

## **REFLECTION PAPER**

### **Land Police and Administration reform in Mozambique An economic view in GDP growth**

By  
Israel Jacob Massuanganhe  
Agriculture Economist  
Mozambique

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I'm so happy to have this opportunity to present some ideas concerning land police and administration in Mozambique: its implication in economic growth, investment and credit facilities.

Is not so easy to talk about, but really is necessary to explain that this is a trouble in the Mozambican economic growth. We can too many indicators to show what I'm talking about, but I'll try to be more or sufficiently clear to bring some ideas. My worry about land police and Administration is related with poverty in Mozambique, and we never take the land as really an existent factor to promote agriculture, as we know that is base for Mozambique development.

The law is clear "land belongs to the state, can't be sold". But my problem is not to create land market, but may be to use some market laws to define or to improve its productivity in our economy. In other hand is really that the land police don't give sufficient instrument to valued the land, with implication in the private investment and credit facilities.

In Mozambique agriculture is principal economical activity, and where more than 70% of the rural population practice as its resources of income and consumption. The agriculture contribute with 28% in GDP.

#### **What is land Police and Administration reform?**

Land police and Administration reform may be is defined as the conditions to how to promote mechanisms to orient the socio-economic activities in the local community and stakeholders, and how to the State can deal which land use and sustainably, land redistribution, Land tenure changes in terms of adjustment terms, property rights land security to invest and credit facilities.

The police and administration reform (PAR) is a component of a National Institucional Reform Program of DINAGECA, which also include the simplification of authorization land process (90 days), management changes: autonomy of land administration authority, decentralization and local community involvement in management of natural resources (land).

Anywhere, my contribution is related to some question, which some time I'm made my self! One of them is that the land is one of principal's production resource, and an abundant resource in developing countries, more than labor and capital. Following this idea, why is not relevant to promote the productivity, credit and investment?

In the communal areas (CA's), the land property rights systems is related as problem between private and communal relationship

One thing I know. The land hasn't value, so that mean that it's marginal productivity is very low if consider that the derivation of profit function, indicate that the land valor have to be the same with the land productivity in equilibrium. The economical impact, is that in this case where the land hasn't valor and can't be used for economical propose, not for sale, its impossible to use it for negotiations, commercial transactions or any business, as part of.

In my view is important to building up a realist land police and administration, where the challenges is to look in and to reduce the impact of land tenure system and security, more in demand side, as rural development programs, investment and credit facilities.

Land is not only factor of production, but capital as well, where more than 80% of rural areas has as unique social benefit and economic goods. More than "public good", land is a space, environment and property.

The land valuation defines enforcement, incentive for right land allocation and promotes investment with impact in economic output (income). The economical expression of land value is an actual value of land tax (considering the risk rate and potential of the land) and existing investment (considering the market rate of interest) during X period.

So that mean that if the land is potential for any activity its value is high with positive impact in the productivity (see that the land will be appropriate allocated for exact propose), and if is low that land will be used for other propose and not for agriculture. In this way will be possible to indicate where is the appropriate land for agriculture using land mapping.

An experience from one African country happens that the investor didn't accept to building a processor factory in rural area because the land was in community "hands" and was necessary to have specific agreement with that community and during the consultation the stakeholders didn't accept some community condition. In my view the State really have to get this responsibility to contact the community and to convince them to accept investment project.

### **Land authorization process and access**

The land authorization process is very complicate - too many bureaucracy (2/3 years waiting) and this is the biggest negative economical problem for the stakeholders. In this case is really necessary to introduce idea in to the local Government that if some one what to invest is necessary to improve his activity getting land in no more than 45 days.

That means that the local administration have to take part of this responsibility and start the process (local meetings, preliminary consultation, presentation of the project, and so one), following Mozambican Land Law. In term of importance of land tenure security, we know that the community has to be protected by the State, using correct legislation where they are principal agent of land concession, but is necessary to think in what is the economical impact of those systems in the economy of developing countries.

One teorical model developed by me I had as conclusion that what is most important is to define any realistic integration procedures to promote investment in land communities areas, where the state has as responsibility to mediate between the local community and the investor.

### **Land administration reform**

The land administration reform in Africa in general has been affected by political matters, and how to separate the political proposes and socio-economical matters, to define a realistic model of grown? The land rights really is required, but more than to solve community problems regarding land is necessary to look the performance of the economy and to define, if we have so many land, how to use it to grown the economy, reducing the poverty, to promote investment and employment, to increase he GDP in our countries and so one.

May be to start to building up a reform model appropriate for developing countries, where the land belongs to the state. (i) This model has to take in account that land is an important resource for agriculture and has to be valued; (ii) that the economic structure of developing countries has agriculture as mean activity. (iii) that land conflicts is common, between the community and the investor, and how to reduce it. (iv) What is the community and where its area begins and where it ends? Anywhere, too many problems have to be solved first.

In general, we can see that so many lands still unexplored, but we have too many investments looking for land where to put in its activities with several economies of the scale and externality for the community.

The Law is now-a-day an very important instrument that some countries as Mozambique has to protect the community, but is necessary to introduce mechanisms to improve activities in rural areas using that land noon used. The local farmers use not more that 1 - 2ha, and the type of agriculture is familiar,

I hear from some one saying "African solutions for Africa, and pacific solutions for the Pacific." That means that really we have to promote discussion and to take ago the Land police considering the local of implementation.

One day I was thinking, is it possible to use land title for credit incorporating the land insurance? But what is the land insurance if it belongs to state? Are some of my dreams!

In the rural area, today we need to promote the production, offering means of production, services, incentives; we have to promote agriculture infra-structures destroyed by war and calamities, what to do if we don's have capita? why not to introduce who can, to do?

**Tax and sustainable for land administration institution**

The Land tax is itself instrument to support land administration process in Mozambique. During 99-2000, the land taxes potencial in Mozambique was estimated in about 9 billions meticals, which can be resource to improve the revenue of local land administration in the districts (12% according the Land law) and the provincial level. In fact only 22% was collected.

The tax collection process has to be improved, creating the simple model for announce and to obligate the stakeholders to follow their obligations. Too many model s can be improved: (i) Now-a-day to pay bill is complication. What can be done is to record all the big stakeholders to pay directly in the bank account (direct debit); (ii) other way, the local service can take responsibility to communicate and to follow the process (inspection).

**.The means policy aspects**

- The sensitivity and complexity of tenure issues and concentration on land redistribution have caused some governments in the region to neglect tenure reform.
- Land tenure reform must be built on a thorough understanding of the livelihood strategies of those intended to benefit. It should not be assumed that the inadequacies of tenure laws and/or administrative support constrain livelihoods in practice.
- Tenure reform measures for communal land should underpin the adaptability and responsiveness of existing customary systems and not constrain local coping strategies.
- Land tenure reform policy should be flexible and gradualist with regard to the role of traditional authorities.
- As far as possible, responsibility for land rights management should be devolved to the rights holders.
- Land tenure reform must pay special attention to the legal status and economic activities of women and the poor, who are often disproportionately dependent on the commons. Despite the complexities, tenure reform to sustain their access to the commons is essential.
- Land tenure reform is a time-consuming process requiring thorough public consultation and careful preparation. The necessary institutional development is likely to take decades. Long-term budgetary commitment is needed from governments and (political sensitivities permitting) from donors. External support is likely to be conditional upon appropriate constitutional and legal frameworks.
- To keep it in context, policy to reform land tenure must be developed alongside policies, resources and financial incentives to help the building of more sustainable livelihoods, including non-land based activities.

Interventions may have to focus on the more densely settled areas and be phased to give priority to situations that are a direct threat to livelihoods or political stability.

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**Israel Jacob Massuanganhe**

Agriculture Economist

Head of Planning Department

DINAGECA - Ministry of Agriculture and Rural Development

Cellophane: +258 82 49 61 63 - Telephone +258-1-302555/6/9

Telefax +258 -1 – 421804

Av. Josina Machel 537 - P.O. Box 288

Maputo - Mozambique

[Jacob@dinageca.imoz.com](mailto:Jacob@dinageca.imoz.com)