land Reform and Resettlement Cooperative Agreement**

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#### **STUDY OBJECTIVES**

The major goal of this study is to evaluate the role of public and private land markets in redistributing land to the formerly disadvantaged people in Zimbabwe through monitoring of deeds transactions nationally, data on public leases, and follow-up case study research. The specific objectives include:

- a) Review legal acts and instruments governing land administration, registrations, and mortgage financing as they pertain to the private transfer of land;
- b) Identify and establish the roles of organizations, committees and processes that govern private land market transfers through key informant interviews with the heads of institutions involved;
- c) Develop, monitor and analyze databases on land deeds transactions and public lease agreements;

- d) Evaluate procedures and policies affecting land transfers in terms of time requirements, transparency, cost effectiveness, and constraints in gaining access to land and formal capital;
- e) Compare the performance of private and public land markets in redistributing land to disadvantaged people; and
- f) Develop a data management system for tracking overtime land deeds transfers by various advantaged and disadvantaged groups.

## **BACKGROUND AND PROBLEM STATEMENT**

Land resettlement in Zimbabwe has been justified on two grounds. The first rationale is correcting historical injustices brought about by colonialism. The roots of the current skewed land ownership and large holdings in the sector can be traced back to the Land Apportionment Act (LAA) of 1931 (Matowanyika, 1996). By law, 198,539 sq. km of land was allocated to 50,000 whites, 117,602 sq.km to 1,080,000 Africans, and the balance of 74,859 sq. km being set aside for national parks, forestry and state land. Through the LAA, the right of Africans to own land anywhere in European areas was rescinded. A new land tenure category, Native Purchase Areas, was created. Here Africans could buy land under specific conditions. As much as possible, these NPAs were demarcated to be adjacent to native reserves. 51% of the country had thus been assigned for European settlement and about 30% given to Africans. Some land was left aside for future allocation, and such re-allocation did in fact take place in the 1950s. Even within the Large Scale Commercial Farm (LSCF) sector, holding sizes have remained high due to restrictive sub-division procedures and regulations brought about by enactment of the Regional, and Country Town Planning Act of 1976.

The second rationale flows from the first. The vast tracts of land reserved for whites compared to the number of settler farmers meant individual farm units were too large to economically manage leading to inefficient land utilisation. A large body of research worldwide has adequately demonstrated the existence of a negative relationship between farm size and productivity due to supervision costs associated with employing hired labour. Where farms greater than 1500 hectares are common in high rainfall areas, LSCF research in high income countries have shown that average cost of production decline up to a size of 45 to 60 hectares in British mixed farms, or 200 to 260 arable hectares in cash grain farms of Illinois (H P Binswanger, Klaus Deininger and Gershon Feder, 1995).

A number of studies have shown that commercial agriculture uses smaller proportions of available land compared to communal farming. William Masters in his thesis estimates that based on 1989 figures, commercial farmers planted only 4 percent of their total land compared to 11 percent in communal areas. Masters uses this to argue that there are possibilities of increasing productivity of the whole farming system from resettlement. He also argues that some of the land classified as grazing in commercial agriculture includes land pockets that are too small, rocky, remote or shallow to justify using mechanised cultivation. Such land would be considered arable for farmers using ox-ploughs.

Masters' analysis did not estimate the degree of arable and grazing land utilisation separately. In an analysis based on farm plans of 214 large-scale commercial farms in nine Intensive Conservation Areas (ICA's) Chasi et al. (1994) discovered that the farms examined in Natural Region II were cropping on average 38 % of arable land available to each farm. Those in Natural Regions III and IV were cropping on average 43% and 69% of available

arable land, respectively. The same study (p. 52) also estimates levels of utilisation of grazing land. Their results show that farmers in Natural Region I were utilising 41-64 % of their grazing area. Utilisation levels in regions II, III, IV and V were 64-78%, 83-100%, 55-84% and 58-67%, respectively.

At independence in 1980 remedying these anomalies became a primary objective of the new black government. Though the focus in the early years was transfer of land to the poor, since the early nineties indigenisation of the LSCF areas has been added as an extra objective of the Land Reform and Resettlement Programme. However, experience of the past and present resettlement activities and decision making on land matters have suffered from a lack of good quality information. The following quotation from a discussion paper on National Land Policy Framework prepared by Shivji et al for the Ministry of Lands and Agriculture (GOZ, 1998) is particularly revealing:

*The separate nature of land administration has also led to separate collection of data to various standards and time scales. In some cases records on land administration have lapsed. This is a major weakness in all aspects of land policy. It is not possible to gain an accurate understanding of what changes are occurring in land matters and therefore to identify accurately the problems. This in turn hampers the capacity to develop dialogue and strategic thinking. Finally a lack of regular, comprehensive data that is kept up to date means that it is not possible to monitor the effect of policies and programmes (p.165).*

It is therefore a primary objective of this study to contribute to the creation of an information process to aid in documenting and monitoring impacts of policies on land. Particularly there is need to track achievement of the broader objective of government which is fair distribution of land.

In this study we perceive land redistribution from whites to blacks to be happening on two fronts. The first is government buying, subdividing and allocating land to black beneficiaries. The other involves blacks with means buying land directly from white farmers. Success of either land redistribution approaches greatly depends on availability and price of land on the markets. The more land at affordable prices the greater the amounts transferred to blacks.

One policy that has been proposed to encourage release of excess land onto the market is taxation. By punishing the holding of more land than can be economically utilised taxation would encourage subdividing and sale of excess land (Bruce, 1990, Roth 1990). Moreover, farmers would tend to sell-off those less developed and hence less productive parts of their properties resulting in lower prices. Also with the traditionally small budget allocation to land resettlement, land tax revenues could also help finance the resettlement program (Muir, 1994). When enacted, the information process created as part of this research effort must be able to monitor the impact of a policy such as taxation of land.

However, legislation in pre-independence period, particularly the Regional and Town Planning Act of 1976, introduced bureaucratic hurdles to timely subdivision and transfer of land even without taxation of land. It is particularly interesting that this legislation came close on the heels of the Subdivision of Agricultural Land Act of 1971 in South Africa aimed at entrenching segregation. This tends to raise speculation that the 1976 Act was aimed at discouraging transfer of land. Despite highlighting the hindrance this law places on market led transfer of land between whites and blacks there remains strong support for it within

planning departments explaining its existence (Muir 1994; Chasi et al, 1994). The argument is that the regulations prevent creation of uneconomic farming units based on officially perceived minimum income the farmer should earn from the unit at a point in time. Even public assisted land redistribution has legislative and regulatory hindrances that act to constrain subdivision and land transfers. It is therefore an aim in this study to expose the extent of costs in terms of time taken as well as resource expenditure introduced by these legal and bureaucratic provisions governing land transfers.

## **METHODOLOGY**

### **A. Public and Private Deed Transfers**

In 1998, researchers Ruvimbo Mabeza-Chimedza and Lovemore Rugube initiated a study of deeds transactions with funding from USAID/Global Bureau and the BASIS CRSP. The purpose of this study was to monitor the various means by which farmland in Zimbabwe is transferring to, and being used by, disadvantaged people over time, both as a result of private market transactions and the government land reform program.

A census survey of deeds transactions was conducted for the whole of Zimbabwe for the years 1996, 1997 and 1998 including land parcels over 1 hectare in size to exclude primarily residential transfers. All farmland transactions deemed to be historically disadvantaged were recorded. The data collected for the survey was obtained from the National Deeds Registry (for Mashonaland, Manicaland, and parts of Midlands and Masvingo) and the Bulawayo Deeds Registry (for Matabeleland and parts of Midlands and Masvingo provinces.)

The Registrar of Deeds has records for all land/properties in the country and the owners at any point in time, including changes in land ownership that take place. Information available include:

- Names of owners, when bought and sold, and all records of change of ownership
- Value of the land transacted between buyer and seller
- Financing used – through mortgage bonds, cash or loan; or through donation or inheritance
- Size of parcel and graphic representation
- Location of parcel (district)

Reference was also made to other sources of secondary data including maps and records obtained from the Surveyor General's Department, information acquired from the Ministry of Lands, Agriculture and Rural Resettlement, and the Ministry of Local Government, Public Construction and National Housing.

A first compilation of these census data and their analysis was published in July 2000. Data show that over the three-year period, 861,155 hectares of land exchanged hands in the commercial farm sector involving 233 different transactions. Of this amount, 119,313 hectares involved land buyers or acquirers of non-white status. Of the 233 transactions, 26 were government assisted, 82 involved private mortgages, 110 involved private cash, and 13 involved inheritance or donation. Single women in 1998 represented 36% of private mortgages, 28% of private case transactions, and 100% of inheritance and donations. These data do not include the 26 government-assisted farms covering 32,998 over the three-year period. Until this land is redistributed legally to individual landowners, it will remain

registered as public land on the deeds register, although the Government of Zimbabwe (GoZ) may have entered into lease agreements (see section on Public Leasing below).

This activity seeks to continue this deeds monitoring activity to help assess how successfully the land reform and resettlement program, through private land transfers, is benefiting people of disadvantaged status (non-whites, women) and modes of financing used. Specifically:

- ◆ ***Institutional framework governing land deeds transfers.*** Collect, assemble and review available literature, government documents, rules and regulations that govern land administration, registration, and mortgage finance as related to the transfers of land deeds, including:
  - The Constitution of the Republic of Zimbabwe
  - Government guidelines on public land allocation
  - Regional Town and Country Act, Deeds Registry Act
  - Agricultural Land Settlement Act
  - Chiefs and Headman Act
  - Customary Law and Local Courts Act
  - Land Acquisition Act
  - Land Occupation Conditions Act
  - Provincial Councils and Administration Act
  - Rural District Councils Act
  - Settled Estates Leasing Act
  - Land Survey Act
  - Titles Registration and Derelict Lands Act
  - Urban Councils Act.
  
- ◆ ***Rules in practice.*** Identify organizations, committees, and other stakeholders in public and private land markets. Evaluate constraints to transferring land through key informant interviews with heads of institutions involved.
  
- ◆ ***Collect and computerize data for 1999 to 2001 period.*** Data will include land transactions and subdivisions for the commercial sectors (large and small). The database will show the number or parcel identifier, area and price of transactions for parcel sizes greater than 1 hectare by land size and between advantaged and disadvantaged households.
  
- ◆ ***Analysis and evaluation of census data.*** Using the six years of census data, 1996-2001, researchers will assess the comparative performance (i.e. the rate of transfer) of government assisted schemes and the private sector in redistributing commercial farmland, the scope of gains made by disadvantaged household in gaining access to land, and modes of financing used.
  
- ◆ ***Land transactions: tracking transfers of land.*** This activity tracks transfers of land between private (LSCF, SSCF) to government for resettlement or other purposes; private to private; government to private (e.g. commercial farm settlement scheme); private to local authority (towns); and conversion of land from agriculture to residential. (Linked with Activity 1 which will establish databases on and monitor agrarian structure).

## **B. Public Leasing Market**

Public land in Zimbabwe is transferred through two options – direct sale (cash or mortgage) or by lease with an option to purchase. Most direct sales manifest in the Deeds office as Deed of Grant and can be identified through a deeds search (i.e. those monitored by the Deeds transaction activity in section A above).

Public land leases are more difficult to track. First, two different Government Ministries – Local Government and Lands and Agriculture – issue these leases. Second, they are never registered at the Deeds office, but rather, the respective Ministry that administers the lease keeps the data. Third, some lessees may never exercise the option to purchase. It is only at the stage of purchase or transfer of ownership that this information is officially recorded in the Deeds registry.

Most of the land that has been acquired by the Government of Zimbabwe (GoZ) in the last two decades has either been set aside for resettlement or leased to previously disadvantaged groups through lease arrangements. Between 1980 and January 2000, the GoZ acquired land through the “willing buyer willing seller” principle. However, rather than resettling beneficiaries on isolated and scattered farms, in some cases it has preferred to designate a number of farms to form one “large” block of land for purposes of planned resettlement. The problem arises over what to do with individual farms it has acquired while waiting for surrounding properties to be acquired. One option that the government has adopted is public leasing. In other instances, where it was deemed that resettlement would hamper agricultural productivity, decisions were taken to make an outright sale to beneficiaries on a lease-to-purchase arrangement. As of the date of the September 1998 Joint GoZ and Donors Conference the GoZ held a number of farms totalling 223,112 hectares that had been acquired and was awaiting distribution.

This activity seeks to determine the extent of these leasing arrangements, the effectiveness of the leasing market in terms of managing state land, and the contribution this sector is making to the redistribution of land to people of disadvantaged status (non-whites, women). Specifically:

- ◆ ***Institutional framework governing public land lease markets.*** Collect, assemble and review available literature, government documents, rules and regulations that govern land administration, registration, and mortgage finance as related to the transfers of land deeds, including:
  - The Constitution of the Republic of Zimbabwe
  - Government guidelines on public land allocation
  - Regional Town and Country Act
  - Deeds Registry Act
  - Agricultural Land Settlement Act
  - Chiefs and Headman Act
  - Customary Law and Local Courts Act
  - Land Acquisition Act
  - Land Occupation Conditions Act
  - Provincial Councils and Administration Act
  - Rural District Councils Act
  - Settled Estates Leasing Act
  - Land Survey Act
  - Titles Registration and Derelict Lands Act

## Urban Councils Act.

- ◆ ***Key-informants interviews.*** Identify organizations, committees, groups and other stakeholders in public and private land markets. Evaluate constraints to public leasing of land through key informant interviews with heads of institutions involved. Evaluate procedures and policies affecting land transfers in terms of time requirements, transparency and cost effectiveness
- ◆ ***1996-2001 public leasing data collection.*** Assemble and develop data sets on public land transfers for the period 1996 to 2001 to complement the deeds transfer data for 1996-2001.
- ◆ ***Analysis and evaluation of census data.*** Using the five years of census data, 1996-2001, researchers will assess the comparative performance (i.e. the rate of transfer) of public leasing markets in redistributing farmland in the public sector and that of the private markets.
- ◆ ***Case studies of land leasing arrangements.*** Case study methods and structured, open-ended questionnaires used to evaluate land leasing arrangements, land tenure security and transactions costs involved in leasing of public land to men and women.

## ANALYSIS

The above data sets will be analysed to assess and monitor the success of the land reform and resettlement programme through public and private land transfers, the benefit to disadvantaged groups (nonwhites and women) and modes of financing using the following: collection and computerization of data for the period 1996-2001 on deeds transactions and public leasing; analysis and evaluation of computerized data combined with review of relevant legislation and regulations; and case studies of land market performance.

## OUTPUTS

- Extension of the already existing database of deeds transactions (1996-98) to include the years 1999-2001
- Development of a new database on public leasing transactions for the years 1996-2001 based on Ministry data collection
- Case Study Research on Land Leasing Arrangements
- Summary Report on Monitoring and Evaluation of Deeds Transaction and Public Leasing Arrangements, 1996-2001
- Recommendations on the management of land markets
- Recommendations on the process of transfer
- Recommendations based on the case studies
- Recommendations based on the comparative performance for the period 1996 - 2001

In addition to the above databases and reports, the researchers involved will synthesize findings through recommendations, policy briefs, an interim workshop, and final workshop involving decision-makers.

The first interim workshop is anticipated after the desk study and analysis of key-informant interviews to gain feedback from the stakeholders and those implementing the statutes, rules and regulations.

A final workshop is anticipated after the final report to discuss findings and test the views of the users and beneficiaries.

## **POLICY AND FOCAL GROUPS**

A focal group will be established to help facilitate the participation of stakeholders and connection with policy makers in the implementation of the activity. Such focal group would ideally involve people from the Ministry of Local Government, Ministry of Lands, Deeds Registry, the Surveyor General's Department and the private banking sector. It would also include one or more representatives from the farming organizations and womens groups. This focal group will be established during the first quarter of the project.

Resources have been added to the budget for workshops and working meetings to help facilitate this stakeholder participation and dialogue.

## **SCHEDULE**

Attached as Annex A.

## **BUDGET**

Attached as Annex B.

## References

- Binswanger, H P, Klaus Deininger and Gershon Feder: *Power, Distortions, Revolt and Reform in Agricultural Land Relations*, in J Behrman and T N Srinivasan Handbook of Development Economics, Volume III, Elsevier Science B.V., 1995
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- Government of Zimbabwe, 1998. *Draft National Land Policy Framework – Discussion Paper*, prepared by Issa G. Shivji, Derek Gunby, Sam Moyo and Welshman Ncube, Ministry of Lands and Agriculture.
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- Muir-Leresche, K. (1994): *A Review of the Agricultural Land Tax Bill, Farm Subdivision and Implications for Growth, Efficiency and Equity*, Land Tenure Commission, Chairman- M. Rukuni, Government of Zimbabwe.
- Roth, Michael J. (1990): *Analysis of Agrarian Structure and Land Use Patterns*, Zimbabwe Agriculture Sector Memorandum, Agriculture Division, Southern Africa Department of the World Bank, Washington, D.C.



**Schedule of Activities**

	Nov 2000 to June 2001	July - Sept 2001	Oct – Dec 2001	Jan - Mar 2002	April - June 2002	July - Sept 2002
<b>A. Deeds Transactions:</b>						
Data collected and automated for 1999 and 2000						
Institutional framework governing deeds transfers						
Rules in practice						
Data collected and automated for 2001						
Analysis of census (1996-2001) data						
Tracking land transfers						
<b>B. Public Leasing Market</b>						
Institutional framework governing public leases						
Key-informant interviews						
1999-2001 public leasing data collection						
Analysis and evaluation of census data						
Case Studies of land leasing arrangements						
<b>C. Workshops</b>			Interim			Final
<b>OUTPUTS</b>						
	Database on deeds transactions 1996-1998			Extension of database on deeds transactions 1999-2001	Database on Lease transactions 1999-2001	Summary Report  Case study of leasing arrangements



**Land Deeds Monitoring and Evaluation of Private and Public Land Markets in  
Redistributing Land in Zimbabwe**

**Budget  
May 2001 to July 2002**

		<b>Cost</b>	<b>Count</b>	<b>Unit</b>	<b>Total Cost</b>
<b>LTC Budget</b>					
	Salary/benefits: Roth <sup>a</sup>		1	Months	0
	Salary/benefits: Kizito Mazvimavi <sup>b</sup>		2	Months	0
<b>Agricultural Economics (AE) Sub-Contract</b>					
	Deeds data collection 1998-2000 <sup>c</sup>				300,000
	Salaries				0
	Lovemore Rugube	150,000	8	Month	1,200,000
	Sam Zhou	130,000	8	Month	1,040,000
	Other (gender)	100,000	3	Month	300,000
	Research assistants	30,000	10	Months	300,000
	Data collection (deeds transactions) Data collected for the years (1999 and 2000)				354,000
	Data collection (deeds registry) Data to be collected for the years (2001-2002)				200,000
	Transport	40	10,000	Kilometer	400,000
	Accommodation	3,500	50		175,000
	Equipment				
	Laptop computer	200,000	Laptop	laptop	200,000
	Software	25,000	Mixed	mixed	25,000
	Workshops and working meetings				20,000
	Supplies and communications				50,000
	Space, utilities and furnishings				150,000
	<b>Total AE Costs</b>				<b>4,714,000</b>

- a. Salary for Roth covered as line item in LTC budget. No additional resources needed.
- b. Salary of Kizito covered through line item in the LTC budget. No additional resources needed.
- c. Expenses incurred from November 2000 to June 2001 for assembling Deeds Transactions data for 1990 and 2000. Remaining expenses in the budget are for the period July 2001 forward.