Unfair Compulsory Land Acquisition and Compensation Process for Infrastructure and Urbanization Development: The Source of Poverty

Ramadhani Said Tekka

Lecturer, Department of Built Environment Engineering, College of Engineering and Technology, Mbeya University of Science and Technology, Mbeya, Tanzania

Abstract: Towards attaining sustainable development, improving of public services and infrastructure which depends on natural environment specifically land becomes a key challenge to Governments. In part of the region, the expansion of such infrastructure entails the process of compulsory land acquisition from the society living around the intended project’s area of interest. While planning to undertake a major project, large area of land on several locations could be acquired by Government for such purposes while unable to purchase the land. However, compulsory land acquisition becomes only an option to government which result to not only rise of land conflict as a result of what is believed to be unfair compensation but also community livelihood disintegration. Through questionnaire survey and factor analysis, this study identified the significant correlation between unfair compulsory land acquisition and increase in poverty.

Keywords: Infrastructure, Urbanization, Land, Compulsory Land Acquisition and Compensation, Poverty

1. Introduction

Tanzania is among the developing countries which have absolute decided to adopt a long-term strategic development plan targeting to realize a justifiable growth. It is aiming to attain and hence becoming a strong, diversified as well as competitive country economy which will effectively and efficiently facilitate to cope with developmental challenges as a result of globalization effects involving changing in market opportunity and technological advancement.

Moreover, the country has identified development of infrastructure and industries as the most viable and critical ingredient factors as well as the catalyst towards attainment the economic growth vision [1]. However, in order to meet the country strategic plan and fulfilling the above objectives, the land remains the most important and potential factor. Despite the land being the major means of production and development, unfair compulsory land acquisition and compensation for infrastructure development and urbanization in the country have become a matter of controversy. However, the situation has not only generated more heat than light in the nation but also proved to accelerate poverty among the affected societies.

2. Literature review

A. Infrastructure

[2] defined the term infrastructure as referred to by many development economists as social overhead capital. Infrastructure is one of the most essential factors for increasing economic growth, poverty reduction; accelerate productivity, market growth and environmental sustainability [3]. Therefore, improvement of the infrastructure becomes one of the most vital aspects of the public policies in any of the developing countries.

B. Urbanization

Urbanization involves the process of human migration from rural areas to town and cities being for searching employment opportunities or societal services and facilities that people need in favor of a comfortable and standard life style. Urbanization is inevitable as a result of social-economic development [4].

In many developing countries, urbanization as a result of urban rapid population increases/growth has necessitated the government to acquire land for urban areas expansion.

In Tanzania, the compulsory land acquisition and compensation have been taking place for public purposes in the course of urbanization growth or industrialization process. In 2002, the government decided to undertake the compulsory land acquisition for the development projects of 20000 plots in Dar es salaam which covered Bunju, Tuangoma, Kibada, Mwongozo, Buyuni, Vijibweni and Mtoni Kijichi. This was done specifically for urbanization process.

On top of that; the Luguluni and Kwembe land in Kinondoni municipality were expropriated for the purpose of establishing the new satellite city project intending to decongest Dar es Salaam city, but also to construct the new infrastructure for Muhimbili University of Health and Allied Sciences (MUHAS) respectively. The compulsory land acquisition and compensation process undertaken for better government purpose had a negative impact to the landowner.
C. Land

Land is primarily considered as a very important and crucial input as well as the factor and the major means of production which in reality is not consumed but without it the production is not possible. Moreover, land is a life supporting part where most of the activities like agriculture, oil, wildlife, mining, forestation, national park, livestock keeping, residence and many more depend. These resources generally prove the statement that everyone has a relationship to land (UN-HABITAT, 2012-IX). Different societies have viewed the land in different standpoint. As noted by (Dadson, 2006; Kuntu-Mensah, 2007), that Land in most countries has the socio-religious, economic and political dimensions or connotation.

In Africa society, land is a basic aspect that represents a core value. Most African people if not all are psychologically and expressively attached to their land which represents an imperative foundation of their identity and is typically seen in a holistic perspective (Donge and Phera, 1999:50). In many African traditional societies, access to land had been characterized as relatively democratic. To-date Land is increasingly becoming a source of conflict and hence poverty and inequality in most parts of African countries. It has been observed that the local land conflict has erupted into large-scale civil conflict and political movements at large (Ande and plateau, 1998, Daudelin, 2002).

When referring the constitution of the United Republic of Tanzania (1977) articles 24(1) and (2) explicitly it provides for the rights to own property and to get state protection as well as fair and adequate compensation upon the need for compulsory land purchase:

1) Subject to the provision of the relevant laws of the land, every person is entitled to own property, and has a right to protection of his property held in accordance with the law.

2) Subject to the provision of sub-article (1) it shall not be lawful for any person to be deprived of property for the purpose of nationalization or any other purposes subjected to the authority of the law which enables provision for fair and adequate compensation.

The Land Acquisition Act 1967 as a principal legislation states in section (1) underscore the provisions of the constitution that: “Subject to the provision of this Act, where any land is acquired by the President under Section 3, the Minister shall on behalf of the Government pay in respect thereof, out of moneys provided for the purpose by the Parliament compensation as may be argued upon or determined in accordance with the provision of this Act.

Despite the adoption of the land Acquisition Act (LAC,1967) together with the consequent enactment of the National Land Compensation Act (NLC Act, 1961) and the (National Land Policy ,1995), the government has invented and implemented different land strategies aiming at reducing conflicts related to ownership, acquisition, use, control and compensation (Bashiru, 2015). In-turn, different fundamental factors, such as industrialization, climatic change, population pressure, agricultural commercialization, agro-pastoralist activities, urbanization as well as other variable factors in most areas, have to a great extent contributed to the increasing hardship life as a result of difficulties in accessing enough land and hence leading the rise of land conflict.

To mention few of land conflict: the study conducted on water conflicts in Pangani (Mbonile, 2006), the Conflicts involving the land use (Mbonile and Mwamupe, 1997), the land conflict happened in Kilosa which killed a number of people in 2008, the inversion of Usangu plain and the one in Mbarali District Residence’s land for expansion of Ruaha National Park (Kironde, 2009). These evidences prove the existence of the land conflict in Tanzania. However, unfair compulsory land acquisition and Compensation process has to a large extent contributed the new overwhelming world land conflicts which consequently link with poverty and social inequality.

D. Compulsory Land Acquisition and Compensation

In many aspects land acquisition especially the compulsory land acquisition involves takeover of land for public projects (Pham, 2010), for development of infrastructure like highway, water pipelines or electricity to cater for a wider public interest has aggravated individual refusal to sell land to government at a reasonable price (Miceli and Segerson, 1999:239 cited in Ndjovu, 2003). This situation results to land owners compulsorily dispossessed from their resources. Kombe (2010) pointed out that the key steps to be involved during Compulsory land acquisition are (i) Planning and decision for land acquisition (ii) Getting the statutory authority and the serving notices as the legal preliminaries actions (iii) On field observation and/or investigation which involves valuation and (iv) Fair and adequate compensation payment for those being dispossessed.

In other hand, compensation is a necessary instrument to limit the property rights of the state, especially the abuse of compulsory acquisition powers as well as it assists to check over-regulation on the part of the state (Blume, Rubinfeld and shapira, 1984). From the west’s encyclopedia of America law, (2008) it explain the concept of compensation as the amount which always based upon the loss to the owner, as opposed to the gain by the taker in which the owner should be fairly and fully indemnified for the damage that he/she has sustained. Both ideas entail the equity in compensation as the basic and fundamental principle in land acquisition or expropriation which defines the idea of fairness or justice throughout the acquisition compensation processes (Andrew, Pai and Chris Eves, 2016).

As noted by Adigun (1999), Compensation has been claimed and hence required to be paid promptly so as to retain the displaced person in a status position at least in a values they used to experience and enjoy previously during their entire acquisition. However, in many parts of the world, compulsory land acquisition and compensation process has been exercised
against its intended goals, mode and procedural. In many cases, compensation exercise does not consider the responsibility for replacing equal value of the land acquired and no consideration for displacement cost, breakdown of the society one-time payment (Land law, 1894; Chaudhry, 2011).

The comprehensive study conducted by [4] on the effect of land acquisition on the livelihoods of peri-urban households in Dar es Salaam provided the empirical evidence which deep-rooted that, the implementation of the 20,000 Plot Project interrupted their economy, social activities as well as social linkages. The study noted that some members of households expatriated in Mivumoni were forced to find an alternative means of livings after their original livelihood being disrupted. Some of them had to rely on family support and others decided to reduce the size of their families which resulted to decrease of their family ties.

Furthermore, it was found that, some members of the displaced households in Mwongozo and Buyuni area were allowed by proprietors of undeveloped plots to use them to grow food crops, especially maize, cassava and potatoes for their survival. In addition to that, other expatriated households decided to work as casual labors for their subsistence living. Fortunately, others were employed for security guards of unfinished or unoccupied buildings under part time basis. The effect of absence of land caused the existence and expansion of unexpected developed settlements on different areas where land acquisition was taken particularly at Tuangoma, Vijiweni, Mivumoni, Mwongozo, Kibada, Buyuni etc. land acquisition and compensation process still face many challenges including the determination of the value of the land as it. This always make the payment for compensation far below the actual market price. However, this has accelerated the poverty to many people whose land has been occupied for different reasons.

Despite the above, land acquisition and compensation process is still faced with ambiguities in many countries including lack of clear compensation mechanisms, adequate amount for compensation and factors that should be incorporated for determining the actual market value of land (Chraudhry 2011, Gatak and Mookherjee, 2011), lacks a comprehensive mathematical computational to be used in reaching the actual land value, deficiency of a clear scientific definition of market value of land as well as determination of the quality of land as an alternative for compensation which needs to consider the soil quality productivity, irrigation facilities and water available before relocation (Soumyananda, 2015). As pinned by Owoeye and Adedeji (2015), compulsory land acquisition and compensation is of high risk with problems in almost all developing countries. The situation contributes significantly to an increase of poverty.

E. Poverty

Poverty is a multidimensional or a complex phenomenon that depends on individual’s perspectives or factors. The real definition of poverty clearly depends entirely on economic, social cultural, gender, age and many more. It is therefore not clear to generalize the definition of poverty as its degree differs from one country to the other.

Tanzania among other countries, the use definition of poverty depends on many factors including but not limited to location and social group (Susanne, 2007). Poverty is generally related directly to poor people who are always characterized by those who in reality can’t afford to eat a single meal per day and also has no possession, who fails to pay for health services, have no sense of belonging in large groups. Generally, it is clear even to say poverty implies lack of food, housing and shelter. However, in Tanzania those who live under one US Dollar per day can fulfill their needs, hence considered to be poor.

When reflecting the CCM policy 2011/2015: 31, it has been clearly identified and hence stated by the government that, land is only the major part and factor in enhancing poverty reduction that will lead to economic gain of an individual. Land has been identified for agricultural, use for mortgages in accessing the loan in the financial institution that will be used to start business and so on.

As far as this study is of much concern, the adopted definition of poverty is the lack of income as well as lack of resources (land) for production that in turn will assists to ensure sustainable livelihood and hence results to hunger, ill healthy, malnutrition, lack of proper education, lack of basic services like food, water, housing and unsafe environment. As of 2015 estimates, Tanzania in particular has done the great in poverty reduction and hence economic improvement though MKUKUTA, MKURABITA etc. This has made Tanzanian population below poverty line to drop to 22.8 % (CIA/World Fact Book) as compared to 67.9% of 2011.

In relation to our study, Ajayi and Adama (2012) pointed out that there is a correlation in economic improvement and adequate compensation after public land acquisition. This portrays the aim of the whole compensation process which creates the environment for those whose land has been acquired to receive payment that would raise their economic status and hence reduce poverty. Moreover, Klaus Daninger (2003) asserted that, land and its associated real property invested plays a significance role as it acts as key assets not only for the rural but also for the poor that always acts as a foundation for poverty reduction and hence economic development. He further noted that “Focusing on the main forces shaping the evolution of land rights, possible sources of tenure insecurity, and ways in which action by the community and by the government can help to reduce such insecurity and provide a basis for more effective land utilization that will be critical for countries to utilize the resources at their disposal most effectively, thereby promoting growth and poverty reduction”.

![Fig. 1. Conceptual framework of the study (Developed by Author)](image-url)
However, this study intends to investigate if unfair compulsory land acquisition and compensation process can contribute to poverty in Tanzania.

3. Methodology

This study employed the questionnaire survey methods for data collection. Using purpose sampling technique, 67 households who were expatriated and experienced different difficulties as the effect of land acquisition for more five years and above were identified. Using a well-structured questionnaire containing a list of effects prepared through in-depth literature review, respondents selected the potential effect(s) encountered during land acquisition and compensation process. More opportunity and option were given to community leaders and elderly dwellers to explain deeply on the effects of the process in relation to their economy and social life. This process led to the identification of 12 effects (Table 1 below) which formed the basis of the study findings.

Table 1

<table>
<thead>
<tr>
<th>Item Variables</th>
<th>Code</th>
<th>Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECONOMY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EC1</td>
<td>LEC1</td>
<td>Lack Of Agricultural Land For Food Security And Business</td>
</tr>
<tr>
<td>EC2</td>
<td>LEC2</td>
<td>Low Market Value Of Acquired Land</td>
</tr>
<tr>
<td>EC3</td>
<td>LEC3</td>
<td>Unfair And Inadequate Compensated Rate Used</td>
</tr>
<tr>
<td>EC4</td>
<td>LEC4</td>
<td>Delay Of Compensation Payment That Lead To More Value Decrease</td>
</tr>
<tr>
<td>EC5</td>
<td>LEC5</td>
<td>Inaccessible Or Shortages Of Surveyed Plot</td>
</tr>
<tr>
<td>EC6</td>
<td>LEC6</td>
<td>High Cost Of The Same Land After Cadastral Survey</td>
</tr>
<tr>
<td>SOCIAL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SO1</td>
<td>LCS1</td>
<td>Lack Of Social Services/Infrastructure Facilities</td>
</tr>
<tr>
<td>SO2</td>
<td>LCS2</td>
<td>Family Disintegration</td>
</tr>
<tr>
<td>SO3</td>
<td>LCS3</td>
<td>Development Of New Unplanned Area</td>
</tr>
<tr>
<td>SO4</td>
<td>LCS4</td>
<td>Lack To Displaced Consideration For New Plots After Land Survey</td>
</tr>
<tr>
<td>SO5</td>
<td>LCS5</td>
<td>Lack Of Livelihood</td>
</tr>
<tr>
<td>CULTURAL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CU1</td>
<td>LECU1</td>
<td>Disruption Of Social Networks</td>
</tr>
<tr>
<td>CU2</td>
<td>LECU2</td>
<td>Conflict Development Between Society And Government</td>
</tr>
<tr>
<td>CU3</td>
<td>LECU3</td>
<td>Development Of Emotional And Psychological Problems</td>
</tr>
<tr>
<td>CU4</td>
<td>LECU4</td>
<td>Decrease Of Social Capital To Government</td>
</tr>
<tr>
<td>POVERTY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PO1</td>
<td>LPC01</td>
<td>Development Of Dependency</td>
</tr>
<tr>
<td>PO2</td>
<td>LPC02</td>
<td>Poor Production Lead To Economic Decline</td>
</tr>
<tr>
<td>PO3</td>
<td>LPC03</td>
<td>Lack Of Food And Social Settlement</td>
</tr>
<tr>
<td>PO4</td>
<td>LPC04</td>
<td>Poor Infrastructure</td>
</tr>
<tr>
<td>PO5</td>
<td>LPC05</td>
<td>Society Instability</td>
</tr>
</tbody>
</table>

The statistical distribution indicates the frequency and percentage of respondents. Most respondents (61.2%) were male with (38.8%) female. more than 70% of respondents aged above 30 years and more than (60%) possess the diploma to degree level of education. However, the characteristics possessed by respondents can assist to justify the correctness and viability of collected data.

A. Data analysis techniques

Using SPSS 2, the following analyses were performed:

- reliability of data using Cronbach’s Alpha test (\( \gamma \)) in-order to estimate the scale reliability of every predictor, validity of data using KMO and Confrnatory factor analysis was conducted to determine the model fitness of collected data and regression analysis to show the relationship among the construct with their items. SPSS AMOS was used to produce the path diagram of structural equation modeling.

Confirmation of the validity of the scale was conducted through confirmatory factor analysis (CFA). CFA assisted in determining to what extent does the structural equation model (SEM) fits the collected data. As (figure 2) portrays, the computed standard regression weight famously known as factor loading of the latent variables and its indicators have proved to be above 0.5 which indicate the existence of the relationship between variables and the indicators measuring variables.

4. Results and analysis

Before factor analysis, KMO was computed and indicated to have acceptable degree of common variance and a large value of Bartlett’s test of Sphericity (Chi-square value of 915.50 and degree of freedom of 105) together with associated significance small value (p=0.000) which proves to meet the requirement for factor analysis as of (Table 3 below).
Cronbach’s alpha test ($\alpha$) was conducted in order to estimate the reliability of the predictor variables as the measure of the internal consistency among the constructs to be tested. Values obtained have found to be within the acceptable limit of $\geq 0.7$ (Table 3).

<table>
<thead>
<tr>
<th>Model</th>
<th>Cronbach’s Alpha test Value</th>
<th>Number of Item</th>
<th>Variable Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>0.906</td>
<td>6</td>
<td>Predictor</td>
</tr>
<tr>
<td>Social</td>
<td>0.842</td>
<td>5</td>
<td>Predictor</td>
</tr>
<tr>
<td>Cultural</td>
<td>0.828</td>
<td>4</td>
<td>Predictor</td>
</tr>
<tr>
<td>Poverty</td>
<td>0.879</td>
<td>5</td>
<td>Outcome</td>
</tr>
</tbody>
</table>

(Table 5) below indicate the positive significance effects of economy, social and culture towards poverty increase as a result of unfair compulsory land acquisition and compensation as in the path diagram (Fig. 2.).

5. Discussion

The study has shown that, unfair compulsory land acquisition and compensation has a directly impact on poverty increase in the society. The economic, social and cultural effects identified have proved to attain a positively significance correlation with the increase in poverty as discussed hereunder:

A. Economic effects

Different economic factors were identified occur as a result of unfair compulsory land acquisition and compensation. These include: Lack of agricultural land for food security and business, low market value of acquired land, unfair and inadequate compensated rate used, delay of compensation payment that lead to more value decrease, inaccessible or shortages of surveyed plot as well as high cost of the same land after cadastral survey. Researchers have noted that, among the affected sites they visited, despite of lacking land for food agriculture, the amount paid for compensation was very inadequate to afford buying the surveyed plots for low income families whose land was demarcated to accommodate infrastructure facilities and public services development [4]. However, others were forced to live the area after being paid insufficient compensation and [5]. As agriculture acts as the backbone Tanzania economy which on land depends on land, it is therefore clear that, failure to have land for economic purposes will always accelerate poverty.

B. Social effects

The second effects of unfair compulsory land acquisition and compensation identified include: Lack of social services and infrastructure facilities, family disintegration, and development of new unplanned area, lack to displaced consideration for new plots after land survey, lack of Livelihood. Infrastructure has

C. Cultural effects

Compulsory land acquisition and unfair compensation has also noted to cause different culture effects as compared to society life before their land being acquired. The effects including disruption of social networks as a result of society disintegration, conflict development between society and government due to unwillingness for their land being taken with inadequate payment and development of emotional and psychological problems due to new poor life with many living uncertainties. These effects affect the society which eventually fails to participate fully in production and hence accelerate poverty among the society.

6. Conclusion

The study findings have shown the directly correlation and or relationship between unfair compulsory land acquisition and compensation with societal poverty increase. The effects whether economical. Society or cultural remains of a positively significant to poverty. The group discussion conducted revealed that, the procedures undertaken for determining the land compensation rates are unlikely to be unfair, not transparent, non-accountable and non-justice. This is because the affected groups are really involved during the exercise. However, unlike other countries like Indonesia, Nigeria, India, Malaysia, Slovenia compensation are provided to affected, else if not paid, it always results to project implementation delay. In other counties including Mali, compensation is done in consideration to market value which create the win-win situation between government and public. Generally, consideration to public in terms of fair and timely payment, provision of new surveyed land and social services for those affected should be of much preference in creation of harmony among society which
facilitate a continuous prolonged production which results to enhance poverty reduction.

The government needs to emphasize on specific and clear regulations in order to attain a clearly evaluation with flexible enough to permit determination fair compensation. Government needs to help people to assess their compensation claims in attaining compensation equivalent to current market value of land. However, policy makers need to consider the well-being of public when planning for compulsory land acquisition for development.

References