

**USAID ECONOMIC GROWTH OFFICERS WORKSHOP
OCTOBER 15-19, 2007
WASHINGTON, D.C.**

Session Title: The Promise and Limits of Land Titling

Date and Time: October 17, 2007, 2:30 p.m. – 3:30 p.m.

Type of Session: Breakout

Speaker(s): John Bruce, World Bank and Jolyne Sanjak, Millennium Challenge Corporation (MCC) & Karol Boudreaux, George Mason University

Moderator: Gregory Myers

Overview of Session:

John Bruce, Jolyne Sanjak and Karol Boudreaux discussed what land titling and registration is, its history, promise and delivery as a mechanism for improving productivity, economic growth and wealth in developing countries. They pointed out the importance of enshrining a strong property rights system for investment and wealth creation, spoke of the importance of laws, institutions and people in ensuring such a system, and suggested that land titling systems have sometimes not delivered as much as has been implicitly or explicitly promised. They discussed the importance of the gender element in property rights reforms, pointing out that there are critical gender issues that must be understood if property rights reforms are to have a positive impact on women and if negative impacts are to be avoided.



Jolyne Sanjak addresses workshop attendees. Photo by Paul Goodman.

Speaker's Remarks:

John Bruce was the primary presenter, followed by shorter comments by Jolyne Sanjak and Karol Boudreaux. In his presentation, Bruce pointed out that while there is a broad consensus on the importance of property rights and the role of land titling and registration programs in supporting property rights, empirical studies have shown mixed results from land titling projects. He reviewed factors that determine whether land titling and registration projects will result in benefits, and pointed out that it is critical to ask the right questions about the presence of these factors before undertaking projects.

He explained what land titling and registration is, pointing out the following cascade of rights: a) laws create rights, b) titling connects individuals as owners and c) registration records the rights in a place of public access. Modern land administration projects as growth strategies can trace their origin back to the 1985 Thailand Land Registry Project which was based on the premise that land titling and registry would facilitate credit, which in turn would bring about investment, which would increase productivity. Systematic titling and registration, in which all property in a particular area is titled and registered is believed by many to reduce corruption.

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Until Hernando de Soto brought the concept and practice to urban areas, land titling and registration work had been done mostly in agriculture.

The promise of modern land titling and registration is security of land tenure, security of land transactions, better credit access, greater investment in or on land, increased land values and greater income. Unfortunately this virtuous cycle has not occurred in all cases. Empirical evidence suggests the results are a mixed bag. The following factors will help determine whether benefits will arise: 1) Are registered land rights freely marketable? 2) Is there a rule of law environment for enforcement of registered rights? 3) Do beneficiaries of titling and registration have concrete plans that registered titles will help them realize? 4) Are formal sector lenders interested in lending to the beneficiaries? 5) Will beneficiaries register subsequent transfer and thereby sustain the system? 6) Can customary land rights be registered as they are or are reforms needed for such to occur? 7) What is the status of women's access to land? 8) For poor, to what extent is a marketable title a double-edged sword? 9) Are there simpler, more decentralized models of land registration?

Designers and implementers of land titling projects also have to ask the right questions, including, a) to what extent are the favoring factors identified above present? b) is the geography right? The timing? c) does the project respond to a felt need of the beneficiaries? Is there demand? d) is it cost-effective? and e) is there a baseline for measuring impacts?

Jolyne Sanjak clarified that rather than think of "land titling and registration" initiatives, we should think more broadly of "property rights systems," since property rights include ownership as well as non-ownership user rights. The key for property rights systems is to have a package of interventions in domains of law and policy, institutions and people. Systematic land titling is generally the best approach to land titling and registration for many reasons, but there are times when other approaches are better. MCC does some "facilitated on-demand" titling and registration, which Sanjak described.

Karol Boudreaux stated that the following key gender issues, among others, must be considered carefully in implementing land titling programs: 1) what gaps are there between de jure and de facto rights of women? 2) do social norms and traditions constrain women's property rights? 3) do women know of their legal rights with respect to property? And 4) do women have inheritance rights to property as a de facto as well as a de jure right?



Karol Boudreaux addresses workshop attendees. Photo by Paul Goodman.

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Boudreaux also pointed out that the importance of looking at the gender element of property rights reforms stemmed from the fact that while women make up at least 50% of the world's population they own only 2% of the world's land.

Key Points Discussed During Question & Answer Segment:

Q. There are many ambiguities in Liberian land ownership and arrangements for private sector use of land. There is poor capacity to title and register land ownership. A post-conflict situation provides, however, an opportunity to shake up the system. What are the models of land reform in post-conflict countries (PCCs)?

A. There are many examples as a post-conflict situation does provide a special opportunity. But, especially in the fragile environment of a post-conflict situation, one must apply the principle of "first, do no harm" before proceeding.

Q. With Colombia as an example, one questioner asked how best to program agribusiness credit? How to get credit to rural areas in a "quick and dirty" way if necessary? Should there be a SWAT-team-like land titling intervention?

A. No particular model

Q. Donors push for results in their reform interventions. This can lead to an overly technical approach to solutions when the problems are primarily political-economic. How to handle this?

A. Yes, it is a mistake to do a technical-driven solution without leading with a political-economy understanding. This can gravely affect impact.