

Why Zimbabwe has failed to sate the yearning for land and to fix rural hunger

By Beverly L. Peters 13 Dec 2016

Almost 40 years after its independence, land reform remains at the heart of Zimbabwe's political and economic challenges. But perhaps more than any other issue in Zimbabwe, it has historically been met with inertia from government and the international community.



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Governments throughout the world have found difficulty devising economically successful land tenure models that incorporate landless populations meaningfully into food and cash crop production. Zimbabwe is no exception.

In Southern Rhodesia, the development of the settler agricultural economy was based on the widespread expropriation of land and the forced removal of native populations to reserves. Settler populations maintained access to the best land in the colony, where land holdings were based on colour and ethnicity.

Southern Rhodesia's Land Apportionment <u>Act</u> of 1930 reserved 50% of the land in the country for white settlers, 30% for Africans, and 20% for commercial companies and the colonial government. This set the stage for future President Robert Mugabe's childhood and the <u>second Chimurenga</u>.

The end of settler colonialism and the coming of majority rule in Zimbabwe did not change skewed land ownership patterns. This was despite the fact that Mugabe came to power largely on the promise of <u>redistributing land to the rural poor</u>

Independence and commercial agriculture

Under the <u>Lancaster House Agreement</u>, Mugabe's government could only acquire land on a "willing seller, willing buyer, fair market" basis for the first ten years of independence. This undoubtedly stalled land reform. Only about 50,000 households were settled in the first decade of independence.

Mugabe blamed the slow pace of reform on Britain, which cancelled its promised funding of the program in the face of corruption allegations. Critics accused Mugabe of awarding tracts of land to government ministers and party loyalists.

The <u>slow pace of land reform</u> continued after the end of the Lancaster House Agreement. This was in part due to subsequent land acts that protected commercial agricultural production. These continued Lancaster House's willing seller, willing buyer, and fair market compensation principles, thereby protecting settler commercial agricultural production.

But the government was also constrained by the need to maintain the commercial agricultural sector, its ties to the local economy, and its important export earnings. To a government consolidating power in the country, it became more important to maintain the status quo and keep export earnings rather than to challenge largely white commercial farming interests. In the first decade after independence, <u>agriculture provided 45% of the country's exports, 60% of the raw materials used by Zimbabwean industry, and 70% of employment for the population.</u>

It was also important to maintain good relations and attract foreign investment, notably from the UK, which maintained strong ties with the settler agricultural sector.

The difficulty of reforming the commercial sector

When Mugabe came to power in 1980, his government inherited an agricultural sector that was dependent on subsidies and government support. Through continued government intervention from 1980-1985, the smallholder sector developed rapidly, providing maize and cotton largely for local use.

In 1986, the government decided to create incentives for export production, including foreign exchange and marketing subsidies, making commercial production more profitable. As a result, many large-scale and smallholder farmers moved to the commercial production of cash crops such as tobacco and maize for export. But by 1990, the government could no longer sustain subsidies. Instead it embarked on a <u>program of deregulation</u>.

Declines in the value of the Zimbabwe dollar, coupled with increases in the prices of fertilizer, feed, and transport, rendered commercial farming an expensive endeavor. As a consequence, large-scale commercial farming of more profitable crops such as tobacco increased. Tobacco became the country's single largest foreign exchange earner.

But small-scale farmers generally did not benefit from increases in tobacco production. They did not enjoy economies of scale. They also lacked access to capital, markets, technology, and extension services. Small-scale farmers therefore focused on other less profitable crops including maize, cotton, and groundnuts. Still, in the first two decades after independence, small-scale and resettlement farmers were <u>not able to compete</u> with large-scale farmers without continued subsidies and increased market access.

There were other constraints. Investor confidence is largely based on the maintenance of the status quo of the agricultural sector in countries such as Zimbabwe. Prior to the end of the 1990s the Zimbabwe government did not want to send mixed signals to the investment community and jeopardise its investment profile or potential. As such the government was loath on embarking on large-scale subsidy and asset nationalisation schemes to develop small-scale commercial agriculture.

In the absence of donor funding to develop training, extension services, credit facilities, and market access, the Zimbabwe

government had few economic options available to incorporate smallholders into the agricultural sector without scaring away much needed capital.

Fast track to land reform

As internal discontent increased, and external funding for land reform dried up, Mugabe threatened to expropriate white-owned farmland without compensation. In 1997 the government published a list of 1,471 farms that were to be expropriated and resettled. It demanded that the UK provide funding for the endeavour. The UK did not heed the call. Corruption, coupled with the gazetting of white-owned farms, threatened remaining donor funding. In 1999 the International Monetary Fund suspended its funding to Zimbabwe.

As the 1990s drew to a close, persistent drought, a failed structural adjustment program, rampant inflation, and lack of foreign exchange created a challenging environment for the Zimbabwean government and population. Hungry for land, Zimbabwe African National Union-People's Front (ZANU-PF) supporters, some of whom were war veterans, <u>invaded whiteowned farms</u> with the government's approval in early 2000. This took place before parliament passed a bill that changed the constitution to legalise the expropriation of white-owned farms without compensation. Once the change was voted in, "fast tracking" land reform for resettlement became policy.

As opposition movements grew, ZANU-PF became increasingly willing to adopt programs aimed at fast tracking land reform to landless, discontented, yet voting, populations.

Violence and continued government threats left the majority of white farmers with little choice but to abandon their land or discontinue cultivation. By 2004 the government-controlled newspaper indicated that farmers only used <u>a quarter of the arable land</u> in the country that season. Agricultural production plummeted and the country went from a net food exporter to a net importer.

Zimbabwe continues to face extreme food shortages which have only been exacerbated by drought. Today, about 5 million of the country's population of 14 million are estimated to be in need of <u>food assistance</u>.

Four decades later it's still about land

It undoubtedly remains challenging to integrate local populations meaningfully into the agricultural sector as producers of food and cash crops. This is partly a result of harsh economic realities, including economies of scale and market access. But, as can be seen throughout Zimbabwe, <u>newly settled populations thrive</u> when they are given training and investment that supports the production of food and cash crops.

This is the policy that needs Zimbabwean and international support post-Mugabe to address the country's rural hunger, and perhaps employment, challenges. This is at the heart of the second Chimurenga, and Mugabe's almost 40 year old promise to the population of Zimbabwe.

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