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CADASTRAL SURVEYING: THE SIMPLEST STRATEGY FOR SMALL AND MICRO ENTREPRENEURS PROPERTY VALUE INCREASE AND CAPITAL GROWTH FOR ECONOMIC DEVELOPMENT

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ABSTRACT

It is quite many years since Tanzania adopted Structural Adjustment Programme (SAP) intended to stabilize the small and micro enterprises aspects of the economy hence increasing economic growth. The introduction of SAP affected the poor and led to economic reform which aimed at free market economy system, identifying the private sector like SME as the leading sector of income generating activities

To-date 95% of the businesses in Tanzania are SME or (entrepreneurs) which represent 35% of the country's Gross Domestic Product. Despite of the efforts imposed; many entrepreneurs are faced with different problems and or challenges.

The study explains the role of cadastral surveying as a simple strategy for property value increase, capital growth for economic development.

Respondents were obtained through purposive sampling who gave their opinion through questionnaire as the method for data collection which were analysed using excel.

The study identified that many entrepreneurs have invested in land and build in informal settlements which does not assist them as they lack collateral and or security for accessing loan.

The study revealed many problems facing SME like lack of capital, higher interest rate imposed on loan, lack of collateral property as security for loan

Despite of many problems noted to face SME; the study identified cadastral survey to be the simpler strategy for property value increase and capital elevation for economic development of almost all entrepreneurs and hence noted to assist in resolving or reducing the problems.

KEYWORDS-Cadastral Surveying, Strategy, Small and Micro Enterprises, Capital Growth, Economic Development

INTRODUCTION

Cadastral surveying is defined as the land measurement process with the main purpose of describing a new or changed boundary of piece of land or land parcels; it includes the recovery and restoring of the cost boundaries [1]. General cadastral surveying involves the subdivision and demarcation of land pieces or plots. As of [2], Cadastral surveying always facilitates the availability of important spatial information including but not limited to location of the land in terms of northing and easting or latitude and depicts the shape of the land parcel or plot as well as its size.

A land parcel is the basic unit in the cadastral system; each parcel is given a unique number and address, which together with parcel dimensions are shown on a cadastral survey plan [3].

A land parcel is always separated by beacons or concrete that defines the boundary line of the adjacent or adjoining land parcels. Cadastral surveys always facilitate and play a significant role in land use planning and environmental managements.

Not only that but also it facilitates to increase the value of the property collection of land rent and revenue for municipalities corporations and hence contributed to the economy use of the country.

However though cadastral surveying the industry of land housing and urban development in Tanzania has to great extent increased the collection of land rent though the surveyed area.

As noted from [4], cadastral surveying has been faced with different challenges including low budget always set, poor community participation (if not well attached) which in turn facilitates land conflict very professional surveyor as compared to the need; poor ethics and code of conduct as a result of corruption the changes in technology specially on instrument to be used and their higher prices, land policy professionalism and values that includes (Transparency, confidentiality, rule of law and accountability) as well as political decision of matters related to land surveying management allocation and administration.

However the absence of a variable that is and feasible land management decision system affects the result and sustainability of cadastral survey as a system.

Cadastral survey plays a significant role as follows:

- It assists to demarcate the identification of boundaries of a particular land parcel or between adjacent neighbours.
- It always assists to promote the tenure security through collection of the evidence so as to perpetuate the boundary location.
- To produce the graphical and or mathematical evidence through the data obtained and used to represent boundaries.

- To promote the society economically through land mortgage for those owning the customary (owning the title deeds)

STRATEGY

Strategy comes from a Greek term strategies, meaning general ship.

Strategy can be defined as the process of deliberately choosing a different set of activities to deliver a unique mix of value [5].

Strategy is a perspective, position, plan, pattern and a bridge between policy and high order goals on one hand and tactics or concrete actions on the other.

As defined in [6]; strategy is a term that refers to a complex web of thoughts, ideal insights experiences goals expertise memories perceptions and expectations that provides general guidance for specific actions in pursuit of particular ends.

General to define strategy can be considered as a plan method(s) as well as series of actions or steps which are undertaken so as to obtain or attain a certain intended goals or intended result.

As well as this paper is concerned strategy can be applied or used as a plan or method to be used to bridge the gap of increasing the community or society property value and raise the capital for economic development and or expression.

This study entails to elaborate the way cadastral surveying can be used so as to acquire the right of occupancy or title deed that may be used as collateral or mortgage to the financial institutional to access financial loan which can be used for capital elevation or increase and hence use it to start business and hence create employment opportunities and hence bridging the gap from poor to normal standard life.

CAPITAL GROWTH

Can be defined as the value increase of investment on assets on a particular time. Or it is the rate of assets value increase. Capital growth is one of the fundamental objectives in any investments for any entrepreneurs' or business investments [7].

When passing in [8], Capital growth is supported with many factors including but not limited to, science and technology, business environment, training facilitated to investors or entrepreneurs' which assists to sharpen their skills or knowledge, policy, market for the produced goods and services, transparency and accountability to their undertaking, fully commitments as well as easy access to loan. Taking Tanzania in particular, many small entrepreneurs' fails to increase their capital as a result of their business environment in general. They have failed to advance in using their available open resources (increase their assets value) so as to access loan to financial institution that could assist to their capital growth and hence expands in their business.

SMALL AND MICRO ENTREPRENEURS/ENTERPRISES

The small and micro entrepreneurs (SME) sometimes refer to as micro, small and medium enterprise over non-farm economic activities. For instance mainly manufacturing, mining, commerce or business and services [9].

According to Tanzania SME Development policy of 2002, there is no common or an agreement world-wide on the definition of the terms small and Micro Enterprises. A study conducted by USAID (1993) in different countries identified more than fifty different definitions. The categorization has based on a combination of qualitative criteria which include, but not limited to, market share, capital, organizational complexity, share capital, composition of management, and number of employees, total investment and sales turnover [10]

As of [11], small and medium enterprise in both developed and developing countries comprise a heterogeneous group of production unit of diverse sized organisations, managerial capacity, technological level and sophistication.

It was reported that small enterprise at early stage of development are generally believed to be predominantly craft-base, located mainly in rural areas to respond to local demand. At higher stages of

development these enterprise grow into or are replaced by modern small businesses with larger market potential and better quality products. While the most advanced levels of development, small enterprises are generally replaced by medium and larger once to reap the benefits of economies of scale [12]

Small Business Administration (SBA) of USA defines a Small and Medium Enterprise as one that is independently owned, operated and not dominant in its field of operation

According to Tanzania SME Development Policy-Final Draft of 2002, Micro Enterprise are those engaging up to 4 employees mainly family members, or employing capital amounting up to 5.0(Tshs) million.

The majority of micro enterprises fall under the informal sector. Small enterprises are mostly formalized undertakings engaging between 5 to 49 employees or with a capital investment of between Tshs 5.0 to 200 millions.

Medium enterprise employ between 50 to 99 people and have a capital investment of between 200.0 to 800.0 Tshs million (SME Development Policy- Final Draft, 2002).The summary is as shown in Table 1 below

Table 1. Categories of Small, Micro and Medium Enterprise (SME) in Tanzania

Categories	Employees	Capital Investment (Tshs)
Micro enterprise	1-4	Up to 5mill
Small enterprise	5-49	Above 5mill to 20mill
Medium enterprise	50-99	Above 200mill to 800mill
Large enterprise	100+	Above 800mill

Source SMEs Developed Policy –Final Draft (2002)

ECONOMIC DEVELOPMENT

The word economic development has no single definition. The clear definition always depends on the real clear idea of where leads the intended perspective. Economic development is the main objective of almost all nations in the world which intends to uplift or raise the social and economic capabilities of their citizens worldwide [13].

When talking capabilities, other may have a nation of not only affecting the people and well clothed but also having access to a variety of goods and possess, possessing the luxury of leisure and entertainment while also living in health environment.

Economic development would requirements of the life including but not limited to having freedoms. Stability of the family, intellectual and cultural development, a low crime rate, social, civility, tolerable level of equality, free of violence and discrimination as well as having a good level of growth of per capital income.

Generally, economic development can be defined as the removal of poverty, increase in life expectancy, access to sanitation, clean drinking water, healthy services, the access and expansion of knowledge and schooling as well as literacy in particular.

Economic developments always occur when a production of goods and provision of services to its citizen’s increases to its capacity. In economic concept production intensity level are measured by the Gross Domestic Product (GDP), which facilitate the creation of job and hence more employment to the citizens which increases trade for goods and services. However, the availability of the capital becomes a hindrance factor [14]. This could be resolved increased property value through cadastral surveying which easier mortgages and accessing loan to financial institutions

This paper intends to identify how the cadastral surveying would play a big role through increasing the prevail value (land value) and hence

use it as mortgage for loan access in the financial institutions.

Many of the participant's of this study was identified to have no idea on the role of cadastral survey as could be used to increase property value of their land as a natural resource and hence use it as loan facilitation of property in the different financial institutions.

This is evidenced by many lands owned property in Mbeya City not surveyed to increase its value. This has made some people to build their valued houses (of more than 30 million and above) to un-surveyed area something facilitating to increase the unplanned area (informal settlement)

2. METHODOLOGY

The methodologies used in this study were basically divided into two categories, which are:

2.1. Preliminary investigation of different report, journal and literatures from different scholars related to small and micro entrepreneurs

2.2. Questionnaire-The questionnaire with both open and closed ended questions was employed in this study. Open ended questions aimed at allowing the respondents to freely voice their views on the issue while the closed questions demanded the respondent to choose the answer from the alternatives given.

Different group of people of a total of thirty entrepreneurs including but not limited to: Hair salon, food vendor, masonry, painter, carpenter, grocery, stationery, tailoring, painter, old clothes seller were involved in this study as a sample size who were obtained through purposive sampling technique.

2.3 In-depth Interview-This technique were used to find in depth information from the bank officers under loan department, Land officers as well as surveyor who normally participate in cadastral work from inception to completion as final stage of awarding the title deeds.

The accuracy of the data was observed and the intended group of respondents from the intended case study area were observed so as to attain the validity and reliability of the study together with enhancing the study ethics.

3. FINDINGS

This part sought to describe briefly the result views from the respondents in assessing the role of cadastral surveying in property value increase as well as capital growth for entrepreneurs for economical development.

3.1. Information of Respondents

The table below indicates the number and percentages of participants on this study whom six(6) were land related professionals who contributed to (15%), four (4) bank officers contributing (10%) who gave views on loan conditionals together with Thirty (30) entrepreneurs who contributed (75%) of the sample study. The respondent's age ranged from 19-53 years. Gender equity and equality was observed were by 43% of the respondents were female entrepreneurs. However 27% of the respondents were a university graduate with more than six years working experience in small and micro enterprises. Table and figure 1 below refers.

Table 1: Study Participants

Respondent's Category	Number	Percentage (%)
Land related officers	6	15
Bank officers	4	10
Entrepreneurs	30	75
Total	40	100

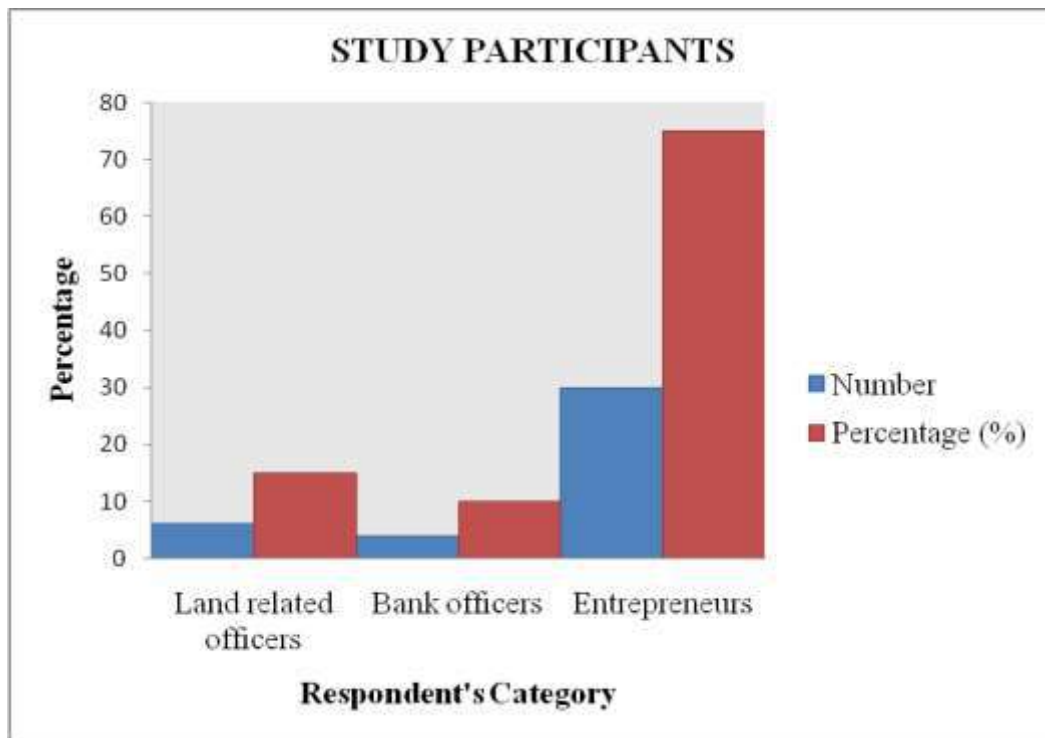


Figure 1: Participants of the study.

3.2 Investigation on the problems facing SME

When responding to the question posed to respondents so as to identify different problems facing small and medium enterprises, many problems were identified. Among those mentioned, Lack and or low capital (97%), lack of training (90%), lack of security for collateral (95%), High interest rate imposed (92%) and changes in government policy on business (86%) were identified as problems facing entrepreneurs. Almost all supported to face critical

problems in raising the capital for their business. They noted to have access to loan on some financial institution which charge them to higher interest rate using reducing methods of calculation because of lacking collateral for the loan. However other problems like lack of formal education (39%), Poor methods of record keeping (41%), poor technology(33%) and lack of business strategy(37.85) was mentioned to face them though to minimum extents.

Table 2: Problems facing SME

S/N	PROBLEMS	REMARKS	% RESPONDENTS
1	Lack or low capital	A	97
2	Lack of collateral for security	B	95
3	Lack of entrepreneurship training	C	90
4	High interest rate imposed	D	92
5	Poor government business policy	E	86
6	Lack of formal education	F	39
7	Poor methods of record keeping	G	41
8	Poor technology	H	33
9	Lack of business strategy	I	37.8

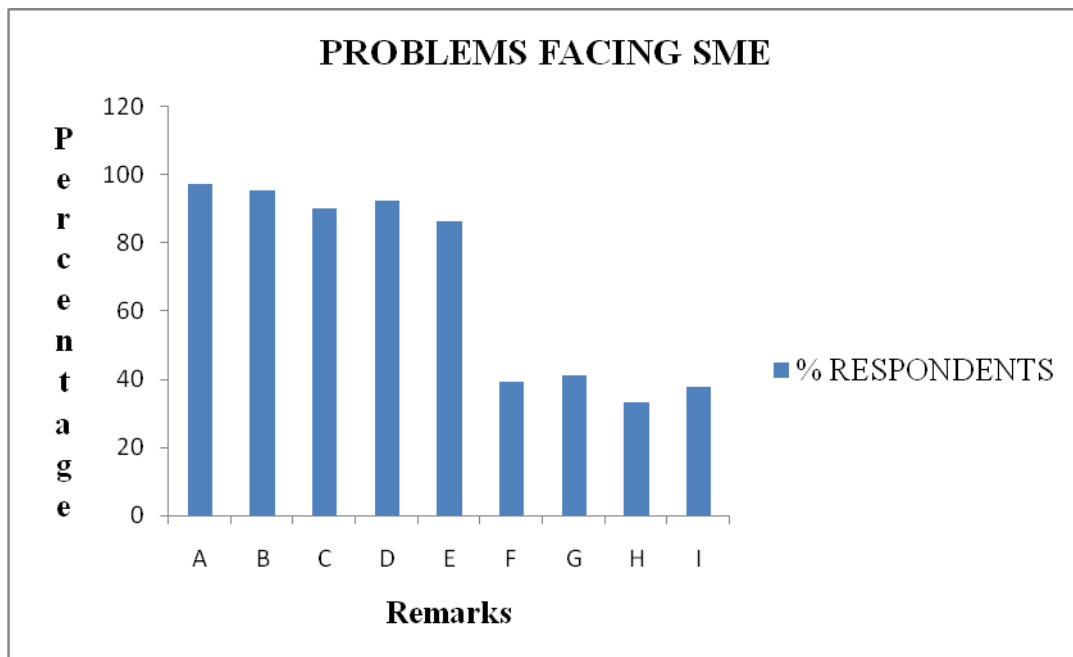


Figure 2: Problems facing SME

In additional to the above findings, discussing were made with one of the bank officer in Tanzania, it was noted that in previous days, the small and medium entrepreneurs accessed loan from their bank using even the un-developed un-surveyed plots. This was identified as non traditional method which implies a loan without offer. It was noted that, the similar traditional documents (not offer) could be used to take loan in more than one bank. This increased the business risks not only to bank but also to entrepreneurs.

To-date many restrictions has been imposed for loan acquisition in many of the financial institution with little flat interest per year imposed including the following:

- The land to be used for collateral should be surveyed with available title deeds.
- The land should be developed (Not bare land) to avoid changes in land use.
- Valuation should be done to verify the value of the land
- The entrepreneurs in need of loan should possess the account on a particular bank together with a business licence.

In general to summarise, failing to survey their land has necessitated many entrepreneurs to fail in accessing loan

with simple or little interest. Nevertheless failing to meet the survey forces those to acquire loan of higher interest rate charged on reducing conditions something results to failing in their business.

3.2 Investigation on the Knowledge and Role of Cadastral Survey in Increasing Property value and capital growth

Many (97.7%) of the respondents was no aware on the role of cadastral surveying if could be one of the good and simple strategy for their property value increase. Respondents were identified to lack cadastral survey knowledge. They argued as why they used to buy plots in informal settlement and developing through construction the valued houses which if could be surveyed to get title deed would assist them greatly to increase their property value.

The Following pictures below indicates the valued buildings in informal settlements which if could be developed in surveyed land could assist to raise their building values and facilitate easy to access loan as capital for their business development.



Figure 3: Modern and Valued houses developed in informal settlements

3.3 Investigation on the Role of Cadastral Survey in capital growth.

Almost all (93%) of the respondents upon informed on the role of cadastral surveying, they agreed to have lost the opportunity of increasing capital growth for quite longer. It was noted that SME could not suffer within their business as the result of lacking capital or charged higher interest rate as the result of lacking collateral for

security bond. All emphasized to start cadastral survey process which in turn will assist them to get the title deeds for loan acquisition in financial institution at a reasonable interest rate. However assistance was given to them on how they should undergo the process in order to avoid more unnecessarily expenses within the cadastral survey process.

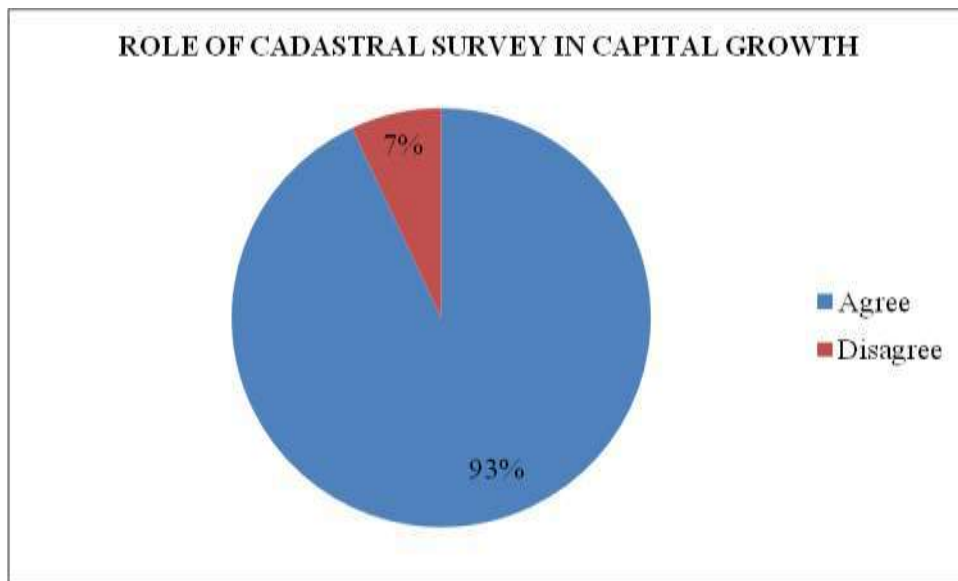


Figure 4: The ROLE OF CADASTRAL SURVEY IN CAPITAL GROWTH

3.4 Investigation on whether cadastral survey can facilitate Economic Development

From the primarily objective of economic development which emphasizes on uplifting or raising the social and economic capabilities of their citizens worldwide. Cadastral survey have been identified to be one of the most simple strategy of not only increasing the property value of the SME but

also elevating the capital for the entrepreneurs. Almost all respondents (96.44%) of the respondents agreed cadastral to facilitate economic development. This is done through acquiring the title deeds and hence use it as collateral as security bond in accessing loan in any of the financial institution at the lowest interest charges.

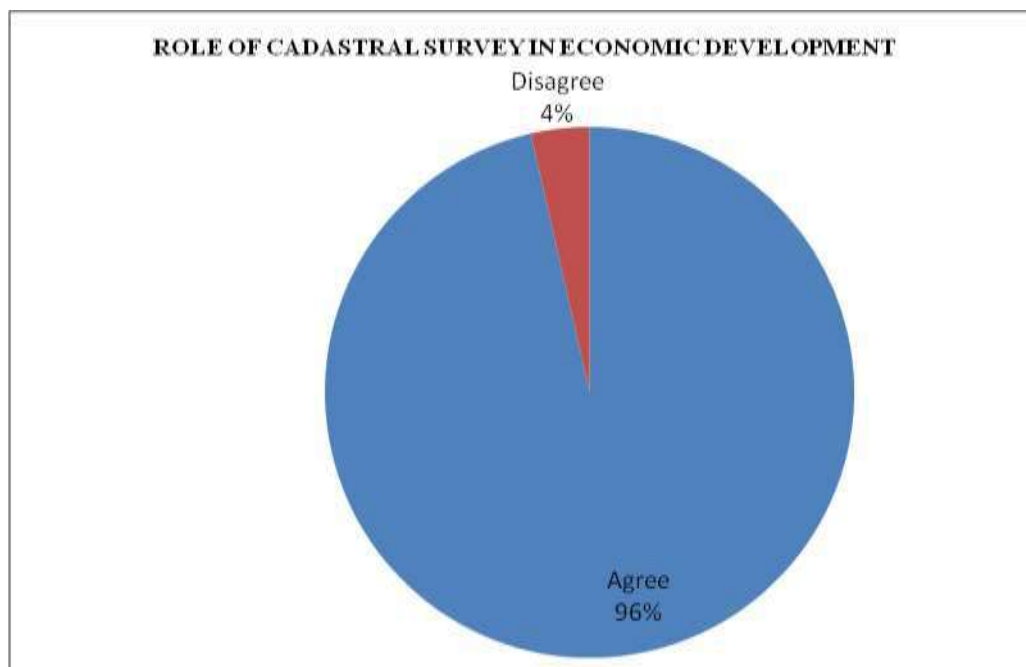


Figure 5: The Role of Cadastral Survey in Economic Development

4. CONCLUSION

Despite of many problems identified to face SME, the study has identified cadastral survey to be the simpler strategy for economic developments. This

technique has been identified to raise the property value of any developed plots which has been surveyed to have the title deeds which can be used as collateral in bank institution to take loan. The study

revealed that many entrepreneurs decide to acquire land in informal settlement at cheap price, something does not assist them economically. However, entrepreneurs has argued to take serious action in cadastral surveying for their land so as to increase their property value, capital growth and eventually developing economically

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