Land Governance in the Outskirts of African Cities
Socio-economic Challenges of Growing Peri-Urban Land Markets

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Key Takeaways

- In 2030, half of Africa’s population will be living in urban areas. The rapid growth of African cities has become a major concern of the international development agenda. But the question of land governance, especially in peri-urban areas, remains relatively absent from the debate.

- Land governance is the foundation on which urban life, including housing, transport, trade and business, infrastructure, basic services, etc. is built. The land sector must therefore be addressed transversally and as a linkage between all urban sectors.

- Peri-urban zones are key areas of urban land governance as they are progressively absorbed by growing cities. They are characterized by composite land tenure regimes and by dynamic land markets.

- In Kenya and Tanzania, land transactions in peri-urban areas reflect socio-economic inequalities between urban dwellers and investors (buyers) and indigenous landowners (sellers). Decentralized authorities play an important role in their regulation.
**INTRODUCTION**

In the next 30 years, Africa’s population is expected to double, and the continent will be home to 2.5 billion people.¹ Almost half of this population will be living in urban agglomerations and mega-metropolitan cities, such as Lagos, Nairobi, Dar es Salaam or Abidjan will host several tens of millions of urban dwellers. The different drivers, dimensions and impacts of this exponential demographic and spatial growth have been discussed extensively by scholars and experts, especially from dedicated agencies with UN-Habitat at the forefront. More recently, the impressive urbanization trends have led diverse stakeholders to contribute to shaping urban growth into a major topic of the international development agenda. In this regard, the creation of sustainable cities has been defined as one of the 17 Sustainable Development Goals. The mainstream debate offers two scenarios: if cities are “well” managed and planned, they can become engines of economic growth and development. If, however, urban sprawling remains unregulated, according to the experts, it will further exacerbate inequalities and transform into poverty traps.

Although there is an increasing awareness about the role of land governance in the exercise of urban development, land issues are still considered as a complex, too technical and often sensitive area. The topic remains peripheral to the general discussions about urban governance. However, the regulation of land ownership represents the foundation, on which urban life takes place: it shapes the spatial expansion of cities and provides the ground, on which office and commercial buildings, residential houses, transports systems and infrastructures are built.² By defining how people access to, own and use land in and around cities, and by regulating and assessing its value, stakeholders involved in urban land governance set the pace of the geographic, economic and social development of urban agglomerations. Land issues including tenure systems, land use and land markets form the backbone of urban governance and interlink its different sectors (housing, transport, infrastructure, basic service provision, etc.).

The expansion of urban agglomerations increases the pace and number of land transactions in peri-urban zones where land plots are still relatively affordable. Members of the urban middle class, speculators and investors seek profit by buying land with an exponential growth of value. The regulation of these land markets is one of the key challenges of urban land governance, especially in contexts with overlapping land rights, few records of land ownership and where socioeconomic inequalities are increasing. This *Ifri briefing* first discusses the main characteristics of land governance in peri-urban areas, before addressing the socioeconomic challenges for the regulation of land markets.

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Empirical examples from the outskirts of Dar es Salaam (Tanzania) and Nairobi (Kenya), two of the fastest growing cities of the continent, will support the arguments. Postcolonial state formation in both countries has been shaped by different ideological and economic principles resulting in distinct trajectories of land policies and land markets. Understanding these historical, political and economic patterns is a key element in the design of tools and solutions to address land-related challenges in urban governance.

**Total urban population in Sub-Saharan Africa between 1960 and 2020**

![Graph showing population increase](image)


**ATTRACTIVE MARKETS, COMPOSITE LAND TENURE SYSTEMS: UNDERSTANDING THE URBAN PERIPHERY**

International debates about urban growth in Africa have mostly focused on metropolitan areas and socioeconomic dynamics within cities. Less attention has been paid to rapid transformations occurring in the outskirts of urban agglomerations and the rural fringes towards which cities expand. They translate into fast developing land markets, land use changes, and transforming land tenure systems.

3. This paper is based on a research conducted as part of the programme *Faire des politiques publiques en Afrique*, coordinated by Sciences Po Bordeaux/Les Afriques dans le Monde and co-funded by the French Development Agency and the Regional Council Nouvelle Aquitaine. Data was collected in Tanzania (Dar es Salaam and Kisarawe and Bagamoyo Districts) and in Kenya (Nairobi and Kajiado County) from February to April and in October and November 2018. A secondment at the Global Land Tool Network/UN-Habitat involving a six-months stay in Nairobi further fed the study.
**Governing land in an interface zone**

Peri-urban areas are geographically and socially heterogenous environments. They cover large areas ranging from relatively densely populated suburbs to the extremities of the agricultural belts with rural characteristics. In peri-urban areas surrounding African cities, urban and rural lifestyles intertwine, and income activities vary between commerce, business and industries, to subsistence farming and livestock keeping. Outskirts of cities are rightfully called interface or buffer zones, displaying the manifold continuities between the urban and the rural worlds. They represent zones of transitions, whose social, political, and economic dimensions are reflected especially in the land sector:

- **Changing land uses:** in peri-urban areas, land is gradually absorbed by cities and agricultural land is subdivided and transformed into residential or commercial plots. As a nexus between urban centers and the rural hinterland, these areas are preferred by investors and developers to implement large-scale agricultural and infrastructure projects, but also industrial parks and special economic zones. The result is a mosaic of land uses confronting subsistence economies with capitalistic and commercial projects.

- **Continuum of land rights:** land policies in Africa are diverse and vary from one country to another. A common feature however is the issue of normative pluralism and coexisting tenure regimes, which – in a nutshell – are the fruits of the confrontation of precolonial land tenure forms, the introduction of colonial land law and postcolonial land reforms. In most countries, such as Tanzania and Kenya, so-called customary and collective land claims exist along statutory forms of land rights. The recognition of the widespread non-written and unformalized land rights, which do not fit in the standards of individual private property promoted in Occidental law, has been one of the major challenges of post-colonial land reform in many African countries.

- **Land rights enter the market:** the coexistence of different land tenure regimes and the translation of customary into formal land rights can be best observed in peri-urban areas: in Tanzania, agricultural land is mostly held customarily. When rural farms are subdivided into residential or commercial plots as part of urbanization, their status shifts from customary to so-called “general” land. Landowners of these plots increasingly tend to register their properties and to receive formal ownership in form of land titles. When land is titled, which generally increases the tenure security, its economic value grows. At this stage, non-marketed land used for subsistence activities is progressively converted into a marketable good accessible to a variety of economic stakeholders.

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Shifting responsibilities and multiple authorities: in peri-urban areas, authorities from different administrative levels intervene and their responsibilities sometimes overlap. Customary authorities, decentralized or deconcentrated administrators, municipal decision-makers and central government stakeholders interact and sometimes compete over the legitimate authority over land and other peri-urban issues. The transformation of the status of land (e.g. from customarily held agricultural land into a titled residential plot) often goes hand in hand with shifting responsibilities from traditional and local to municipal or even national authorities.

Driving factors of peri-urban land markets in Kenya and Tanzania

Notwithstanding the composite character of governance and tenure mechanisms, land markets in Africa are the most dynamic in peri-urban areas.6 They consist of land transactions between sellers and buyers represented by individuals or companies and whereby land rights are ceded in exchange for a financial or material counterpart. Since the end of the 2000s, much attention has been paid to large-scale land deals involving international companies acquiring farmland for commercial projects, often at the detriment of so-called local communities.7 Less is known about the processes and impacts of everyday small-scale land transactions involving urban dwellers, indigenous landowners, land-buying companies, and national investors.

Land markets in the outskirts of cities are first and foremost the consequence of rapid urbanization and demographic densification.8 Whereas workers and lower middle-class urban dwellers are in search of still affordable land for housing, higher-income people may buy land for weekend-farming, investment, but also as an economic asset for speculation – especially in economically attractive areas where land values are likely to rise. In the adjacent areas of both Nairobi and Dar es Salaam, infrastructure and industrial projects based such as the Mombasa-Nairobi-Standard Gauge railway project or the Bagamoyo Special Economic Zone and the Bagamoyo port projects (Tanzania),9 have motivated land buyers to invest in these areas resulting in increasing land prices. Based on foreign capital investments, especially from China, these large-scale projects are not only politicized and set the pace of local investment strategies and speculation. They also offer an interesting lens to observe the geopolitical aspects and power plays of (peri-)urban land development.

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8. With an average demographic growth rate of 5.8% per year, Dar es Salaam is one of the fastest growing African cities. In Nairobi, the growth rate is situated at around 5% and it is even higher in the adjacent counties, such as Kajiado where the annual growth reached 5.5% in 2019.
Yet, rapid urban growth is only one among the factors fueling the formation of peri-urban land markets. They are also the result of policies and politics, which vary from one country to another. In Kenya, land markets, especially in the outskirts of Nairobi, have become part and parcel of post-colonial land policies, consolidating the concept of freehold tenure. Private companies were founded already in the 1960s and became involved in purchase programs through which land formerly occupied by colonialists, were reallocated to Africans. These land purchase companies have accumulated and are key stakeholders of flourishing peri-urban markets. In Tanzania, private land markets have emerged more recently. During the socialist era (1961-1985), the concept of private land property and transaction was rejected. Only with the 1995 land reform, recognizing the economic value of land, were the doors to the land market opened. Prior to 2007, the involvement of private land professionals and land purchase companies were not allowed.

**Population Density for Dar es Salaam in 2002 and 2012**

The challenge of regulating land markets

Composite land tenure systems, overlapping administrative responsibilities and a general lack of land documentation (transaction registration, land titles, etc.) favor uncontrolled and informal land transactions. Fraudulent activities and the involvement of brokers further increase the risk of double or triple sells of the same land plot, which can result in land conflicts. These tensions are also fueled by land speculators buying land without
developing it, which in turn encourages local inhabitants and herders to use the land. Informal land markets accelerate against the backdrop of growing social inequalities, especially between those who are compelled to sell their land and those who buy it.

**Increasing social and economic inequalities**

Both in the outskirts of Nairobi and Dar es Salaam, land transactions of village land (Tanzania) and community land (Kenya) have increased since the late 2000s.10 Most of this land has been sold by individuals who were born in the same area and who had acquired it through inheritance (in the case of Tanzania) or through the subdivision of Maasai community land (in the case of Kajiado, Kenya). In both zones, the main economic activity is agriculture and pastoralism. Given the limited economic returns, the immediate income achieved by selling a piece of farmland seems an attractive alternative for farmers and pastoralists. Interviewed villagers decided to cede their land rights to mobilize financial resources to pay urgent costs, such as school or health fees of family members, house renovation or the participation in collective social expenditures. Some individuals and families see land selling as an option to move to a different economic activity and to transit from farming to commercial activities. The obtained money is reinvested, for example to build small shops or restaurants. In some cases, earnings from land sells are directly redistributed among family members. Land is often considered as an asset unblocking the access to “fast-cash” and to cover social expenditures in a context of absent social security systems provided by the state. Some land sellers exchange land against luxury goods, such as popular and prestigious four-wheel cars, which are associated with urban and modern lifestyles and wealth.11

“Whenever I need money for an urgent cause, I would cut a piece of my land and sell it.”

*Land seller, Bagamoyo district, 4 February 2018*

Selling land can become a risky emergency option, through which pastoralists and farmers give up their main resources. Furthermore, in most cases their farm- or pastoral land is not surveyed, unregistered, and is bought for a relatively cheap price. By contrast, urban land buyers are aware of the potential increase of the land value after the subdivision and titling process. The new landowners, individuals or companies, resell their plots at a much higher price. Land professionals and brokers also contribute to this gambling with land prices in peri-urban areas. By accepting in-kind payments by indigenous and new landowners who cannot fully afford for their services (surveying, mapping, planning, etc.), some of these land agents accumulate numerous land plots and wealth. Thus, while some middle and upper-class groups build their existence on the speculation about increasing land values in peri-urban areas, indigenous residents and land users risk to lose their main

11. Interview with a land broker, Kitengela, 8 May 2019.
economic assets. Peri-urban land markets reveal significant asymmetries in terms of access to information, knowledge and financial resources between land sellers living on the rural fringes on the one hand and land buyers being aware of growing land values on the other. While the former sell land in a short-term perspective to cover immediate basic needs, the latter have the ability and the necessary knowledge to invest strategically, to reinvest their land rent and to build their capital in the long run.

**Experiences of Regulation**

Uncontrolled land selling and buying activities not only exacerbate socio-economic inequalities, they also represent obstacles to land use and urban planning. When agricultural land is arbitrarily subdivided into ever smaller plots, it becomes difficult to meet the standards of urban planning and service provision. Inversely, the lack of urban plans adapted to socioeconomic realities makes it difficult for public authorities to regulate land transactions.

The governance of peri-urban land deals is strongly linked to national and local policy processes and to the history of the land market formation. In Tanzania, where the private land gambling is a more recent phenomenon, land transactions in peri-urban areas are not yet dealt with as a public problem. Village and district land agents are aware of related land conflicts but no coherent public program exists to limit land sells and subdivision. In the outskirts of Nairobi where private land transactions have a longer history regulating mechanisms are more institutionalized. From 2013 onwards, Kenyan land experts have drafted a “Minimum and Maximum Land Holding Acreages Bill”. The intention of this legislation was on the one hand, to limit the amount and size of land, which can be held by a single individual. On the other hand, the bill aimed at setting limits to the subdivision of land into uneconomic plot sizes by defining a minimum amount of square meter per parcel. However, the adoption of the bill failed as its content provoked criticism and faced resistance even from within the inner political circle.

Land-market regulation led by county governments seems to bear more fruits: since the decentralization of several land governance related functions toward the county governments in 2010, several measures have been undertaken to curb informal dealing with land, for example in Kajiado county, situated in the south-east of Nairobi. Some individual and politicized initiatives were taken by political figures, such as by the first county governor, David Ole Nkedianye, who introduced a six-months land selling ban in 2013. But the regulation of land transactions is also a key issue of the Kajiado’s first County Land Policy adopted in 2014. The policy includes directives for subdivision of agricultural land and land use planning measures. It was followed by a County Spatial Plan presented in 2019 as well as a set of Physical Planning Regulations and Land Subdivision Guidelines,
prescribing specific minimum plot sizes. In the case of Kenya, decentralized policymaking, as for Kajiado county, seem to have a tangible and more localized impact than national initiatives. In this regard, devolution, which delegated decision-making power in specific areas to decentralized government bodies, presents an opportunity to regulate land markets, especially in peri-urban areas where land subdivisions and transactions are hardly captured by public authorities.

**ADDRESS LAND AS A KEY SECTOR OF URBAN GOVERNANCE**

The rural fringes of urban agglomerations are the cities of tomorrow. Given the rapid pace of horizontal urban growth and the increasing number of industrial and infrastructural projects mushrooming in these areas, peri-urban zones will be rapidly absorbed by expanding cities. A solid understanding of socio-economic transformations of these heterogenous buffer zones should therefore be a major consideration of stakeholders involved in urban governance. Land transactions and their formation into formal and informal land markets are an important expression of these transformations. Not only do they reflect shifts in economic activities and scales (from subsistence farming to commercial activities, and from land with limited value to land as a marketable good), they also demonstrate the confrontation of socio-economic classes, changing consumption patterns and growing inequalities. Therefore, land transactions, land use and land governance are more than technical and politicized matters. They represent an analytical lens, both for researchers, practitioners of the different urban sectors, decision-makers and the private sector to understand socio-economic evolutions, but also to plan and anticipate the patterns of spatial urban growth.

Land issues are at least an underlying factor of all urban development projects. A current trend of urban governance in Africa as in other parts of the world, is the approach of “new is better”. The best illustration of this is the growing number of “new” or “smart city” projects popping up in the adjacent areas of almost all African metropolitan cities and, which sometimes consist in the establishment of entirely new urban quarters and highly modern built-up areas. They are put in contrast to the image of “chaotic”, “unplanned” and “dysfunctional” cities led by outdated urban development approaches. However, what is represented as being completely innovative and created from scratch is built on grounds shaped by historical and sometimes controversial relationships of belonging and composite tenure arrangements, which need to be unpacked.

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12. For instance, in the outskirts of Kitengela town, the minimum plot size in a radius of 2 kilometers is 500 m². Plots within a distance of five to six kilometers to Kitengela should not be smaller than 2,000 m². In the more peripheric zones, the minimum sizes of plots lie between 8 and 16 hectares.
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