

Abstract

The implementation of Fast Track Land Reform Policy (FTLRP) in the year 2000 has recently aroused considerable public interest in Zimbabwe and abroad. Much debate has ensued on the security of land rights under the FTLRP, whether by commercial farmers who have lost farmland, or the new land reform beneficiaries who have occupied large areas of commercial farmland. The result has been tension between legal rights and a growing number of informal rights together with land conflicts between farm owners, farm workers and the new land reform beneficiaries at the expense of agricultural production. Most Economists argue that where property rights are insecure, it acts like a tax on output. However, the implementation of FTLRP coincided with a prolonged drought in the 2001 and 2002 agricultural seasons. Empirical evidence has shown that the production of all crops experienced massive declines. Specifically, the agricultural production declined cumulatively by 28.6% from the year 2000 to 2003. In light of the above, the major question which then arises is, “What is the fundamental cause of the slump in the agricultural productivity in Zimbabwe after the implementation of the FTLRP in the year 2000?”

The ruling party politicians and officials have attributed the decline in agricultural production to drought while others, especially agriculturalists, economists and the opposition party point to the insecurity of property rights in the agricultural sector resulting from the compulsory acquisition of commercial farmland under FTLRP. This debate has puzzled many empirical researchers. Using Difference in Differences (DID) econometric strategy, I estimate the independent impact of insecure property rights under

FTLRP on agricultural production, after controlling for the effect of drought which coincided with the change in agrarian reform policy. To this end, use is made of data collected on crop production and area planted statistics for 10 crops, to find the log yield per hectare of individual crops before and after the compulsory acquisition of commercial farmland in Zimbabwe. Once drought is controlled for, most of the decline in agricultural productivity is attributed to insecure property rights in the agricultural sector, resulting from the implementation of the FTLRP. The results indicate a decline of at least 66.1% in yield per hectare due to the implementation of FTLRP. The most affected crops, which recorded massive percentage declines of at least 80% in the land reform beneficiaries group, were sorghum, mhunga, paprika and sunflower.

The DID results seem to indicate that the issue of security of tenure was of great concern among land reform beneficiaries, as this negatively affected investment on the allocated land and hence the agricultural productivity. Thus, clarity on the security of tenure is vital for assured productive use of the land and for use as collateral by the land reform beneficiaries to access credit from financial institutions for further investments on the land. Unfortunately, most land reform beneficiaries had no financial track record and have no land rights to use as collateral security, hence the slump in agricultural production in Zimbabwe.

Key Words: *Fast track land reform policy, insecure property rights, drought, Difference in Differences, land reform and resettlement programme, Zimbabwe*