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# Secure rights to property & legal empowerment of the poor

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## Some general observations

- Secure tenure/rights to property widely recognized as essential for empowering the poor **NECESSARY BUT NOT SUFFICIENT**
  - The questions we have are focused on how to provide/increase security in its absence
  - Final report of the CLEP argues pr are human rights, are essential both for:
    - Economic growth &
    - Human flourishing
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## Will talk about:

- The connections b/w secure tenure/secure pr & economic development in broad terms
  - Some examples of how rights are being expanded & secured
  - Some challenges & concerns
  - & thoughts on strategies that hold promise
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# Connections b/w secure rights & economic development

- The final CLEP report argues that secure rights to property are vital for economic development:
  - w/o these rights trade & entrepreneurship are limited;
  - b/c the basis for broad-based exchange missing;
  - Investments to improve property & productivity are limited;
  - Vulnerable populations are more likely subject to predations;
  - Natural resources are misused/overused or wasted;
  - Level of conflicts rises; limiting growth;
  - Forcible evictions, displacements from conflict add to the problems surrounding displaced persons & urbanization

So, broad recognition that tenure rights needs to be more secure

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Assuming relatively stable institutional environment: when rights are secure:

- Incentives shift so that:
  - Higher levels of investment in property
  - Related investments in human capital
  - Increased opportunities for entrepreneurship
  - Less conflict
  - Costs associated with protecting property drop & may be used for other purposes
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# Why important in urban areas?

- Increasing urbanization—Africa for example
  - Urban settings: strong need for credible commitment to securing tenure and recognizing/enforcing rights (which can exist along a continuum)
  - Why? To strengthen incentives to improve informal settlements, build infrastructure, build businesses, & lessen conflict
  - Murambatsvina 2005
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# Does this mean titling?

- Maybe yes, maybe no
  - Security is the essential issue, not a title
  - Tenure security in some urban areas
  - Titling is one option along a continuum, leaseholds (lessee/landlord rights) very important also
  - Certificates of use, other tools can help improve security
  - In areas with strong demand, titling raises prop values and unless poor can capture this rising value, they may end up dispossessed
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# Challenges in urban settings

- Providing services/security/infrastructure at low cost
  - Where possible, make better use of technology to lower costs of surveying/mapping
  - Creating more opportunity for local level entrepreneurial responses to urbanization
  - Improving “climate for building” – challenging regulatory environment that makes supplying low-cost housing formally nearly impossible
  - Making more & better use of government lands– if more equitable distribution improves economic outcomes, then consider moving more government lands into the hands of the poor.
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# Need for complementary reforms

- Improvements in labor markets/labor regulations to create more formal sector employment;
  - Removing regulatory barriers that raise transaction costs for building housing, esp. housing for the poor
  - Transaction costs associated with formal transfer
  - Improvement in financial sectors so that these are more responsive to needs of the poor, for micro-mortgages;
  - Improvements in security & safety so that incentives for investment increase
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# Experience in Langa

- Titling throughout the 1990s
  - Most formal homes titled
  - Tenure is perceived to be secure
  - As seen in other cases, improvements BUT
  - Little use of titles as collateral -- too risky
  - And, quick reversion to informal transfers b/c of high transaction costs
  - Coupled with stated desire to retain homes for children, not sell
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# Rural setting

- Despite urbanization, problems of poverty especially widespread in rural areas so strategies for increasing incomes esp. important
  - Property/tenure insecurity in these areas has 2 key outcomes that contribute to poor econ growth:
    - Conflict – (pastoralists/farmer, resource-based conflict)
    - Poor productivity in ag sector – can there be a Green Revolution in Africa w/o tenure security?
  - Other problems: Gender concerns esp. customary/de jure divide; how to bridge this gap? Joint titling one step, how to improve enforcement?
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# Climate change

- Carbon sequestration in forests likely to be increasingly important strategy to deal with climate change
  - Who will manage these valuable assets?
  - Should management be at community-level or national level?
  - Or, tradeable shares in public funds coupled with independent auditing
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# How secure tenure can help in rural settings

## ■ Namibia CBNRM

- ❑ Devolving rights to manage wildlife/benefit from tourism shifts incentives towards preservation and entrepreneurship
  - ❑ Devolution to community level- requires self-organization, self-governance
  - ❑ Strong results: 50 conservancies; income est. at \$44 million ND 2007, wildlife/environment recovering, human capital strengthening, increasing women participation/leadership, livelihoods diversifying
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## Concerns in Namibia

- Needed donor support for years
  - Constitutional guarantee of free movement means restricting entry is difficult
  - Land Boards may threaten some of the decision making abilities of conservancies; leading to conflict
  - Should there be “conservancy titles?”
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## General challenges in both environments:

- Identifying stakeholders & their stakes effectively
  - Do governments have capacity within land administration agencies; land ministries to document, survey, register property claims?
  - Do trustworthy & cost-effective dispute resolution institutions exist?
  - Should processes be managed at a national, provincial or local level?
  - How is this political process being managed or manipulated?
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# Solutions or strategies for effective change:

- Participatory process – being utilized by MCC
  - Expand opportunities to use moveable property as collateral
  - Expand use of shareholding over national resource income streams
  - Reduce regulatory barriers to urban development
  - Effectively identify stakeholders & their stakes (who's demanding/supplying institutional change & why; who will block?)
  - Streamline transfer process to reduce transaction costs; is one-stop shopping model for business registration useful in land context?
  - Recognize inevitable trade-offs between holistic reforms & piecemeal reforms
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