



Land policies for growth and poverty reduction: Opportunities and Challenges

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Klaus Deininger,
Lead Economist,
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Land policies & poverty reduction



- Economic development
 - Investment incentives & land markets for non-agric. rural development
 - Credit access & collateral
 - Private sector development (security, procedures)
 - Fiscal sustainability of local governments & transparency/corruption
- Social equity
 - Inequality of asset ownership: Key for backwardness (GTM vs. CRI)
 - Women's empowerment: Productivity, girls' education, HIV/AIDS
 - Social safety net (China vs. India)
 - Land access a key issue in (post) conflict
- Environmental sustainability
 - Land rights, access, land use planning & soil degradation
 - Indigenous people's livelihoods and resource rights
- But: Hardly mentioned in policy documents: Why?

Why limited space in policy doc's?



- Land issues are complex, sensitive
 - Rooted in history & local culture -> no “patent recipes”
 - Politically sensitive -> Need for dialogue & consensus building
 - Cuts across areas (law, econ, engin'g)
- Addressing them needs long-term commitment
 - Institutionally complex -> Reform precondition for involvement
 - Technically involved -> Need high level of expertise
 - Large scale -> Long-term, sustained approach
- Donors are starting to address this
 - EU & bilaterals' land policy guidelines
 - Approach to project support changing (LT, policy & institutions)
 - Revision of Bank's land policy (1975 one outdated)

The emerging consensus



- Focus on tenure security, not only titling
 - Attention to broader set of factors that may jeopardize security
 - Less emphasis on mapping, more on registration of rights
 - Mechanisms for verification & conflict resolution critical
- Land policy is national – not urban or rural only
 - Long-term vision: Priorities based on social, economic criteria
 - Continuum of gendered rights; menu of options
 - Provide basic security; option to upgrade at own cost
- Land (rental) markets often function quite well
 - Rental generally productivity-enhancing, focused on poor
 - Government policy often imposes restrictions, reduces benefits
 - Sales may be affected by other imperfections

The emerging consensus II



- Measures to support land access warranted
 - Where legacy of inequality limits opportunities; productivity
 - Reinforced by political importance of land
 - To be analyzed & compared to other poverty-reduction policies
- Land use regulations often inappropriate
 - Unregulated expropriation undermines security, investment
 - Poor may lose out even where regulation justified
 - Simplification of rules/institutions will help private sector
- Land critical in post-conflict & reconstruction
 - Unequal land access/historical injustice at root of many conflicts
 - Speed & fairness in addressing land rights critical to recovery
 - Failure to do so will increase likelihood of future conflict

New opportunities



- Broader institutional reforms undertaken
 - Macro-adjustment and advantages of private property rights
 - Decentralization and empowerment of communities
 - Greater emphasis on good governance & transparency
- Technology can help in many respects
 - Massive data infrastructure & links no longer a problem
 - GPS & satellite imagery can simplify survey process
 - Clear legal/institutional framework precondition for this
 - ... and data can not substitute for adjudication on ground
- Enhanced private sector, civil society capacity
 - Government capacity no longer constrains surveying
 - More articulate private sector & NGOs
 - Can help to get work done quickly & on the ground
 - Dissemination; social awareness; change in social norms

Country examples: Ethiopia



- The importance of land rights
 - Clear impact of land right security on (conservation) investment
 - Transfer rights add to this; provide basis for non-farm economy
 - -> Key for Ethiopia to escape its low food-security trap
- Home grown registration initiative
 - Building on one province (1998), since 2003 6 mn certificates
 - Women's empowerment (pictures), reduction of conflicts, conservation investment
 - Participatory & low cost (< \$1 per parcel); affordable for Africa
- Potential for broader policy dialogue
 - Impetus for allowing longer-term rental (up to 25 years)
 - Increased security against expropriation w/o compensation
 - Regional “experiments”: scope for broader policy issues

India



- Modernized land admin. in “progressive” states
 - Computerization of titles, registries (> 20 Mn in one state alone)
 - Link records & registration to facilitate title search; security
 - Use NGOs to provide legal assistance, push cases through
- Impact thus far
 - Reduction in corruption; backbone for e-governance initiatives
 - Cuts time for transfers from years to days; institutional reform
 - Huge profits allow to expand; reduce prohibitive transfer taxes
- Steps towards more substantive Bank support
 - Expansion into urban areas (TMs) & unsurveyed (tribal) lands
 - Address policy issues (rental markets, zoning, subdivision)
 - -> Realize (est'd) 1.3% loss of annual GDP growth due to land

China



■ Land policy “experiments”

- Large benefits from egalitarian land ownership (safety net)
- But reallocation reduces security of rights; benefits bureaucrats
- Rental can develop rapidly, help the poor; increase productivity
- -> desirability of expanding

■ Passage of 2003 land law

- Codifies 30-year rights; prohibits redistribution
- Knowledge of law helped by push from above; democratization
- Local bureaucrats as a key obstacle to property rights reform

■ The challenge of urban land conversion

- Expropriation & resale of land: 40% of local gov't revenue
- Knowledge of law reduces taking w/o compensation
- -> Support to dissemination & legal assistance, combined with pilot registration in select areas

Colombia



- The long-term impact of land inequality
 - First raised in 1950s (Bank mission) - reform attempts limited
 - Causes environmental hazard (Amazon & Boyaca)
 - Despite potential for redistribution (taxes)
 - -> Unequal distribution a key determinant of displacement (with drugs, low infrastructure, etc.)
- Land key to dealing with displacement
 - Counter-revolution (5 times amount of land redistributed)
 - Agriculture-based households have greater difficulty to adapt..
 - .. and are more likely to want to return (shock)
- Basis for legal & project intervention
 - Project to register property rights so as to facilitate return
 - Drafting of legal provisions to help

Uganda



■ Land law formulation

- Good law in 1998: Recognizes customary ownership (women)
- ... but completely unaffordable (parish committees etc.)
- -> No implementation; conflict accelerates (inst's eliminated)
- Hurts widows (inheritance; HIV/Aids), large productivity impact

■ Impetus for implementation from private sector

- Registry dysfunctional; impossible to get loans
- Capacity limited by regulatory framework for private sector
- Clean up the registry, resurvey & adjudicate where needed

■ Importance of follow up

- Limited awareness of law; significant investment impact
- Huge demand for certificates (94%; 86 paying)
- -> Need for survey & certification with low-cost GPS

Scope for support



- Develop, evaluate, disseminate “tools”
 - Expropriation & compensation (peri-urban, investment)
 - “low-tech” GPS; parcel & non-parcel based spatial units
 - Land admin. for post conflict
 - Estate administration (HIV/AIDS)
 - Land use planning; state land management
 - Private sector involvement in survey/record access
 - “Half-way” geodetic network
 - City-wide upgrading
- Ways to accomplish this
 - Establish for a to link policy makers from developing countries
 - Long-term research/capacity building
 - Peer review mechanism to ensure project quality& evaluate
 - Design specific evaluation strategies for key issues

Scope for support II



- Integration of land policies into PRSPs/CASs
 - Establish database (LSMS land module)
 - Quantify impacts to get buy-in from policy makers
 - Draw on lessons from international experience
 - Build local capacity in public & private sector
 - Facilitate in-country policy dialogue
 - Identify meaningful indicators at country level
- “Benchmarks” & cross-country support
 - Indicators to create impetus for reform across countries/states
 - Also help to measure progress in implementing reform
 - “Doing business” database as an example
 - Can be linked to broader indicators of outcomes as needed

What is being done?



- There are many cross-country initiatives
 - USAID: Inter-American Alliance for Real Property Rights
 - EU land policy guidelines & move towards implementation
 - FAO: Conference on Land Reform
 - UNDP drylands: Africa-wide initiative; AU paper on land policy
- The Bank's role in facilitating coordination
 - Donor forum in Feb/March each year since 1999
 - Support EGMs w. FIG, Habitat, bilaterals to build from projects
 - Technical skills to complement others' efforts (AID, DFID, ILC)
 - In addition to own analytical work
- Challenge: Add value to project interventions
 - Identify innovative mechanisms & approaches
 - Quantify impact (or that of doing nothing) for policy makers
 - Allow exchange of experience among practitioners

The High Level Commission (HLC)



- Purpose: Legal empowerment of the poor
 - Key sponsor Norway, with a range of other countries
 - 25 commissioners; advisory council; working groups
 - deSoto & M. Albright as co-chairs; launched Sept. 05 in New York
- Key issues to be addressed
 - Create political awareness
 - Examine ways to secure broader access to legal property rights
 - Establish toolkit to address these issues
- Potential & limitations
 - Big political impact likely
 - NGO criticism (conflict of interest) & lack of UN-backing may limit buy-in
 - Quality of tools will depend on working groups; no TORs yet
 - Limited expertise; centralized structure; high cost cause some doubt

The Global Tool Network



- Create affordable scalable gender-sensitive tools
 - Supported by SIDA (seed money) & UN-Habitat
 - Link existing networks instead of creating new structure
 - Allow professional interaction & capacity building
- Key institutional arrangements
 - Will not finance tools but disseminate existing ones
 - Possibly clearinghouse to peer review/monitor interventions
 - Constituting workshop Nov 24/25 in Stockholm
 - To be launched at World Urban Forum 06 in Vancouver
- Potential & limitations
 - Responds to a clear need in a more promising way than HLC
 - Should be complemented by evaluation facility (WB to propose)

Conclusion



- The topic has come a long way
 - Traditionally considered too politically sensitive & complex
 - Now a huge portfolio (> \$ 1 bn) in a large number of countries
 - Active networks of practitioners and professionals
- Challenges have shifted
 - Paradigms, debates (& technologies) of the 70s have gone for good
 - Need answers to specific technical questions
 - Quantitative evidence that approaches are yielding desired benefits
 - ... and to expand the Bank's own capacity to respond to demand
- Canada has a lot to offer
 - Significant technical expertise (UNB & others)
 - Support to global initiatives & to demonstrate impact
 - Hope for increased & fruitful interaction along these lines