

# **Social and economic impacts of land titling programmes in urban and peri-urban areas: A review of the literature**

by

**Geoffrey Payne, Geoffrey Payne and Associates, UK  
gkpayne@gpa.org.uk**

**Alain Durand-Lasserve, Centre National de la Recherche Scientifique, France  
Laboratoire SEDET, Université Denis Diderot, Paris  
a.durand-lasserve@wanadoo.fr**

**Carole Rakodi, International Development Department  
School of Public Policy, University of Birmingham, UK  
C.Rakodi@bham.ac.uk**

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## **ABSTRACT**

During the World Bank 2005 Urban Research Symposium, several participants expressed the view that although increasing interest was being expressed on the subject of land titling and the formalisation of land tenure systems as a means of reducing urban poverty, the empirical evidence for such policies was inadequate. This desk review was prepared with funding from the Government of Norway, to identify the scope and nature of present understanding on the social and economic impacts of land titling programmes undertaken in the urban and peri-urban areas of developing countries. If funding is obtained, it is hoped to commission local professionals to undertake empirical assessments of selected titling programmes during 2007 as a contribution to the Global Land Tools Network, Commission for the Legal Empowerment of the Poor and related initiatives.

### **Keywords:**

Land titles, titling, tenure, property rights, urban.

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## 1.1 TENURE AND DEVELOPMENT

Tenure is increasingly identified as a key issue in managing the growth of urban areas and reducing urban poverty. In May 1999, UN-Habitat launched its Global Campaign for Secure Tenure to address the need to increase protection from forced evictions and promote longer terms options for secure tenure<sup>1</sup>. Similarly, the Millennium Development Goals established in 2000<sup>2</sup> emphasise the impacts of insecure tenure and its links with poverty, and thus the role of secure tenure in poverty reduction. “Insecure tenure has multiple ramifications for poverty. Legal tenure at the settlement levels is often a prerequisite for the provision of basic services. Without security of tenure, newly serviced settlements are vulnerable to market pressure. Lack of tenure hinders most attempts to improve shelter conditions for the urban poor, undermines long-term planning and distorts prices for land and services. It has a direct impact on investment at the settlement level and reinforces poverty and social exclusion... from the point of view of governments, insecure tenure also has a negative impact on local taxation and on property and economic activities. Cost recovery for services and infrastructures is also difficult or impossible without proper identification of beneficiaries. For all these reasons, ensuring security of tenure is an effective tool for alleviating poverty in slums” (Sclar and Garau, 2003:57).

The World Bank has also recognised the importance of secure tenure in promoting economic development and reducing poverty in both rural and urban areas. The Bank organised a series of regional conferences on land and tenure issues in 2002 in order to establish the basis for appropriate land tenure policies. At the same time, the governments of Australia, Germany, Norway, Sweden, the USA and other countries increased funding and policy initiatives on land tenure. Similarly, when a new British government was elected in 1997, the importance of secure land rights and fairer land distribution was clearly recognised in a DFID Strategy Paper on economic growth and poverty reduction. In parallel with all this, DFID developed the Sustainable Livelihoods Approach, which recognised the importance of secure tenure as a basis for people to invest in improving their homes and businesses (Quan 2003:3-5).

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<sup>1</sup> Benschop (2003:1) notes that “various definitions of secure tenure exist, but the most recent definition that was agreed upon during the Expert Group Meeting on Urban Indicators in October 2002, is: “*the right of all individuals and groups to effective protection by the state against forced evictions*”. Under international law, ‘forced eviction’ is defined as: ‘*the permanent or temporary removal against their will of individuals, families and/or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate form of legal or other protection*. The prohibition on forced evictions does not, however, apply to evictions carried out by force in accordance with the law *and* in conformity with the provisions of the International Covenants on Human Rights (the International Covenant on Civil and Political Rights and International Covenant on Economic, Social and Cultural Rights).

<sup>2</sup> The eight Millennium Development Goals (MDGs), established in the Millennium Declaration, were approved by 191 Heads of State and Presidents at the General Assembly of the United Nations in the year 2000. They pledged to adopt new measures and join efforts in the fight against poverty, illiteracy, hunger, lack of education, gender inequality, infant and maternal mortality, disease and environmental degradation.

Over the last two decades, many international donors and national governments have extensively promoted land titling programmes as a means of increasing tenure security, improving access to formal credit and reducing poverty. The increasing consensus on the importance of tenure policy in reducing rural and urban poverty was matched by an equal consensus on the form such policy should take. The World Bank, USAID and several other organisations are promoting land titling, including The Inter-American Alliance for Real Property Rights; the Millennium Challenge Account (MCA); the Real Estate Advisory Group (REAG); and the Inter-Summit Property System Initiative (IPSI). The Institute for Liberty and Democracy (ILD) is playing a key role advocacy role in this process.

Land titling programmes have been promoted for many years in rural areas. Since the early 1990s, in addition, they have been undertaken in urban and peri-urban areas, though in these cases the outcomes may be substantially different even when many objectives are the same.

The World Bank was an early supporter of urban land titling programmes and began funding the major programme in Peru in 1998. Its objectives regarding land titling and title registration indicate that they are considered essential preconditions for:

- Protection of property rights, increasing individual investor confidence;
- Transparency of ownership, thus reducing transaction cost and increasing the efficiency of property markets
- Establishment of land markets;
- Development of secondary markets, including rental markets, increasing the efficiency of property use;
- Mortgaging of land, and through this the recapitalization of newly established farms and improvement productivity (sic) and;
- Establishing a land-based taxation system (World Bank 1996:6-7).

This set of objectives permeated early titling programmes, and similar approaches have since been applied in many other countries, despite enormous differences in local conditions. Such standardised approaches run the risk that they may succeed or fail for reasons unrelated to the intrinsic qualities of the policy, but more to the appropriateness or otherwise of local conditions. Since these are not necessarily assessed prior to adopting the approach, as a result it may be difficult to explain the reasons for success or failure.

A major boost to discussion on the importance of tenure security and its implications for social and economic development followed the publication in 2000 of a book by Hernando de Soto<sup>3</sup> which claimed a direct correlation between property ownership and affluence in the West and explained the continued poverty of developing countries in terms of their undeveloped property regimes. De Soto claims that the major stumbling block that keeps the rest of the world from benefiting from capitalism is its inability to produce capital, and that whilst the poor already possess the assets they need to make capitalism work for them, they hold these assets in defective forms. By this he means that they lack the titles to their properties which they could use to invest in businesses, rendering their assets 'dead' capital. He estimates the total value of such 'dead' capital is at least US\$9.3 trillion. "They have houses but not titles, crops but not deeds, businesses but not statutes of incorporation" (de Soto 2000:7).

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<sup>3</sup> de Soto, Hernando (2000) 'The Mystery of Capital: Why capitalism triumphs in the West and fails everywhere else' Basic Books, New York

De Soto has successfully focused attention on the role of tenure policy as a central factor in social and economic development. He has stimulated an important debate about the role property ownership and land titling should play in development policy and has attracted widespread support from international finance institutions, development agencies and several national governments, though many observers have also criticised his approach on conceptual, ideological and methodological grounds.

Perhaps inevitably for somebody who has been so widely quoted and reviewed, de Soto has claimed that his views have been misrepresented and the recently established Commission on Legal Empowerment of the Poor (CLEP), of which he is co-Chair, emphasises that land titling is not the only option to reduce poverty. However, it also states (CLEP Overview paper, 2006) that access to land ownership is an essential component for poverty eradication in developing countries and a central tenet of de Soto's approach is that ownership is essential if a property is to be able to be eligible for use as collateral for a loan. It is on this basis that many land titling programmes have recently been proposed.

Reviews of de Soto's analysis and proposals in the professional media have generally been critical and have yielded signs of a policy review within the international community. For example, the World Bank 2006 report (2006:12) notes that "the earlier consensus on this issue has since changed and become more nuanced. For instance, most policy analysts now no longer simply assume that formalization in a given context necessarily increases tenure security, and leads to collateralized lending. The original assumptions have now become questions for empirical research". Recent thinking from the World Bank suggests that, at least in policy circles, more nuanced approaches now dominate. Buckley and Kalarickal (2006:23) argue, for example, that "it would be dangerous to promote formal titling programs as the sole solution necessary to solve the problems of the urban poor as some have suggested. In many cases, formal titles are unquestionably valuable. Nevertheless, in most developing countries, where the capital markets are undeveloped and a spectrum of ownership structures exist, titling alone will not "unlock" capital. While such property rights may often be a necessary condition to develop a fully functional housing market, they are not a sufficient condition to unlock the trillions that are now locked up in dead assets".

Buckley & Kalarickal (2006:30-31) also suggest that titling may not necessarily result in increasing the assets of the poor when they state "while there are good reasons to agree that improving property rights should be an essential part of reform, there is also a range of practical problems that potentially reduce the seemingly large gains. Among these problems are:

- Titling is often a costly process. It is not just a matter of formalizing informal arrangements that already exist. Very often, contradictory claims of ownership succeed the announcements of titling programs.
- Much of the land on which informal houses are built is obtained through illegal squatting on private property, and compensation is not paid to existing owners ...
- The broader web of societal contracts and constraints, as well as a wide variety of political economy issues, may well reduce the value given to property titles in isolation ...
- A title is less valuable if it cannot be used as collateral. Such a result occurs whenever there is no effective formal financial system, as is the case in many developing countries ...

- The anthropological perspective on tenure—that is, a continuum of tenure categories with different levels of security of tenure—applies. Across this spectrum, some may value titles much more strongly than others”.

Of course, in an organisation as large and diverse as the World Bank, changes in sectoral policy take time to permeate through to operational and regional departments and the transformation is not always a straightforward and smooth process. Thus, in 2006, an on-line moderated internet discussion organised by the World Bank’s Private Sector Development Department on property rights asked “Can Informal Property Titling Programs Ensure Increased Business Investments? Even though many developing countries have implemented titling programs to secure property rights, such programs often aren’t enough to foster private sector growth because they provide little security of ownership”. Clearly, sections of the Bank concerned with promoting international investment, such as FIAS (Foreign Investment Advisory Service), are less likely to give priority to local residents in unauthorised settlements than to the foreign investors they see as stimulating the economy and putting scarce land resources to ‘more efficient’ use. As noted by Haldrup (2003), titling programmes have so far focused on supporting the land market, while the poor also need protection against market forces through appropriate public regulation. It is also important to note that the Bank’s role in promoting secure tenure embodies two different objectives. On the one hand, it seeks to improve tenure security for residents in informal settlements, whilst on the other hand it attempts to increase security for domestic and international investors promoting economic development. The interests of these key stakeholders may not always be easy to reconcile.

Given the intellectual and financial investments made to date on land titling programmes, it is surprising to note that there is a dearth of independent evidence to support or challenge the application of land titling as the most appropriate policy option to achieve the universally desired objectives of promoting social and economic development and reducing urban poverty. This lack of evidence is noted in the synthesis report prepared by the Land Tenure Center for land market interventions undertaken by USAID, a leading advocate of land titling programmes, when it states (LTC:2002:7-8) that “these findings are minimal with regard to the extent that projects achieved their objectives and targets, and non-existent with regard to their long-term impact on land market development and socio-economic development. The paucity of findings is due both to the lack of project documentation, particularly end-of-project reports and final evaluations, and to the quality of information provided in the reports that were available. The lack of post-project impact evaluation studies made it impossible to determine long-term impacts”. A similar conclusion is drawn by Clichevsky (2003:6) in the case of Latin and central American countries.

Materials obtained in the course of preparing this desk review have identified examples of land titling programmes in 35 countries and a wealth of over 200 documents, some of which relate to these and some contain more general discussions of land titling policies and programmes. A list of projects on land funded by the Bank since the 1990s shows that of the primary projects, about half have an urban dimension. Most of the urban projects are related to preparation of a cadastre, land registration or the development of administrative institutions to deal with land titling. Despite the promotion of titling by the World Bank, only 5 out of 44 land projects seem to be related to the actual allocation of land titles in urban or peri-urban areas. Other programmes have been undertaken with funding by different donor agencies or national governments.

There is little to go on in the way of systematic empirical studies of what happens to the residents or the housing environment in urban settlements where tenure security and infrastructure have been improved by titling. Many examples are either of historical examples (de Soto 2000) or experiences gained in rural programmes (eg Feder 1988). Relatively few studies have been undertaken of land titling in urban and peri-urban areas of developing countries, which themselves possess a wide range of characteristics, but all of which are significantly different from those applicable in nineteenth century Europe and America or the rural areas of contemporary developing countries.

It also appears that, just as land titling has been heavily promoted for urban and peri-urban areas without a strong empirical foundation, so the tide of comments in the literature appears to be turning against it based on an equally weak empirical foundation. The present review of literature seeks to present a summary of the present state of knowledge about land titling programmes as a basis for discussion and to provide a starting point for detailed social and economic impact assessments of selected titling programmes in selected countries.

A key issue is the extent to which titles are an essential requirement, as opposed to one of a number of options, to achieve the objectives of increasing tenure security, increasing investment in property, increasing access to formal credit, reducing poverty and also reducing the need for future slums and unauthorised urban development. Another is the extent to which all groups involved, such as newly titled households, tenants, women, private sector investors and developers and government agencies responsible for urban management have benefited from land titling programmes and which stakeholders, if any, have been adversely affected. This is particularly important in urban locations, where titling may have a significant impact on property values and hence on the interests of different stakeholders seeking to maximise their interests in land markets. In such cases, there is a risk that titling may empower investors or others familiar with land market operations more than it empowers residents.

### **2.3 Focus and scope**

What is a land title? It is clear from the papers reviewed that the term land titles, and consequently the term titling, does not have a single, universal, meaning. Instead, there are a number of interpretations, ranging from individual freehold to collective freehold to individual or collective leasehold, to other forms in a given legal system. All of these can be found under the name of titles in different countries.

For the purpose of this review, land titling can be defined as the allocation of real property rights on land, ie rights that are opposable to a third party, and can be transferred, inherited and mortgaged<sup>4</sup>. This includes freehold or long-term registered leasehold as found in common law tenure systems. In the following pages, we review both freehold and leasehold categories, including selected examples where transfer rights may be restricted but do not prevent transfer in practice, such as “patta” type titles in some Indian states<sup>5</sup>. However, the main focus will be on freehold.

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<sup>4</sup> Many countries allocate forms of ownership according to local definitions, some of which refer to customary titles, some forms of leasehold titles or use rights. Such variations are not included in this review.

<sup>5</sup> In Madhya Pradesh, India, Banerjee (2005) notes that two types of title or patta are given. “The 30 years patta (patta ‘kha’) is given to those who are living in settlements that are to be improved and rehabilitated. The annual patta (patta ‘ga’) is given to those who are living in settlements that are to be

## 2.4 Methodological issues

Social and economic impact assessments of land titling, as with many other policy evaluations, are fraught with methodological problems. Identifying and measuring endogenous and exogenous factors relating to the social and economic impacts of titling requires an ability to measure individual variables which are themselves difficult to quantify. For example, security of tenure involves perceptions of the de facto situation at least as much as definitions of legal status. Isolating tenure from a wide range of social and economic variables that affect access to land and security adds to this challenge. Another difficulty raised in reviewing materials presented in this review was the limited information provided by many authors concerning their own methods of collecting and analysing data on the outcomes of titling programmes. This seriously impedes assessments of the reliability of evidence reviewed and reduces opportunities for using existing research as a basis for diachronic analysis. A noted exception to the rule is the paper by Lanjouw and Levy (2002:986-7), which includes a detailed explanation of their research methods, surveys and data analysis.

Another methodological consideration is that titling has immediate, medium term and long-term impacts. One of the main limits in any assessment of the impact of land titling comes from our inability to measure some of these impacts over a long time period, as most titling programmes are less than 15 years old. For example, immediate impacts on property values or tax revenues may be observed, whereas impacts on health and education, gentrification or access to mortgage credit, if any, may not be observed before several years have elapsed. Assessment of the socio-economic impact on owners is complicated both by property changing hands (eg through inheritance) and by the circumstances of owners changing due to non-property factors. When dealing with anticipated long-term impacts, observed trends may be more important than short-term outcomes.

Land value increases have been used as proxies for project benefits, particularly in the evaluation of the World Bank funded slum upgrading projects in Indian cities such as Indore, Kanpur, Kolkata and Chennai (Lipton, 1990). But this approach can be questioned, firstly because of the extreme unreliability of land value data in many cities and secondly, because land value increases are likely to reflect the market potential, rather than the actual improvement in housing conditions.

Although Banerjee does not aim to isolate exogenous and endogenous factors, her studies of shelter and infrastructure carried out in Delhi, Bhopal and Visakhapatnam over a period of ten to twelve years provide a fairly sound basis for examining whether and to what extent improved housing environments in squatter settlements are an outcome of secure tenure and infrastructure improvements (Banerjee 2004).

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relocated. The patta can be inherited but not transferred. Only residential use is permitted. The Act supercedes all other acts and regulations, including the city's Master Plan. The first cut off date was in 1984, and was followed by fresh dates in 1998 and 2003. An amendment to the Patta Act in 2003 allows pattas to be mortgaged for housing loans from banks, registered housing societies or government organizations”.

## **2.5 Sources used in the desk review**

The review has found disappointingly limited evidence of independent assessments of land titling programmes in urban and peri-urban areas. A notable exception is the large scale assessment of its programmes commissioned by USAID from the Land Tenure Center in 2002, which provided balanced findings and conclusions. It offers a unique set of social, economic, institutional and political impact assessments which follow a standard format but also reflect the unique context of each case study location. It provides an impressively comprehensive and balanced appraisal of the successes and failures of different programme and can, in many respects, be considered a model of its kind.

There is a considerable disparity on the one hand between the limited number of assessments of titling programmes demonstrating actual outcomes and, on the other hand, the considerable number of statements, critical analyses, or justifications using econometric models claiming what authors suggest titling *should* achieve.

Our review suggests that the efforts made by many institutions to promote titling and enforce titling programmes are not backed by serious ex-post assessments. This situation is as surprising as it disturbing, since we cannot think of any other area in development aid and lending policies where a policy has been continuously promoted for more than a decade without being subjected to rigorous evaluation concerning its ability to deliver the expected targets.

## **3. CASES REVIEWED**

We are aware that our review is not exhaustive and that there are many examples of land titling programmes which we have not reviewed. We have focused primarily on examples for which information is readily available and in the public domain. These include seventeen titling programmes or projects that have been, or are being, implemented in urban areas in Africa (Angola, Malawi, Senegal, South Africa), Asia (Afghanistan, Cambodia, India, Indonesia, Laos, Philippines), and Latin America (Argentina, Brazil, Bolivia, Colombia, Ecuador, Mexico, Peru). In addition, lessons from abandoned or cancelled titling programmes (such as the programme jointly initiated by the Institute for Liberty and Democracy and the Egyptian Center for Economic Studies in Egypt) have been incorporated.

## **4. KEY FINDINGS**

Evidence on the many potential outcomes and impacts of titling is presented in this section, which groups them loosely into social (Section 4.1), economic (Section 4.2, building and environmental (Section 4.3) and administrative issues (Section 4.4). In such a review the context within which particular outcomes and impacts have occurred can only be referred to briefly, although the importance of contextual factors is raised by Rebueta–The (2005:12-13), Lanjouw and Levy (2002:988) and Benjaminsen et al (2006:1), whilst Fernandes (2002:212) notes that it is also important to consider historical influences.

## 4.1 Social impacts of titling

The social impacts of titling include tenure security, social status and inclusion, gendered outcomes, impacts on health and education, residential mobility and gentrification. Each is discussed in turn below.

### 4.1.1 Increasing security of tenure

Perhaps the single most important justification for land titling programmes is that they increase tenure security. Certainly, they transform what was previously unauthorised – though frequently tolerated – into a legally recognised entity. However, what does this mean in practice? As many observers have noted, tenure security cannot be considered as a simple matter of legal or illegal, formal or informal status; it is therefore a relative concept and a matter of perception as well as law.

The existence of de facto security prior to the issue of titles in many countries, such as Peru (Kagawa and Turkstra (2002:60, Ramirez Corzo and Riofrio 2005:12), Mexico (Angel et al 2006:14) and South Africa (Allanic 2003), appears to severely restrict the perceived benefits of titling programmes in increasing security.

This is not to deny that the prospect of obtaining full ownership of a parcel of land is unpopular, especially if it is free or inexpensive. In their impact assessment of titling in Guayaquil, Ecuador, Lanjouw and Levy (2002:991) found that “all but two [respondents] gave improved tenure security as the primary or secondary reason for their efforts... [however] even untitled owners are not particularly worried about eviction by the government, at least in the short run”. Cantuarias and Delgado (2004:8) also report from Peru that “the main benefit of the formalization program is the juridical security given by the property title, [which] has improved the quality life of the beneficiary families, specially of women and children”.

Intriguingly, these and other examples appear to suggest that land titling programmes are often proposed or implemented in countries or cities where residents in unauthorised settlements already enjoy a degree of de facto tenure security, such as Egypt, India, Mexico, Peru, South Africa and Tanzania. The most significant challenge may therefore be to assess the increases in security experienced in countries or cities where such de facto rights do not exist. The evidence is surprisingly thin and mixed in the contexts of both customary and statutory land tenure systems. However, Payne (1997:18) notes that “in customary areas, freehold creates a class of those with land rights and a landless class as it cannot accommodate extended family and group rights easily”. He also found (1997:46) that “where there are numerous tenants in an informal settlement or customary area, freehold often forces existing low-income tenants out of an area, as they can no longer afford the rents, which rise dramatically after titling”.

It has even been argued that one outcome of titling programmes is to *reduce* security of tenure. In a penetrating and critical assessment of their implications for security of tenure as promoted by de Soto, Mitchell (2006:7) claims that de Soto says that the problem with informal property arrangements is that they leave people *too* secure, with their rights against dispossession too strongly protected. Mitchell quotes de Soto (2000:56) as acknowledging that people of the global south remain “trapped in the grubby basement of the pre-capitalist world” not because they have no property, but “because they have no property to lose.”

Similar experiences of titling actually reducing security of tenure are reported from Afghanistan, where the World Bank (2006) reported a Norwegian Relief Council survey which indicated that “in line with the fact that the more valuable the property, the more vulnerable it is to wrongful occupancy, the more formal the documentation the more vulnerable it is to formal dispute and to alteration”. In India also, protection from forced evictions is not necessarily guaranteed by the possession of a land title (Sukumaran 1999:9). A similar case of the poor benefiting from the allocation of titles but then being vulnerable to either forced evictions or market-driven displacement is reported by Banerjee (2002), who notes that in Kolkata “poorer refugees have not benefited as much as the better off ones, ...in prime areas commercial establishments and promoter-sponsored high-rise middle class housing are displacing poor plot-holders”.

The evidence available indicates, therefore, that increased security may be achieved through several means in addition to titling, whilst the provision of titles may actually *reduce* security for both tenants and newly titled owners, given the attraction of the suddenly enhanced values of their assets to higher income groups or others with the motives and ability to take advantage of the changed tenure status.

Market-driven displacements appear to be an increasingly common means by which land titles reduce security of tenure rather than increase it, as in Cambodia (Gravois 2005:2), Egypt (Sims 2002:82) and Kigali, Rwanda (Durand-Lasserve 2006). Expropriation and the use of eminent domain rights are progressively tending to replace forced evictions.

#### *4.1.2 Social status, integration, and inclusiveness*

Titling transforms the legal status of an area and a community by integrating them into the formal city. To what extent is this reflected in the opinion residents have of themselves or the perception of them by others? Does their social status increase? Are they entitled to all the services available to other citizens? Do they feel included in mainstream society? These questions are not addressed to any great extent in the literature, but the evidence that is available demonstrates how complex, and unpredictable, outcomes can be.

For example, titles are considered to have enhanced social status in Lima. In Ahmedabad, India, the Slum Networking Programme<sup>6</sup> claimed that residents in a settlement granted ten year leases requested that the local authority issue them with property tax demands, as they considered themselves newly legitimised citizens with rights and responsibilities equal even to the city’s mayor, even though they only possessed an occupancy right, not a full title. In contrast, in Cameroon, Firmin-Sellers and Sellers (1999:1118) concluded that “the majority of titles to land have been awarded to state elites (politicians and bureaucrats) and businessmen”.

Potentially, tenure formalisation may induce long-term gentrification, especially in settlements located near city centres, or other potentially high value locations. This is the case of the Dalifort settlement, a very low income slum area in Dakar, Senegal, where tenure upgrading started in the late 1980s as a pilot project, and which can today be considered a middle and high middle-income settlement (Barbier 2006, World Bank 2004). What is less clear, as in many other cases reviewed, is whether the original residents have remained in

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<sup>6</sup> ‘Land Rites’ A video film produced by TVE for the BBC World Television ‘Earth Report’ in 2000.

place with gradually increasing incomes (an outcome which would support the tenure formalisation objectives of increasing incomes, security, social status and inclusiveness), or whether they have been replaced by higher income groups who have improved the settlement. This is an issue on which more research is required.

#### 4.1.3 Gender

Gender is increasingly recognised as a key variable in assessing the social impacts of tenure policy and therefore titling programmes. This is due to the gendered nature of both land legislation and practice (e.g. rules governing tenure registration or access to institutional credit) and matrimonial law and the widespread discrimination experienced by many women living within many customary and statutory tenure regimes. However, it also results from the hope that appropriate measures can enhance women's rights both in law and in practice. It must be stressed that, while the literature on urban land and tenure issues repeatedly refers to discriminatory practices against women in accessing land, relatively few studies analyse the impact of land titling processes on gender equity, although this is one of the main social objectives put forward to justify titling programmes. Where they do, they often fail to distinguish between women with different marital and socio-economic status.

The most extensive coverage of gender impacts of titling programmes is included in the reports published by UN-Habitat in 2005, which provide findings from many countries in Africa and Latin America<sup>7</sup>, though other publications also give the issue attention.

Evidence reinforcing the negative position of women's tenure rights comes from many countries. Typical is Albania, where the Land Tenure Center review (LTC 2002a:28) notes that titles are registered in the name of the head of the family, "almost always the eldest male in the family. There are some women registered as heads of household, around 5%". On a more positive note, considerable efforts to improve the rights of women are reported from several countries, including Mexico (UN-Habitat (2005a:98), Colombia (UN-Habitat 2005), Andhra Pradesh, India (Banerjee 2004), Peru (Angel et al 2006:12; Kagawa and Turkstra 2002:65), Laos (Land Equity 2006:115), Cambodia (Deutsch 2006:ii) and Ecuador (Lanjoux and Levy 2002:1013).

These examples reveal significant and welcome progress in strengthening women's rights in property, which is to the benefit of wider benefit of society. However, the literature also makes abundantly clear that the picture is not always one of progress and that there is no room for complacency. In Cambodia, Deutsch (2006:ii) notes that "although women enjoy much greater formal rights today, substantial inequalities remain". Similarly, Yavari d'Hellencourt et al (2003:37) report in Afghanistan that "despite women's property rights being protected by the statute law, they are not customarily respected". They conclude (2003:42) that "the specific problems of all urban integration of all groups of women (widows, homeless and immigrants) are in urgent need of study". Procedural constraints are also reported from South Africa (Cousins et al 2005:3) and Tanzania (Byabato (2005:71).

As if legal and procedural factors were not enough to deny women justice, cultural factors are clearly an even more entrenched barrier, which will take years, possibly even generations, to

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<sup>7</sup> See UN-Habitat (2005, 2005a). Case studies include Brazil, Colombia, Lesotho, Mexico, Mozambique, Namibia, Nicaragua and Zambia, as well as references to many other countries.

change (UN-Habitat 2005a:122-123; Calderón 2004:297; Calderón, Paredes & Quispe, 2002; Augustinus 2003:27).

Unfortunately, it is not solely statutory tenure regimes which discriminate against women. Customary tenure practices can be extremely detrimental to women, especially through the non-recognition of inheritance rights. Yet, it is important to consider also that customary systems usually provide some form of protection to women, especially in rural areas. In urban areas, women are extremely vulnerable not simply because of gender discrimination, but because of poverty and living conditions in urban slums, where traditional solidarity and customary forms of protection networks may not exist, suggesting that land rights cannot be isolated from the legal framework and cultural environment.

#### *4.1.4 Health, Education and Fertility*

Few research projects have attempted to assess the health or educational impacts of titling programmes. One notable exception is the survey by Galiani and Shargrotsky (2004), which assessed the effects of land titling on child health in a suburban area of Buenos Aires, Argentina. They found smaller household sizes amongst those living on titled parcels (due to lower fertility and accommodation of fewer extended family members) and that the children of families living on the titled parcels showed a positive and significant effect on weight-for-height (2004:364). They also found that rates of teenage pregnancy were substantially higher amongst residents on the untitled parcels (20.8%) than on the titled parcels (7.9%). However, they found (ibid:367) no significant differences in height-for-age between children living on titled and untitled parcels.

In seeking to explain this result, they posit that titled households invested in home improvements at a time when their children were young, as well as in their children's human capital, with the result that the children's school attendance and educational attainment benefited, although "the child effects of land titling seem to be moderate" (ibid:370).

Lanjouw and Levy (2002:994) also found an interesting link between titles and education levels in Ecuador, when they reported that "households on untitled properties have less-educated heads and are far less well off than other property owners". However, since the provision of titles is not always linked to the provision of public services, such as water supply, sanitation and electricity or communal facilities (eg. health clinics and schools), it is difficult to draw any general conclusions relating to the impact of titles on public health. It is, however, a subject on which further investigation is needed.

The consequence of land titling for fertility, which may impact indirectly on health and education issues, is analysed by Field. Her estimates "indicate up to a 22 percent reduction in fertility for squatter families who received a property title through the government program in Peru" (Field, 2003a:23).

#### *4.1.5 Residential mobility, gentrification and spatial integration*

An assumed benefit of titling is that it facilitates property transfers in an open and efficient land market. This is certainly the view of Lanjouw and Levy (2002:1011) who state that "when a buyer cannot be sure that a household will honour the 'sale' of its property, and when a property owner cannot be sure that a renter will honour his

commitment to leave, households have a more limited range of people with whom they can transact, perhaps including only friends and family members”. However, they also found that “most of [the] surveyed households expect to remain on their properties for a very long time, so the most important welfare consideration may simply be the increase in security that households derive from living on a property over which they feel they have stronger ownership rights”. Similar outcomes are reported by Gilbert from Bogotá (2002), whilst Angel et al (2006:14) report that in Mexico “there is very little buying and selling of homes in consolidated communities, except in desirable areas that are subject to gentrification”. This suggests that while advocates of land titling may well wish to encourage an active land market in which households use property as a commodity like any other and move ‘up-market’ when possible to improve their social and economic status, in practice, newly titled households do not routinely adopt this practice. Instead, they continue to regard their properties primarily as homes, the basis for family and community life, and an asset to bequeath to their children. However, observations made by Angel et al about land sales following tenure regularisation of informal settlements located “in desirable areas” suggest that informal settlements located in prime urban areas may be exposed to accelerated gentrification following land titling (Durand-Lasserve and Royston, 2002:235-236).

One can refer to three situations in which post-titling sales *do* appear to be significant. These include distress sales (Cousins et al 2005:3), sales in peri-urban locations to which residents have been relocated from informal inner-city settlements (Deutsch 2006:34-35) and cases where households are realising the windfall gains of titled properties in locations attractive to higher income households or private developers.

The literature therefore reveals two opposing approaches by governments concerning the integration of titled areas into the formal land and housing markets. In some cases, transfers are encouraged, although they do not always happen for the reasons predicted, whilst in other cases, transfers are discouraged for social reasons, although the restrictions may not be effective. It is difficult to predict the impact of titling on property sales, perhaps because owners’ reactions to dramatic and sudden changes to property values are always unpredictable, or because the view of property as a tradable investment does not reflect the priorities or needs of the groups affected. These uncertainties imply that an incremental approach to changing the legal and economic status of informal land may be more appropriate than a complete transformation that integrates it rapidly and wholly into the legal and formal market.

Evidence concerning spatial integration suggests that over-complicated administration, combined with restrictive zoning, unrealistic development norms and cumbersome registration procedures, often make tenure regularisation impossible for those applicants who cannot pay bribes or have no connections within the local and central administrations in charge of land administration and management. In summary, whilst the evidence is limited, titling does not appear from the literature to have either accelerated the integration of informal settlements into formal property markets in ways that benefit the poor as intended, or to have protected them from exploitation.

#### **4.2 Economic impacts of titling**

Measuring the economic impacts of land titling programmes is not easy. In 1996, the World Bank noted that “land registration and titling projects have not so far been required to

calculate an “economic rate of return” before submission to the World Bank Board. This is because there have been few economic studies of the economic benefits of land titling, especially in urban areas” (World Bank 1996:15). The literature elsewhere is also disappointingly thin in terms of independent assessments. In this section, the available evidence on investment, values, access to credit, household incomes, the costs of titling and tax revenues will be summarised.

#### 4.2.1. *Investment in housing/property*

The superior tendency of land titling to stimulate investment in housing and property development has been advanced as a key factor justifying the promotion of titling rather than other forms of tenure. This is based on an assumption that households will only invest in property improvements if they own their assets and that such investment will be protected in law. As such, evidence concerning the impact of titling on investment constitutes a key issue in assessing titling projects and programmes.

In Peru, Cantuarias and Delgado (2004:9) state that “the Base Line Survey of COFOPRI (ELB) suggests ... (i) 75 percent of the population with property titles has invested to improve their homes versus a 39 percent of persons without property titles; (ii) between 1994 and 1999, the number of rooms per house increased in approximately 20 percent within the target sector; (iii) families with property titles have more rooms in their homes; and (iv) the families with property titles have better quality homes. Furthermore, the qualitative survey of the real estate market ordered by PDPU, found out that people from NSE C and D considers that the property title increases the value of their property between 20 percent and 30 percent”. However, these conclusions should be treated with caution as COFOPRI is the implementing agency for the land titling programme and the authors do not give details about their survey methodology. Nonetheless, given that the most widely implemented and reviewed programme is that undertaken since 1996 by COFOPRI<sup>8</sup>, and research papers by Field have been widely quoted as evidence of the successful impact of land titling programmes in increasing tenure security, investment in home improvement and poverty reduction, her papers provide a useful starting point for any review addressing this issue.

In her 2005 paper, Field compares housing investment before and after the program among participating households with changes in investment among two samples of non-participants. Her results “indicate that strengthening property rights in urban slums has a significant effect on residential investment: the rate of housing renovation rises by more than two-thirds of the baseline level”.

There are several important points in the above quotation. First, it is hardly unexpected that “strengthening property rights in urban slums has a significant effect on residential investment” and this observation is supported by virtually *all* observers of land tenure and property rights. What is significant is that she is not claiming that titling per se is the means of encouraging such investment, but increased property rights, a much more modest claim. The key issue is to what extent titles are *the only* form of rights which can achieve this objective. Significantly, other observers of the situation in Peru (eg Calderón 2004:298) note that “when poor urban families feel secure about staying in the dwelling they occupy, in other words they know they will not be evicted, they are more likely to invest in housing

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<sup>8</sup> Commission for the Formalisation of Informal Property, (COFOPRI) established by the government of Alberto Fujimori

construction and to establish contact with public or private service companies to obtain water, sewerage and electricity connections. The relationship between tenure and investment is certainly not simple. In fact, there is some evidence that households may invest in substantial constructions because they *lack* formal tenure and are therefore seeking to create de facto security through facts on the ground, for example in Eldoret, Kenya (Musyoka, 2004) and Albania (McAuslan, private comm.).

Secondly, Field accepts that “changes over time reflect an increase in investment incentives related to the lower threat of eviction”. She does not report if the levels of increased investment over time by households in older established untitled settlements has also increased. Yet as Calderón demonstrates, such investment has been observed throughout squatter settlements in Lima. These points seriously undermine the claims of the Peruvian programme that titling represents the most effective means of increasing investment or access to formal credit and suggests it is simply one of several effective means.

Similarly, although Galiani and Shargrodsky (2005:21) conclude that in Buenos Aires “moving a poor household from usufructuary rights to full property rights substantially improves housing quality”, they fail to recognise the extreme levels of insecurity experienced by the households in their sample in the years prior to titling, while *The Economist* (August 2006) acknowledged that “title is not enough in itself to animate the dead capital interred in land and property”. A key issue relates to the significance of titling not only as a means of increasing investment in property but also with respect to achieving other intended benefits, such as access to credit and public services. Often, lack of title does not preclude infrastructure investment. For example, in Colombia, the Constitution entitles all citizens to access public services on the sole condition that they can pay for them<sup>9</sup> and levels of investment appear high in informal as well as formally titled areas. Similarly, in countries where the threat or perception of eviction is minimal or non-existent, such as Turkey, Trinidad, Egypt, Morocco and West African cities, owners appear willing to invest whether or not they have formal tenure status. In other words, it may be the *perception* of security and achievement of a minimum bundle of property rights that exerts a greater degree of influence over levels of investment and other benefits than titles per se.

In Cambodia, Deutsch (2006:39) found no evidence of a relationship between respondents’ perception of security of tenure and new investments. However, many of the households receiving titles in Phnom Penh received their titles not for the inner city plots which they had been occupying previously, but in newly developed slum relocation settlements some ten kilometres or more from the city. Similarly, in Delhi, Kundu and Kundu (2005:12-13) report that the Delhi government gave land titles in resettlement sites located at long distances from the city centre. This raises two key issues for the assessment of land titling programmes where they are undertaken as part of slum relocation policies. First, it suggests that the integration of informal land markets into formal markets may not benefit the poor unless they involve the provision of titles in situ. Secondly, it suggests that comparisons of investment levels in titled and untitled areas cannot be made if relocation is involved, first because the threat of relocation adversely affects decisions on housing investments, and second because the locations of resettlement areas may be better or worse than the area of current residence.

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<sup>9</sup> In another example, the Draft Slum Policy of India states that “households in all urban informal settlements should have access to certain basic services irrespective of and tenure or occupancy status” (GOI 1999, quoted in Banerjee 2004).

Kessides (1997:11)) considers that “while formal land registration and titling have been a component in many Bank-supported projects and often a source of delay in implementation, experience has shown that infrastructure improvements providing less than legal title can create a sufficient informal security of tenure to permit residents to invest and acquire other services”. Angel et al (2006:14) came to the same conclusion in Mexico where they noted that “homeowners do not wait for titles to make improvements to their homes. Any lack of investment appears to be controlled more by limited income than lack of title”.

On a more general level, Bromley (2005:5) argues that “the fascination for titles springs largely from the utopian idea that a title will give those who now live in slum dwellings an incentive to invest in those dwellings—to upgrade them. However, economic theory suggests that if slum dwellers have sufficient discretionary income with which to improve their sorry surroundings they would be smart to use that income to acquire better housing elsewhere. This follows from the realization that it is impossible for individuals to recover the investments in home improvements in neighborhoods that are themselves blighted and unpromising. Housing values are dominated by location, and a newly refurbished house in a blighted area will be regarded as a bad investment by a potential buyer. Many buyers seek the worst house in a very good neighborhood, not the best house in a very bad neighborhood. The logic is clear. Incremental improvements in the bad house will quickly bring it up to the standards of the neighborhood. The best house in a bad neighborhood is continually burdened by its surrounding. We must not forget that there is nothing automatic, mechanical, about titles leading to home improvements”.

The clear conclusion from the evidence is that titling is one of many means of encouraging investment in housing and land, though by no means the only one. The evidence has not always confirmed that where investments in property improvement have been made following the provision of land titles, such investments have been made by the original residents. Instead, they have sometimes been made by others, such as private sector investors or new households replacing the original families. Whilst either may improve the condition and increase the value of the property, the social impacts may be very different. This is another aspect on which additional research is required.

#### *4.2.2 Property values and costs of access*

A common claim in favour of titling programmes is that they generate a significant increase in property values. The literature provides considerable support for this claim.

Using data collected by COFOPRI, Cantuarias and Delgado (2004:9) state that in Peru “the marginal impact of a property title in each piece of land is approximately US\$925. If it is considered that the average value of each lot with no property titles in the study is approximately US\$3,680, this represents an increase of 25 percent or, put it in other words, a minimum impact of US\$523,120,800”. Angel et al (2006:11) also found that property values increased by an average of 25% after titles were issued. A significant increase in the value of titled properties, compared with untitled ones, is also reported by Lanjouw and Levy (2002:988), who found in urban Ecuador that “having title is associated with a sizable increase in the expected market value of their properties – on average 23.5% of untitled property values”. In Jakarta, Dowall found that residential plots with clear title sold for a 45 percent premium over comparable plots without clear title and in Manila the risk of eviction is considered to lower the value of housing units by 25 percent (Dowall and Leaf, 1990;

Dowall, 1998). Burns (2006:4) cites earlier research by Dowall and Leaf (1989), who interviewed land brokers in 128 districts of Jakarta and determined that registered land was up to 73% more valuable than similar land held by a weak claim. In Cambodia, Deutsch (2006:iii) reports that 93% of respondents would pay more for land that has an official land title. Finally, Mitchell (2006:17) quotes Alston, Libecap and Schneider (1996), who report that in Brazil “a property titling program led to a doubling in the value of land”. Another study found an increase of twenty-five percent, and other estimates fell between these two figures”.

The evidence suggests that price increases of 25 percent are common following the provision of land titles, and in some cases the increases are even higher. What this also suggests, however, is that the lack of a formal title is a price which the urban poor pay to gain access to a residential plot which they could otherwise not afford. Of course, increases in land values are beneficial to owners planning to sell land, but they are less attractive to those seeking to acquire it, as average incomes do not increase at a similar rate to average urban land values. There is anecdotal evidence that the ability to sell land more easily and at a higher price may in itself be a motivation for some households seeking land titles. What they do with the capital acquired would make an interesting research study, since they will presumably need to obtain an alternative parcel of land, either by paying an enhanced price for titled land, or by occupying land informally and thus increasing the growth of informal settlements.

This point is taken up by Mitchell (2006:18), who questions if the benefits of increased property values are to everyone’s advantage. He points out that “the increase in property value comes from two sources, neither of which represents “dead” capital brought to life. In the short term, it comes from speculative investment. Such investment simply draws existing capital away from more productive ventures, exacerbating broader problems caused by the lack of investment in activities that create employment. But the bulk of any increase in property value is realized only in the longer term, when the next generation of individuals seeks housing. The rising cost of land makes future housing more expensive. It now carries the premium of paying the income of speculators and rentiers. So those saving in the present for a house they hope to build in the future must work harder and longer and save more funds. The outcome is an intergenerational transfer of wealth”.

Finally, Payne (1997:18) claims that, whilst many of those who receive titles under titling programmes benefit, “a significant and permanent under-class may be created. In some cases specifically targeted state action is initiated to protect the basic needs of such groups, though this excludes many in need and creates dependency on those receiving benefit. Where subsidies are used to enable low-income groups to obtain freehold title, there is evidence of widespread ‘downward-raiding’ as occupants realize the true market value by selling to higher-income groups. It can be argued, of course, that such ‘downward-raiding’ reduces market distortions by integrating plots into the market at their ‘true’ value, though once an area is converted to higher-income occupation, it may become more difficult for low-income households to obtain housing in areas originally intended for them”.

The literature therefore broadly supports claims that titling increases property values, though it is clear that while this is good news for those selling, it is bad news for those buying now or in the future. Even for those selling, the increased price of land may create a ripple effect that raises the price of other parcels that sellers purchase, partly negating the benefit. A further consideration is that, as land and housing prices rise, so access for future households becomes more expensive, excluding them from areas that are presently available and even excluding

the children of property owners, especially in cases where inheritance taxes reduce the ability to pass property from one generation to another. Under such conditions, any increased asset values resulting from titling may represent an inter-generational transfer of resources from future generations to the present.

#### 4.2.3 *Access to (mortgage) credit*

The ability to use property titles as collateral in accessing formal credit is widely considered to be a key reason for selecting land titling over other tenure options. The issue correspondingly receives considerable attention in the literature, for reasons cited by Bromley (2005:2), who observes that the gathering momentum concerning the formalisation of rights in housing is based on the allegation that “titles are also said to permit individuals to gain access to official sources of credit—banks, credit unions, lending societies—using their new title as collateral for loans to accomplish several desirable outcomes: (1) start a business; (2) upgrade a dwelling; or (3) undertake investments so that agricultural production will be augmented. All of these outcomes are seen as a means whereby the poor can help themselves without the need for grants and various anti-poverty programs from the international donor community, or even the aid of national governments. It is simple, cheap, and effective”.

Predictions about increased access to formal credit following titling are certainly ambitious. According to Panaritis (2002:13-14) “Banco Sudamericano, expects mortgage portfolios to expand by 5 to 10 percent within the [Peruvian] banking system in 2001, with much of the growth generated among lower-income groups whose household income ranges from \$200 to \$300 a month. . . . Such customers tend to be less sensitive to political volatility than upper-income families, and better risks... [they are] Peruvian citizens who were previously unable to obtain such loans... It does not seem unreasonable to assume that by the end of 2003, with hundreds of thousands of other properties formalized, more mortgages will be granted, more bonds will be issued and international capital will be flowing into Peru”.

Apart from the intriguing comment that the poor represent a better risk than high-income families, this suggests that the financial system in Peru was gearing up to meet an anticipated massive increase in demand for formal credit from the newly titled poor. Certainly, land is recognised as a common collateral for securing a mortgage: Land Equity (2006:53) cites World Bank reports that 95 percent of commercial bank loans to businesses in Zambia are secured by land, in Indonesia 80 percent, and in Uganda 75 percent. A more pertinent question in terms of the impact of land titling programmes, however, is their impact on access by the poor to mortgage credit. The outcomes appear on balance less impressive than the forecasts, though reports vary.

Taking the well-known and influential example of Peru first, Cantuarias and Delgado (2004:10) report that “(i) the number of mortgages registered has increased 106 percent from 2000 to 2003, being the yearly increase of 10 percent, 45 percent and 28 percent respectively; (ii) mortgages amount increased from US\$66 millions in 2000 to US\$136 millions in 2003; and, (iii) from total amount of mortgages constituted between 2000-2003, 80 percent were constituted in favor of private entities within the Formal Financial System. Credits granted by the formal financial system, have increased by 47 percent in 3 years (December 2000-December 2003), from US\$ 249 millions to US\$ 367 millions; while the number of credits granted has grown 53 percent in the same period (from 154,000 to 235,000). Despite this success, only 45 percent of the initial potential market was reached (people demonstrating their income and having property titles)”. They state that “the total number of mortgages

constituted between 1999 and December 2003 is approximately 65,000”, representing an average of approximately 13,000-15,000 a year, a somewhat modest level compared to the scale of the programme.

Panaritis’s work (quoted in Galeana and Panaritis, 2002) implies support for the ambitious projections of increased access to mortgage credit. Her studies in Peru claim that 45 percent of property owners with recently formalized titles have solicited loans (Panaritis 2001:12, 20, 22,) and that this includes both the poor and the middle class. Two qualifications would appear in order concerning these claims. First, the owners of recently formalised land have *solicited* loans, as opposed to actually obtaining them, and second, demand is from “both the poor *and* the middle class”. No evidence is provided concerning the relative proportions of these two groups.

Very different outcomes to the predictions are cited by Field and Torrero (2006), who found that the odds of households obtaining a private loan after titling did not improve and more than a third could not get a loan or would not take one. In particular, they found that, although loan approval rates from the government Materials Bank were 12% higher when titles were requested<sup>10</sup>, “there is no evidence that titles increase the likelihood of receiving credit from private sector banks” (2006:1). They conclude that private banks “are not using property titles to securitize loans”.

This evidence is of considerable importance, since the Materials Bank was established by Government primarily to allocate loans to the poor and therefore operates under different operational criteria than private banks. Field and Torrero do not mention that the Materials Bank suffered significant default rates on its loans<sup>11</sup>, a level no private bank could sustain. Given that the Peruvian experience has been widely promoted as the world’s most large scale and successful example of land titling programmes in reducing urban poverty, this suggests that in countries where access to formal mortgage credit is only available through private banks, titling may not necessarily increase access to such credit.

According to Angel et al (2006:12), in Peru “COFOPRI has attempted to link titled beneficiaries to credit institutions by organizing presentations by credit providers in newly-formalized communities. However, studies have not yet been able to demonstrate direct causation between the titles and increased extension of credit, since the main cause for loan rejection in Peru is low repayment capacity of the borrower rather than lack of collateral in the form of a title”. This overlooks the point that titling is promoted as a means of reducing poverty.

An equally negative assessment is provided by Gravois (2005:1), who reports that “in various parts of the Third World, newly legalized squatters on the outskirts of cities are discovering

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<sup>10</sup> Field and Torrero note (2006:3) also that “households with no legal claim to property are 9-10 percentage points less likely to secure a loan from a public-sector bank for housing construction materials.... though we find no effect of formal property ownership on approval rates of private sector banks”.

<sup>11</sup> Kagawa and Turkstra (2002:68) report that 25 percent of residents who currently have loans from Banco de Materiales are said to have defaulted, since they are either unable or unwilling to repay. They state that “Banco de Materiales identifies the latter reason as due to COFOPRI because it, and RPU have given land for free, giving the beneficiaries the illusion that anything given by the state is for free and therefore there is no need to pay back”.

that a property title supplies little of the benefit de Soto projects. Government studies out of de Soto's native Peru suggest that titles don't actually increase access to credit much after all. Out of the 200,313 Lima households awarded land titles in 1998 and 1999, only about 24 percent had gotten any kind of financing by 2002—and in that group, financing from private banks was almost nil. In other words, the only capital infusion—which was itself modest—was coming from the state. Reports from Turkey, Mexico, South Africa, and Colombia suggest similar trends. ‘In Bogotá's self-help settlements,’ writes Alan Gilbert, ‘property titles seem to have brought neither a healthy housing market nor a regular supply of formal credit’”.

Elsewhere, the impacts of titling on credit appear equally modest. In Argentina, Galiani and Shargrodsky (2004, 2005) compared the impacts of titling in otherwise identical settlements, one titled and the other untitled<sup>12</sup>. Key variables in their study were the impact of titling on investment levels and access to credit. The housing quality of titled land was indeed higher than that of untitled households. However, with respect to credit they found that, whilst no households without titles had obtained a mortgage, the figure for those with titles was only slightly higher at 4 percent.

*The Economist* newspaper, a longstanding supporter of titling, has more recently (August 2006) moderated its support in recognition of the findings of the surveys by Galiani and Shargrodski, together with Field (2003a, 2003b, 2005). *The Economist* leader accepts that “poor people with title are no more likely to obtain a loan from a commercial bank” [than those without]. Undaunted by the modest impact of titling on access to formal credit, the *Economist* leader writer observed that it was “disappointing, but not surprising”. It continued, “Argentine banks tend to lend only to workers with high wages and a stable job. Titled or not, the former squatters still fell well below the official poverty line. The cost of making and enforcing a loan contract might exceed the modest sums they were able to borrow”.

The evidence from other countries does not lend support to claims that titling has a significant impact on access to formal mortgage credit. A survey of several African countries by IIED (2006:12) notes that “while more research is required, there is no evidence in the case studies that poor groups seek to use land titles as collateral. The risk of losing land is felt to be too great, and employment and income are key factors to obtain loans.... There is little evidence that smallholder farmers or low-income urban residents use land titles to secure capital. Only distress sales of land are common and security of tenure is sought above capitalization of assets”. Within Tanzania, a survey in Dar es Salaam by Byabato (2005:72) found that “80% of households interviewed would not seek formal credit from a bank if they had to use their title deeds as collateral. The main reason was that they feared losing their prime asset – their property”. Similar views were expressed by owners with informal property rights in several cities studied in Anglophone Africa (Rakodi and Leduka, 2004).

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<sup>12</sup> A key feature of the studies by Galiani and Shargrodsky is that the settlement of San Francisco Solano, in the County of Quilmes, Buenos Aires Province, provided a natural experiment, in that the evidence shows that squatter households who chose to accept or reject the expropriation payment offered had similar characteristics. The former were issued with titles, while the latter continue to be squatters. Thus “at the beginning of the occupation, both groups share the same household pre-treatment characteristics. Since the decision of the original owners of accepting or disputing the expropriation payment was orthogonal to the squatter characteristics, the allocation of property rights is exogenous in equations describing the behavior of the occupants”. (ibid:3)

Angel et al (2006:15) report a lack of increase in access to mortgage credit from newly titled households in Mexico, where they report that “although a title is a necessary precondition for access to loans in the formal market, utilization of credit does not appear to be widespread among regularized communities, even after titles are issued. They also report a lack of take-up from Brazil, where “although CRRU titles [Concessions to the Real Right to Use] permit the selling, renting and use of land as collateral, they are rarely used for such purposes due to a variety of restrictions. An equally sobering comment is provided by McAuslan (2006:10), who warns that “the use of land as security and an engine of wealth creation in Africa will continue to be problematic until more creative mortgage systems and laws are applied”. This suggests that the poor are as reluctant to borrow from banks as the banks are to lend to the poor, irrespective of whether applicants possess titles or not.

In reviewing the alleged benefits of being able to use property as collateral for a loan, Mitchell (2006:15-16) states that “the evidence available shows there is little or no positive impact. If those with informal property seek title, it is not to risk it in taking out loans. The titling program the ILD itself devised and managed in Peru, the largest to date, demonstrated this clearly. Four separate studies of the program found that it had no discernible effect on the supply of business credit... A large property titling program in Thailand was also found to have no effect on the likelihood of receiving bank loans”. Mitchell concludes (2006:22-23) that there is an “advantage of informal savings and investments over using real property as collateral for credit. Such saving and investment has several advantages over using real property as collateral for credit. First, it draws savings into productive activity rather than real estate investment. Second, it is typically controlled by women, who are more likely than men to direct income towards the basic needs of children and the household”.

According to Mitchell (2006:10), “the main argument presented in the [de Soto 2000] book is a passing reference to the idea that in the United States many people launch small businesses by borrowing funds using their homes as collateral. How significant is this source of credit? De Soto cites no evidence for the claim, and the data available on small business credit in the U.S. does not offer much support. Among very small businesses, forty percent borrow no funds at all and the most common source of loans for those that do is a personal credit card”. He concludes (p13) that “all owners would prefer their homes to be legal, but not because they plan to use them as collateral. Legal housing does not carry the expense of the frequent summonses and fines imposed on unlawful construction, and may be easier to connect to the water and electricity supply”. Later (p19), he accuses de Soto of arguing that property “can only be turned into collateral, and from collateral into credit, if rules and powers are arranged to enable creditors to seize the property of debtors who default”. In this way he implies that access to credit is a temptation to lure people into accepting a prize that might lead to their ruin.

According to Ho and Spoor (2006:583), the limitations of using titles to increase access to credit, and the dangers to which this exposes the poor, have recently been acknowledged by the World Bank, which they claim as stating that “there may be many circumstances where formal titles will not have an effect on access to credit. At low levels of income and in the absence of other mechanisms for social security, land serves as a social safety net. Foreclosing on the land of households who have defaulted on credit would deprive them of the basic means of livelihood and may not be socially desirable which is essentially the reason for customary systems restricting the marketability of land. Even where formal law decrees that land should be fully tradable, such legislation may be impossible to implement (World Bank, 2003)”.

The literature cites two other factors which significantly influence the impact of titling on access to mortgage credit. The first is the form of title or, in the case of long leases, their duration. The second consideration is that an inability to satisfy all the official standards may preclude owners, not only from legalising their property, but also from accessing institutional credit. For example in India, planning rules and construction norms do not always allow legal building improvements (Banerjee 2004:9), whilst in Kampala, plots in informal settlements that are smaller than the prescribed minimum cannot be legalised (Nkurunziza, 2004).

The thrust of the literature reviewed therefore suggests that titling has not, at least in the short term, generated any significant improvement in access to formal credit. However, there is a hint that in Peru and Argentina, flows of credit have increased within a few years of titling programmes having been introduced. A key research question is therefore to what extent this increased credit has been allocated to newly titled households in previously informal or unauthorised settlements, as opposed to higher income purchasers. A secondary question is the extent to which such credit has been invested in home improvements and/or other productive investments. A third question concerns the socio-economic characteristics and motivations of plot owners who choose to mortgage their property compared with those who do not.

#### *4.2.4 Household incomes, employment and labour mobility*

Do titling programmes increase labour mobility and employment? Surprisingly little comment is provided in the reviewed publications, though Graglia and Panaritis (2002:14) certainly predicted a glowing future in Peru: “Other positive effects cascade through the imagination like dominos. An entire, relatively large, local capital market, the MBS, is only one year old. As that market increases in size and complexity, jobs will need to be created and the level of employee sophistication increased. Increased demand for services ranging from insurance to utilities will also contribute to favorable employment statistics. Entrepreneurs will have newfound capital sources and enjoy a higher degree of mobility. These are just a few examples that illustrate how the registry will touch and benefit many levels of society within the region”.

Increases in household incomes are inevitably linked with improvements in the macro-economy and access to services. Nonetheless, tenure formalisation, and titling in particular, is advocated by the CLEP (2006:1) on the “the conviction that poverty can be eliminated though increasing tenure security”.

This issue is addressed in widely quoted papers on the titling programmes in Peru by Field (2003a, 2003b), who found evidence that newly titled households work an average of 17 percent more hours than do squatter households awaiting a title and are also 38% more likely to participate in organized activities outside the home”. She also reports a 47 percent decrease in the probability of working inside the home and a 28 percent reduction in the probability of child labour. No data is cited as to whether the increased hours are equated with increased incomes; many squatter and titled settlements around Lima and other major Peruvian cities are located long distances from major employment areas and the additional time and cost of travel to such locations may not represent a significant benefit. It does, however, suggest a faith on the part of titled households in the willingness and ability of the police and other authorities to protect their property in their absence.

In a review of Field's research, Mitchell (2006:19) draws very different conclusions from her findings. He argues that "while newly titled property owners failed to use their houses as collateral, they did realize an important benefit. They began to work harder. The data was said to show an astonishing forty per cent increase in the number of hours worked outside the house. [Field] argued that property titling must have freed householders from the need to stay home to defend their property, enabling them to seek more employment in the market. The study offers an image of householders suddenly able to put down the weapons with which they were forced to protect their rights in the lawless world beyond the market. With property titles secured, they head off into the world of the market, where hard work will now be rewarded".

Mitchell (2006:19) challenges key methodological aspects of Field's research and claims that she is not comparing like with like and that this undermines the conclusions of her survey. He states that her paper "claims that there was no significant socio-economic difference between neighborhoods titled early and those still waiting to be titled... In fact the evidence in the paper's footnotes and appendices makes clear that neighborhoods were chosen for titling first because of ease of titling, including proximity to commercial centers. More than half the titled neighborhoods were in Lima, whereas a majority of the untitled neighborhoods were in provincial cities, mostly in just two towns". Labour market opportunities and choices for owners resident in the different study areas therefore differed considerably.

Galiani and Shargrotsky (2005:28) found no evidence that titling generated an increase in "household head income, total household income, total household income per capita, total household income per adult and employment status of the household head" in their study in a suburb of Buenos Aires, Argentina. They continue, "in spite of land titling, these families are still very poor... their household income amounts to only 38% of the official poverty line, and 94% of households are below this line" twenty years after titles were allocated.

According to Yose (1999), quoted by Cousins et al (2005:3), in a Cape Town case study "some socio-economic impacts [of land titling] have been negative. Informal economic activities have been displaced (and sometimes relocated to nearby informal settlements). Social networks were disrupted as the allocation of plots ignored kinship ties and social networks. The small size of the houses also meant that landlords were unable to accommodate extended family members or tenants, upon whom the landlords relied for rental income".

Finally, despite the advantages of titling in many respects, Fernandes notes that "the fact is, even when they have titles following the completion of regularisation programmes, the residents of informal settlements are still perceived – and see themselves – as *favela* dwellers and, as such, they are discriminated against by the labour market" (Fernandes 2006:78).

It is difficult to draw any general conclusions from this mixed evidence. In the case of Peru, clarification would appear necessary in order to confirm or refute Field's findings. Also, it would appear that in changing the legal status of land and housing from unofficial to official, an indirect consequence is that previously dynamic unofficial economic activities, such as Home-Based Economic Enterprises (HBEEs) may not be permitted, seriously undermining the livelihoods of newly titled households, though in India, the converse appears to be true. A key consideration is whether journeys to work lengthen in response to increased choice of labour market opportunities or as a necessity, as may be the case of titling programmes in

peri-urban areas housing communities relocated from inner city locations. Again, this is an area on which further research would appear to be required.

#### *4.2.5 Costs of titling*

Are land titling programmes expensive? The answer depends partly on the intrinsic costs (and benefits) of alternative options, the ability to afford costs and, of course, who is paying. It also depends on the number of steps involved in the land registration procedures, and the efficiency of administrations involved in the titling process. It is also relevant to consider subsequent increases in revenue streams generated by property taxes (see Section 4.2.6) and possible indirect benefits to urban land and housing markets following the allocation of titles.

According to Augustinus (2003:25), “freehold and registered leasehold (including co-ownership) are the most expensive tenure types, because they use professionals to create the right, transfer it and maintain the (centralized) registration records over time. As a result of the length of time it takes, and the lack of human and financial capacity in government, most countries do not have universal coverage and most developing countries only have 10 percent of parcels documented”. Augustinus also notes that it is important to distinguish between the costs of titling existing settlements and newly developed areas and considers that “it is 10 times more expensive to upgrade and title an informal settlement than it is to title vacant land (cost is also associated with the adjudication issue)”. Furthermore, “only a small proportion of households can afford even the subsidized cost of a site with a title. Those who can afford that cost often realize the true market value and sell to higher income groups”.

Buckley and Kalarickal (2006:22) also consider that “titling is often a costly process. It is not just a matter of formalizing informal arrangements that already exist. Very often, contradictory claims of ownership succeed the announcements of titling programs. As Woodruff (2001) shows, the costs of adjudicating these claims may abrogate the gains from titling”. IIED (2006:11) reports similar conclusions, stating that “formal land tenure registration systems, particularly titling, tend to be expensive, not necessarily tailored to local contexts and inaccessible for poor groups”. Stanfield and Bloch (2002:6) also express concern that titling can provoke disputes between claimants which raise programme costs.

Cantuarias and Delgado (2004:11-12) provide specific costs for titling and first registration in the case of the COFOPRI programme in Peru. These costs are shown to have risen between 2000 and 2003, though they need to be related to affordability to have any significance and such data are not provided. In the case of Ecuador, Lanjouw and Levy (2002:1012-3) found that the estimated cost of obtaining a title represents, on average, 102% of household annual per capita consumption (Lanjouw and Levy, 1999). Although the costs may be spread out over time, they clearly represent a substantial expense for squatter households. On the other hand, a cost-benefit analysis would suggest that it pays off and that private benefits of title are substantially higher than the private costs.

The costs of formal titling programmes also have to be considered in the context of the costs of informality or informal costs in obtaining titles. In Cambodia, the World Bank (2002:7) states that there is a strong demand for titles and that people already pay US\$200 to \$300 and more (in informal fees) for title to land in urban areas.

Costs do not stop with the acquisition and registration of titles. In Cape Town, Cousins et al (2005:3) noted that the new property owners also became liable for paying rates and service charges, then around R200 per month. Many were unable to afford this, although the situation has subsequently improved with the introduction of rebates. This means, of course, that the benefit of free titles received by residents was at the expense of the local authority's revenue base. Anecdotal evidence from Johannesburg indicates that many households cannot afford the costs of living even in subsidised housing and distress sales are increasing.

In some Indian cases, households receive titles free of charge and the government picks up the bill. The total cost to the government of free titles can be substantial. In Peru, Angel et al (2006:11) report that "the cost of the first phase of COFOPRI's operation (1996-2004) was US\$66.3 million", suggesting an average unit cost per title of \$44.76, though it is not clear if all overhead costs are included in this figure.

According to Palmer (1998:87), the costs of titling can be reduced by changing formalisation procedures and reducing other inefficiencies. He also suggests (p92) that title insurance schemes should complement, rather than duplicate, a registration system. Where titling costs are charged partly or wholly to beneficiaries, Clichevsky (2003:55) found that the costs had negative impacts on both titled households and titling agencies because cost recovery was often poor.

#### *4.2.6 Tax revenues*

The integration of informal settlements into formal urban land and housing markets is widely held to increase tax revenues to local governments, finance the provision of those services that cannot be directly paid for by users and create a virtuous circle of improved local governance and competence. To this has to be added the question of what short and long term impacts these have on low-income groups.

The literature does not provide clear answers to these questions. However, Burns (2006:3) claims that in the Thailand Land Titling Project (TLTP), which commenced in late 1984, annual revenues increased from about US\$150 million in 1985 to a peak of over \$1200 million in 1996. Even after the property market crash of 1997, revenues remain at an average of almost \$400 million a year nationally, a substantial sum.

Information on the basis for determining property taxes is rarely stated. In cases where property values rise substantially following titling, taxes based on such values will theoretically generate correspondingly large revenues. However, this places heavy demands on newly titled households whose incomes may remain low and irregular. In such cases, the only means of paying such taxes and administrative charges may be to sell the property, as is reported in South Africa and elsewhere. Conversely, if taxes are set according to the costs of allocating and registering titles, the consequent net increase in revenues may be small. Revenue depends both on maintaining accurate and up to date valuation rolls and on collection rates. However, Lunnay (2005:9) suggests that land titling projects implemented in Asian countries have, to a lesser or greater degree, all experienced problems with property valuation.

In reviewing many case studies of land administration programmes, Land Equity (2006:111) quote Bird and Slack (2002:33) to the effect that "using tax as an instrument of land policy was raised many times but this strategy has difficulties. It was argued that such policies had

little impact where they were introduced in countries such as the Philippines and that ‘...the time and effort devoted to designing land taxes intended primarily to achieve non-fiscal purposes has detracted from the more important task of implementing an effective and efficient revenue source for local governments.’ In Mexico, “some *ejidos* prefer not to regularise the land for human settlements to evade paying the land tax, which obviously promotes informality in land markets” (UN-Habitat 2005a:107). A similar outcome is reported from Pakistan by Payne (1997:8), reinforcing the need for taxes to be set at affordable levels and for the revenue to finance services people want. In addition, it is possible to increase tax revenues and extend services without a formal titling programme (eg Musyoka 2004).

### **4.3 Building and environmental impacts of titling**

Most advocates of land titling in urban areas refer to outcomes at societal and individual levels, but rarely at communal levels. Yet if titling is intended to turn illegal settlers into full citizens, it is relevant to assess impacts on the local environment as well as individual home improvements. This issue is explored below.

#### *4.3.1 Provision of, and access to, urban infrastructures and services*

What impact does titling have on access to urban infrastructure and services? The literature reviewed does not offer clear evidence. Although many service delivery agencies are not officially mandated to provide services to informal settlements, it is not clear that titling makes a significant difference, or that the provision of services is always an integral component of such programmes.

In Mexico, UN-Habitat (2005a:111) and Azuela and Duhau (1998:160) report that services are not provided as part of titling programmes. A similar disconnect applies in Egypt, where Sims (2002:95) reports that “the provision in urban Egypt of basic infrastructure and public services to residential areas, has only the most tenuous link to the type or degree of formality of tenure. Comparisons of service levels across different parts of Egyptian cities shows that it is the age of a settlement and its sheer size in terms of population which are the main determining factors”. A third example is Colombia, where, as noted above, the constitution entitles all citizens, irrespective of their tenure status, to receive *all* public services, on the sole condition that they can afford to pay for them (Aristazabal and Gomez 2002:103). In this country, even recently developed informal settlements are well serviced and this has encouraged local investment.

Reports of a positive impact of titling on access to services are provided by Banerjee (2004:7), who notes that “families with individual latrines increased from 11.8% to 21.7% and individual electricity connections increased from 34.5% to 89.3%. There was only a marginal increase in water connections, as these were prohibitively expensive till 1998”. In fact, Banerjee points out that investments generated by improved security of tenure in the case of Indian cities may create new problems regarding planning and the provision of infrastructure in very densely populated settlements, where only basic infrastructure improvement has been carried out. Despite this, three or four storey buildings have been constructed in some settlements to cater to the growing demand for cheap rental housing and workshops. “As a result, the basic services originally provided become progressively inadequate for the growing population and changing uses” (Banerjee, 2004).

Further evidence comes from Peru, where Cantuarias and Delgado (2004:9) state that “the Base Line Survey of COFOPRI concluded that homes with property titles have more access to public utilities than those with no documents”. However, unlike other aspects, they provide no data to support this claim. A contrary view is reported in a case study of Los Laureles, Lima, where Ramirez Corzo and Riofrio (2005) found that neither water nor sewerage networks had been provided to newly titled areas, though both had enjoyed connections to electricity networks before the titling programme began.

One reason for the apparent limited impact of titling on access to services may be that costs are simply too high for residents to afford, even with subsidies. According to Cross (2002:197), this is a major consideration in South Africa, where “tenure security through housing also has a catch to it: obtaining and maintaining tenure means remaining in the serviced settlements. This entails being able to pay user charges for the services delivered, and there are likely to be hidden poverty thresholds involved.... In settlements where the average household income is often less than R600, very few could afford [the costs of service improvements]”.

Even if subsidies are affordable to government, a further consideration when titles are allocated in existing informal settlements is that they may be in environmentally vulnerable locations. As Clichevsky (2003:56) notes, many programmes regularise areas with deficient environmental conditions because there is no other land available. The improvement of such areas is costly, inhibiting the installation of services.

#### **4.4 Administrative, institutional, legal and political impacts**

The impacts of land titling programmes on the administrative, institutional, legal and political environments into which they are introduced will depend on whether they impose a quantum change or a modest readjustment in the ways in which land is held or the relationships between people and land. Disaggregating these multi-faceted aspects is problematic, especially since many writers address several, or all, of them in the same paragraph. The following sections are therefore organised according to the emphasis placed by the texts reviewed.

##### *4.4.1 Administrative impacts*

As reported above, land titling programmes place heavy demands on land administration agencies, many of which are already overstretched by attempting to perform routine tasks. Their ability to adapt to new challenges within a dynamic policy and economic climate imposes further demands. To what extent does the literature indicate that they have sufficient capability and put it to the most effective use? Have titling programmes generated major changes in administrative practice or have administrative weaknesses limited the success of programmes?

Concerns regarding administrative capability are raised by Augustinus (2003a), who states that “large scale and sweeping tenure reform can lead to a loss of security of tenure by underestimation of the record-keeping requirements required to implement reforms, and putting pressure on already weak administrations to carry out tasks (land survey, adjudication, titles/deeds registration) for which they do not have the human and financial resources”. This section discusses to what extent these concerns are widespread and justified.

Land titling programmes involve a number of administrative procedures:

- Surveying the areas to be titled

- Recording survey information
- Checking areas to be titled for conformity with official planning norms
- Identifying claimants
- Resolving conflicting claims
- Preparing and allocating title documents
- Preparing the land registry
- Updating the registry as transfers occur
- Communicating with other authorities regarding land taxation, etc

The initial titling allocation process therefore involves different teams and departments undertaking new tasks and operating within agreed, and possibly new, procedural guidelines. Such changes inevitably take time to operationalise and can cause serious delays which alone can prejudice programme outcomes. For example, a World Bank report on Indonesia (2004:5) indicated that weak administrative capacity had slowed the pace of land titling to the point where only 30 percent of all plots had been registered in the forty years since registration began and that, unless the pace quickened, titling would never catch up with the total number of parcels, since these were increasing at more than one million a year. Similar observations are made in Dakar, Senegal, where the tenure regularisation programme was launched in 1987 in Dalifort, but by June 2006, less than 1,280 titles had been issued and it was estimated that, at the current pace, decades would be needed to respond to the needs (République du Sénégal, 2006). As stressed by Durand-Lasserve et al (2002/3), “in a fairly typical city of 6 million in which 50 percent of the population lives in irregular settlements, it would be necessary for the administration to issue 400 titles per working day, for ten years, to remove the backlog”

According to Land Equity (2006:60), “the land titling activity in Thailand was planned over a 20 year timeframe and the activity in Indonesia was planned over 25 years. The techniques adopted in Thailand are very flexible and relatively low cost, but even so the Department had 3-5,000 personnel deployed on project activities for long periods over many years.”. Firmin-Sellers and Sellers (1999:1119) also report that in Cameroon, title recipients “waited an average of 6.3 years between their initial application and the actual receipt of title”. They also report that since “titling is a long, uncertain process, nationally, only 6% of all applicants successfully navigate the titling process”.

For Land Equity (2006:103), one reason for delays in Greater Accra, Ghana, was that “the process of land titling is .. overly complex and not well understood by the various actors involved. There have been about 45,000 applications for title since 1986, and just over 11,000 titles have been issued, all except one in Greater Accra. In a recent survey of the land holding public two-thirds of respondents were unaware of the Land Titling Law, 30% had land applications outstanding for more than one year, with 20% still awaiting registration after 10 years. Dispute resolution took between 2 -10 years in most cases. Thus public perception is that acquiring land in Ghana through formal channels is a daunting task”. In Tanzania, Magigi (2006:1079) states that “land use planning procedures including preparation of the plan, presentation and endorsement by the Municipal Council to final approval by the MLHSD took a total of 5 years. For persons wishing to use the land title or wishing [to] get his/her land regularised, this is too long and may be [a] disincentive”. This experience seems almost universal (eg. Rakodi and Leduka, 2004).

Speeding up the regularisation process is clearly crucial and has sometimes been achieved. For example, in the highly effective COFOPRI programme in Peru, Graglia and Panaritis

(2002:12) state that the time it takes a Peruvian to complete the formalization process varies from as little as a few hours to up to five days, instead of a few years. This is undoubtedly a major achievement, though a large proportion of the titled plots were on government owned peri-urban land which was relatively simple to develop and title. Such advantages do not exist throughout other developing countries.

Angel et al (2006:12) report that in Peru, “COFOPRI’s success was enhanced by a flexible and innovative management team, a well-paid and motivated staff, and simple and transparent legal procedures for titling”. Clearly, the COFOPRI programme had a positive impact on improving administrative capability. Clichevsky (2003:57) records a similar outcome in other parts of South America, where programmes have often promoted more flexible regulatory frameworks, especially when planning authorities need to register the properties and allocate deeds. She cites the example of Argentina, where many ordinances against the current urban codes have been approved in cities where regularization programmes have taken place. Some international agencies also encourage flexibility in the application of rules for poor groups.

Once titles have been allocated, they have to be recorded in the land registry, which then needs to be permanently updated if titles are to retain their legal validity. As Feder and Noronha (1987:164) note, “There is no point in introducing a system of title registration where the capacity continuously to update the registers does not exist.” Possibly because many urban and peri-urban programmes have only been initiated in the last decade, reports on the impact of titling on the effectiveness of land registries are hard to find.

The impact of titling on staff competence and working practices is also rarely reported. In Albania, LTC (LTC 2002a:31) notes that in urban areas, “the registration of transactions and transmissions of rights appears to be of high priority to the population, who are willing even to pay bribes to the Registration Office staff to get their rights registered”. Furthermore, (p36) “with managers in place who have proven to be dedicated to inappropriate management practices, it is very difficult to institute procedures to minimize such practices as kickbacks and bribe acceptance”. As a result, “for many project staff and government officials, the project has become a mechanism for generating personal income rather than an instrument for achieving broad social and economic goals”.

According to Land Equity (2006:96), “staff retention can also be problematic in governments that are unstable or regularly change leadership positions. Other circumstances of staff retention issues occur due to systematic land titling procedures that can involve staff spending long periods in the field, working from temporary field offices, over many years”. On this basis, the approach adopted in Peru of creating and training a well-paid and motivated staff cadre was fully justified.

The importance of maintaining land registries is illustrated in the case of Cambodia, where Deutsch (2006:44-45) found that residents with titles in peri-urban areas were more than average likely to advise others to register transactions, presumably because of the active land markets in these areas. However, even the most effective administrations can be undermined by a failure to replace inappropriate administrative requirements or enforce acceptable ones. According to Banerjee (2004:10) “once tenure is regularised, plot holders pay little attention to conditionalities or to forms of tenure (license, lease, etc.). Neither is there any attempt from civic authorities to check violations or modify rules to suit local conditions”.

#### *4.4.2 Institutional impacts*

A major administrative consideration in implementing and land titling programmes and maintaining land registries concerns the level of government at which these should take place. The relative merits and limitations of centralised or decentralised titling programmes is discussed in the South American context by Clichevsky (2003:59), who notes that large-scale centralised programmes, as in Mexico and Peru, have been successful in terms of the number of titles given. However, the agencies responsible have not necessarily worked well with local communities and the Peruvian programme is now administered by local governments. Decentralised programmes usually have an important component of community participation, though this can make implementation more expensive and slower. Another constraint with decentralised programmes is that there are often insufficient staff in local institutions with the necessary skills. Municipalities and provincial governments may be as bureaucratic and inflexible in working with civil society organisations as central government, and this provides a major obstacle to effective implementation.

Cantuarias and Delgado (2004:1) consider that a major factor in the rapid implementation of the Peruvian titling programme was the fact that COFOPRI and the RPU enjoyed full independence, meaning they had technical, functional, and administrative autonomy. This, together with high level political support, certainly helped the Peruvian programme to achieve its ambitious numerical objectives and the decision to decentralise the maintenance of land registries to the local level may strike the right long term balance, since it will be easier for residents to register transfers at a local office.

Given predicted urban population growth rates, land titling programmes will increasingly focus on peri-urban locations. The World Bank (2004:3) acknowledges that “the periphery of Asian cities is a critical zone for both economic growth and environmental management. Master planning and zoning regimes in the region are not working well to channel urbanization, leading to housing shortages, loss of farmland and wetlands, transport congestion, and social conflict”. This suggests that titling programmes need to be well integrated with urban spatial development strategies, though there is little evidence regarding the link between titling and spatial planning in the literature reviewed. However Palmer (1998:87), for example, argues not only that there is a need to realign and widen streets and build utility networks, validate plot boundaries, register plots and recruit, train and retain appropriately qualified surveyors, lawyers and officials in land administration offices but also that this requires capacity for urban planning.

#### *4.4.3 Legal impacts*

Titling programmes may require a change in the laws relating to land and therefore to land policy. Clichevsky (2003:32) observes that in Latin America, ‘legalisation processes are complex and slow because of the different types of illegality and several stakeholders involved and also because of the institutional problems, since there is no updated cadastre in many cities, nor trained staff. In the case of Argentina’s ‘Programa Arraigo’, she notes (2003:38) that attempts to avoid legal delays had failed and between 1983 and 1997, only 10 projects had been completed out of an intended 119. The programme is under revision.

Policies which seek to replace customary legal practices and traditions with statutory legal systems can increase, rather than reduce, problems. According to Land Equity (2006:135), “there are examples such as Indonesia and Ghana where developing countries have sought to

dismiss traditional forms of tenure and customary land practices in the belief this would speed the path to development. This fails to recognise reality and ultimately presents more problems than solutions”. Graglia and Panaritis (2002:15) also reflect on the dangers of replacing established institutional structures with new ones when stating that “the Rwanda example illustrates what happens when the principle of adopting a framework reflecting the reality of an informal system is overlooked”.

#### *4.4.4 Political impacts*

Land Equity (2006:23-24) note that “the formal land registration system in most countries is often not neutral and where titling is implemented, people with customary tenure may in fact lose their rights. Women and overlapping rights holders are very vulnerable in these circumstances. It is because of this situation that African countries are introducing new forms of land tenure which are more appropriate”. They also note that in Africa “for a range of reasons, many of which are related to governance issues, it is extremely difficult to implement large-scale national land titling programs, or to enforce land use controls”. They continue, “systematic titling for much of Africa is not considered an option for a range of reasons, largely related to the experience from the mid 1950s in Kenya, where systematic land titling led to a range of problems including ‘land grabbing’ by the urban elite”.

Given the enormous profits that titling can generate, it is not uncommon for governments to manipulate it for individual and group benefit. Such practices have a long history. For example, in the nineteenth century, vast tracts of land were allocated in many African countries to white farmers, though during the 1920s, large numbers of titles were issued to black farmers in Kenya even under the colonial regime. More recently, the Ndungu Commission established in Kenya in 2003 found evidence that at least 200,000 illegal titles were created between 1962 and 2002. Close to 98% of these were issued between 1986 and 2002. Furthermore, “illegal allocations were done on the orders of the President, other senior public officials and well connected politicians or businessmen; Beneficiaries of grabbed land included ministers, senior civil servants, politicians, politically connected businessmen, and even churches and mosques” (Ndungu 2006:5). The Chair of the Commission notes sadly that although the new government undertook to implement all its recommendations, “the report has not been implemented in the structured manner we had recommended”. Even more sadly, Kenya is far from being the only example of land titling being subject to political manipulation for party and personal gain.

The need for long term political support is accepted in the report by Land Equity (2006:61). As noted above, the 20 year plus timeframe and major resource commitments required for large scale titling in Thailand and Indonesia “requires a clear vision and a strong political commitment. Both the Thai and Indonesian projects were designed within overall strategic plans that geographically and technically phased the activity. Political support can be important in a country such as Thailand where there are frequent changes in government”.

On a more general level, McAuslan (2005:3.2.9) has observed that, “while a strategy of enablement is to be the preferred mechanism for providing access to land and ensuring security of tenure, the role of governments does not stop at enabling land markets to operate efficiently and transparently, important though these matters are. Governments must also direct their attention to considerations of equity and social justice in the operation of land management for land markets – land markets must be enabled to work for the benefit of all and all must be enabled to participate on an equal and fair footing in the land market – and to

this end, government at all levels and institutions of civil society must be involved in working together, removing obstacles to obtaining land, developing innovative mechanisms, instruments and institutions to assist people to obtain access to land and security of tenure, and governments must desist from actions which penalise people especially the poor and disadvantaged and lessen their opportunities to obtain and hold on to land”.

#### *4.4.5 Impact on demand*

Finally, what impacts have land titling programmes had on popular demand for titling? Whilst there is widespread anecdotal evidence that titling is popular, in the sources reviewed demand is not reported as often as the need to obtain and maintain popular support for titling programmes. Reflecting on the Peruvian experience, Land Equity (2006:60) note that projects need to build stakeholder support. Angel et al (2006:12) also report that COFOPRI worked closely with elected community leaders to build community acceptance.

Grant (1999:5) also stresses the importance of obtaining and maintaining community support for land titling programmes, stating that “unless the land titling is continually demonstrated to be in support of the fundamental quality of life issues confronting developing nations, the commitment from government will waiver and the participation and confidence of the community will be difficult to achieve”. In Albania, LTC (LTC 2002a:33) acknowledged that there was no evidence of support for the titling project beyond the project employees and contractors.

There is also the risk that any new formal tenure system will expose sections of a population to risk. For example, in Tanzania, Byabato (2005:69) states that "it appears that households, especially those whose level of education is up to primary school, do not know some of the detailed information on the title deed. The detailed information on the title deed is in English, thus no surprise the illiterate households miss out important information”.

In the Latin American context, Clichevsky (2003:58) considers that there was minimum community participation in tenure legalisation programmes started some decades ago. However, more recently implemented local government programmes which have urban upgrading components have adopted a more participatory approach and this has helped programmes to realise their objectives. Whether titling programmes are therefore a response to popular demand or a government led policy is therefore difficult to assess from the literature reviewed.

## **5 CONCLUSIONS AND ISSUES FOR FURTHER ANALYSIS**

First, in this concluding section, some of the main constraints on implementation of titling programmes that are identified in the sources reviewed are summarised, together with some of the ways in which these constraints have or could be tackled. Finally, some gaps in the currently available assessments are identified.

### **5.1 Constraints encountered in implementing land titling programmes**

From the evidence presented in this review, it is evident that land titling programmes are popular with both many governments and many low-income urban communities. They have, however, also been shown to have a number of significant limitations in meeting the social, economic and other needs of the urban poor. Whilst it appears that titles have generally succeeded in increasing tenure security, the literature indicates that they have not significantly reduced poverty or increased access to formal credit or service networks. It is too early to conclude, however, whether these limitations are intrinsic and structural, or contextual and temporary. Titling has been shown to benefit some groups, including many of those receiving titles, although it has not always increased their tenure security, access to credit, services or incomes. Furthermore, some groups, such as tenants, may well have suffered as a result of increased rents or market driven evictions. Below, we first summarise some of the constraints

#### *5.1.1 Economic constraints*

The costs of titling vary from one programme to another, though insufficient evidence is provided to relate the costs charged to beneficiaries with affordability, or to assess whether costs borne by government are recouped in charges or taxes. It is also difficult to assess the impacts of titling on land markets and the ability of low-income households to access land for housing after titling programmes have been undertaken from the evidence available.

Titling has been widely promoted as a component of a wider strategy of empowering the poor. However, there is a potential conflict between the policy goals of stimulating economic development and reducing poverty, revealed in the differing interests of private sector investors and developers (not to mention some international investors), who require titles to protect their investments and the interests of the urban poor in being able to remain in, or gain access to, areas of legal development if prices increase as a result of extending formal titling systems. Balancing these legitimate, but conflicting, interests requires land administration agencies to acquire the skills of a tightrope walker. Certainly, there is a lack of evidence to show that success has been achieved so far.

#### *5.1.2 Administrative and institutional constraints*

As noted above, land titling programmes place a heavy burden on the administrative agencies charged with surveying, registering, and issuing titles and maintaining records of transfers and tax payments. In Tanzania, for example, de Soto (2006:51) reports that "valuation, planning, surveying and titling procedures take 8 years, land allocation for urban purposes on the mainland 7 years, in Zanzibar 9 years and transferring and registering property 380 days... On the mainland, all titles must be approved by the Commissioner of Lands". Similar procedures for approving surveys and titles apply in many other countries (see, for example, Rakodi and Leduka, 2004).

Another constraint relates to administrative weaknesses. This is cited by Lunnay (2005:8-9) and Land Equity (2006:7) in the case of the Philippines where, as a result of complicated institutional arrangements, survey and map records have been lost or destroyed and there are many overlapping and duplicate titles in the registry of deeds. The land registry is not easily accessible and there is a high transaction cost which discourages registration and is a disincentive to investment. As a result, confidence in the entire titling system is being eroded.

Procedural obstacles feature as a constraint in many countries. In Zambia, for example, SWEDESURVEY (2003:4) found that lengthy and cumbersome procedures put the City Council in bad standing with local communities. In reviewing literature from Africa, IIED (2006:7) also claims that “even households that are relatively well off rarely see the process through to title acquisition. The reasons for this are common throughout Africa: expense, complexity of procedures and failure to meet regulations such as plot size and standards. Whilst the first two might be overcome, regulations and standards are rigid obstacles”.

Programme implementation can be a major problem. In one country programme assessment made by LTC for USAID in 2002, one of the problems identified was the ineffective supervision of field teams and sub-contractors. Failure to update land registries is cited by Clichevsky (2003:57) as enabling a person who already has several plots to register for plots under the names of their children or other relatives. In the Sudan, Dickerman et al (1989:xvi) report that “in freehold titling and registration, up-to-date maintenance of the registers is highly problematic given the failure of many proprietors to register transfers”.

The ability to train and retain committed and capable staff is considered by Land Equity (2006:96) to be problematic, whilst the lack of congruence between the administrative and physical boundaries of expanding urban areas is noted in a report by UN-Habitat on Mexico (2005a:103). As a result, land is developed without official permission, the corresponding taxes are not paid and urbanisation, environmental or security controls are evaded.

### *5.1.3 Legal constraints*

The introduction of land titling programmes into a country requires the preparation and endorsement of an appropriate legal framework. This itself takes time and may delay the formulation and implementation of land titling programmes. Aristazabal and Ortiz (2004:258) sum up the situation in many countries when they note that in Bogotá, “the city authorities are still working on urban legalisation and the freehold titles programmes. However, even if there has been important advances, and even if the amount of non-statutory neighbourhoods has been greatly reduced, these efforts are still not enough, and there are many families lacking tenure security and property rights”.

### *5.1.4 Political constraints*

Several documents (eg Stanfield and Bloch 2002:9, UN-Habitat 2005a:112 and Angel et al 2006:9) emphasise the need for land titling programmes to obtain and retain political support. At the same time, the introduction of any new policy such as titling presents political and economic elites with opportunities to capture a disproportionate share of benefits.

Ho and Speer (2006:580) state that “the state should ensure that the emerging land market does not result in a rapid concentration of land in the hands of a mighty few.

This implies the control of market forces through the restriction or prohibition of land sales or land rental. In this context, effecting institutional change through land titling should be done with the utmost care". The literature does not suggest that to date such caution is a prime concern of funding agencies or government departments promoting titling programmes.

#### *5.1.5 Environmental constraints*

Few writers address the constraints which titling programmes encounter in urban environments. Banerjee (2004:14) found that in India, "the provision of patta titles resulted in visible and immediate change for the better. However, over a longer time period, housing conditions in most settlements actually deteriorated because the small plots and narrow streets proved inadequate to the needs of the growing population. Essential facilities like schools, dispensaries and play spaces could often not be made available for lack of space...buildings and activities invariably fall outside many planning and building regulations, and not enough is done to change regulations to accommodate slum upgrading, resulting in substitution of some dimensions of illegality by others".

Betancourt (2005:12) also reports the need for more research on environmental constraints and their impact on the public domain. A further consideration is the desirability of providing titles in areas where landslides, floods or other environmental risks exist.

## **5.2 Addressing constraints to implementing titling programmes**

Wallace and Williamson (2006) express the challenge facing international donors and national governments regarding the rapid introduction of comprehensive administrative reforms in land administration and the incorporation of a range of informal settlements into formal markets. They claim that Western democracies took hundreds of years to create land markets, whilst developing countries are trying to compress the experience into decades. They stress "that the evolutionary stages in market development operate like building blocks; each stage must be developed before the next is possible and all earlier stages must all operate successfully to support the most complex stage. The stages are not empirically pure, and probably never can be. Much of the activity involved in the processes of evolution is unplanned, and when deliberate planning attends evolution, it frequently produces outcomes which surprise its designers".

Drawing on extensive practical and theoretical experience, they caution against forcing the pace of change: "The invisible aspects of land rights must mature. Each right needs sufficient explication to form a comprehensive conceptual framework for thinking about an opportunity set or activity related to land. Rights must be announced, refined and comprehended by members of the rights holding group and by outsiders. The social recognition of land must be transformed from land as a physical thing to abstract concepts of rights and powers in relation to land-based activities". They conclude (p133) that, rather than imposing new land management systems in countries which are not ready to assimilate and adapt them to meet local conditions, "a country may get more immediate economic improvement by making its labour or product market more effective, while it delivers tenure security through instruments other than tenures suitable for a land market, say by recognition of traditional and informal land arrangements".

Burns (2006:4) also notes that programmes to strengthen land administration can take many decades to complete “the process of converting from deeds to title registration [In Australia it] took over 100 years and was only completed when a systematic approach was adopted”. He concludes that it is preferable to have complete cover at a lower level of accuracy than high standards and a lower level of coverage. Moreover, it should also be noted that in the UK, land markets work efficiently even though less than 60% of all land is formally registered. This suggests that ultimately what matters is the degree of confidence that those involved in land markets have in the efficiency and equity of the processes by which land is obtained, held, developed and transferred.

The review also suggests the need for a multi-faceted approach, in which titling or other tenure options are integrated with ways of improving urban governance, spatial planning and access to basic services and credit (eg. Kingwill et al 2006:1; Calderón 2004:300). Calderon, for example, claims that “the findings from Lima show that the policy of formalising tenure through titles is not the only way to fight poverty and that a new relationship between the state, banks and the poor is needed to improve access to services and credit. There are two possible ways of achieving this, though both are medium, rather than short, term options. Firstly, efforts must be made to build on existing systems of informal credit. Secondly, there are welcome signs that some private banks have developed active links with the residents of low-income districts and it will be necessary for other bankers to modify their traditional patterns of behaviour if such progress is to be maintained”.

According to the World Bank (2002:12), “experience shows that projects focused on titling before a national consensus on land policy has been reached rarely reach their objectives”. The report emphasises the need for strong government commitment, piloting programmes to identify and resolve problems, and ensuring the active participation of all stakeholders, including communities, NGOs and the private sector, in policy formulation. A cautious approach of piloting land titling was also adopted by the World Bank in Ghana where it was recognised that titling may risk altering or abolishing customary interests in land, thus creating new problems. The Bank also demonstrated a pragmatic approach based on lessons drawn from experience since its 1975 Land Policy Paper. This reflected a rediscovery of the value of traditional land rights arrangements. The Bank report notes that, compared to freehold titles, these may be more cost effective in increasing tenure security and even in providing a basis for land transactions.

In a later report, the World Bank (2004:13) concluded that the success achieved in Thailand was due to i) strong high level government commitment; ii) a graduated increase in cost recovery for land titling/registration services; iii) specially formed and trained systematic adjudicating teams which involved the local communities concerned; and iv) use of efficient new technologies ... and this was considered an important component of later loan objectives”. It also acknowledged (2004:14) that, although the first Land Administration Project had delivered two million land titles, the institutional development component was less than successful and this was considered an important objective of later funding. Although the titling programme was predominantly, if not exclusively, rural, the lessons learnt often apply to urban titling.

The need to recognise and work within available institutional resources was a key consideration in Cambodia, where Payne (2005:140-141, 2002:300-308) reports on proposals which advocated an incremental approach to integrating informal settlements into the formal

land market. The intention was to increase security in line with the resources of local government in ways which minimise dramatic changes in land values and rents paid by the poor in informal housing areas. Communal tenure options were proposed, which could lead to individual freehold titles for those willing to pay the surveying, legal and administrative costs involved. Communal land tenure options are also advocated by Boonyabanha (email communication 2006), reflecting on the experience of the Asian Coalition of Housing Rights.

Problems with the completion and updating of land registries has led to the adoption in several countries of land title insurance schemes. These evolved in the USA in the 19<sup>th</sup> century in an environment of poorly organised State-run deeds registries at county-level and the rapid expansion of settlement (Land Equity 2006:108).

Finally, Kingwill et al (2006:1) draw on case studies and the literature to show that poverty reduction efforts of the scale required in South Africa and elsewhere require a great deal more than securing property rights in the manner prescribed: “Tenure reform remains necessary and important, but is far from sufficient. In addition, it must be recognised that restructuring the dominant frameworks of property law and administration, so that they work to support the interests of the poor, is no easy task. We must build a better understanding of the complexity of multiple, informal tenures within the ‘extra-legal’ sector, in all their diversity, and acknowledge at the outset that they are fundamentally different to the individualised, exclusive, private property systems of Western capitalism”. Furthermore, to address the differential gender impacts of tenure reform, other legislation, including that governing marital relationships and inheritance, must be considered at the same time.

The central conclusion from this review is that titles appear to be particularly popular when people feel vulnerable to eviction, or where they perceive that titling has given significant advantages to other social groups compared to those living under other tenure regimes. However, when people feel relatively secure, the priority appears to be to obtain services and community facilities as means of improving their lives. At present, the literature does not enable policy makers or administrators to anticipate what role titling can play in the wider objectives of promoting social and economic development, reducing urban poverty, or increasing social and gender equity and inclusion.

In her analysis of the impact of the 1998 Land Act in Uganda<sup>13</sup>, Hunt (2004:190) claims that “De Soto may have under-emphasised a range of issues which also need to be confronted when formalising informal property rights systems. These additional issues include: the need for consultation and foresight in anticipating the impacts of reform, including impacts on third-party interests; the need to recognise that there are other major constraints on the formal provision of credit to the poor, in addition to their lack of title to mortgageable property, particularly in the farm sector; and the need to recognise that protecting the rights of the poor in the context of competing claims may diminish the value of the assets of the better-off, thereby reducing their ability to create ‘surplus value’: the implications of reform for investment and growth may not *all* be positive, at least in the short term”.

Payne (2000:10) also observes that “tenure regularisation programmes which operate at city level are likely to reduce market distortions, but impose an excessive burden on land registries. Conversely, those implemented at the local level will be easier to cope with, but are likely to increase urban land market distortions”.

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<sup>13</sup> See also Nkurunziza, 2004.

It is also clear that many of the advantages for which titles are promoted, such as stimulating investment in property improvements, have also been realised by less formal increases in tenure status, which may also be much cheaper and easier to implement given limited institutional and human resources. Whether additional investments have been made by newly titled households or by higher income households replacing them, or indeed by private sector investors moving into newly titled locations, is, however, not clear.

### 5.3 Issues for further analysis

As we stated in the beginning of this review, land titling programmes have been promoted by a range of international development institutions and national governments for some years, despite the lack of independent empirical research to demonstrate that the claims made for them are achievable in practice. The texts reviewed demonstrate that whilst there has been progress in some respects, there are also limitations, neither of which has been adequately evaluated. The documents reviewed reveal major gaps in our understanding of the social and economic impact of titling programmes. Some of these gaps are substantial and suggest that caution needs to be exercised before launching large-scale programmes, especially in areas where titling is a relatively new concept, or where communities are vulnerable to external manipulation and exploitation. More detailed and independent research is therefore urgently required to establish the social and economic impacts of such programmes so that policy makers can make informed decisions to meet the needs of all stakeholders within different social, cultural, economic, legal and institutional contexts. Whilst it cannot be assumed that outcomes observed in one case will be realised in different contexts, it is necessary to obtain more information on the factors which have generated such outcomes.

Benjaminsen et al (2006:4) pose two key questions for future research concerning the ILD conception and outcomes of future formalisation efforts. “First, will formalisation be strictly demand-driven, allowing communities to influence the pace and nature of the process and permitting individuals to abstain if they so wish? This is a watershed type of question, with huge implications for legitimacy, local participation, and conflict avoidance. Second, and linked to the above, will formalisation of land necessarily imply simplification and privatisation – that is, an inexorable move towards freehold rights – or can the process also embrace formalisation of communal rights, secondary rights, and multiple tenures”? Related to the latter, the question of whether titling programmes are the most effective and appropriate means of realising the social and economic objectives claimed for them, or whether these could be realised by improving the way existing systems of tenure operate, or adopting more gradual means of changing from existing informal regimes to more formal systems is still outstanding but has not been addressed in this review<sup>14</sup>.

There are many issues which require further clarification in order to provide a basis for justifying urban and peri-urban land titling programmes as a central component of tenure policy. This review suggests that additional social and economic impact assessments should be undertaken and that these should include the following topics (in no particular order):

- What differences are found in perceptions of security and investment levels in titled and untitled areas if titling is undertaken as part of slum relocation programmes, rather than in situ formalisation?

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<sup>14</sup> The strengths and weaknesses of informal property rights systems in African cities are explored in Rakodi and Leduka (2004); see also Rakodi (ed) (2006).

- What are the impacts of titling on tenants, women and other vulnerable groups?
- What are the impacts of titling on Foreign Direct Investment and domestic private sector investment in land? Is one realised at the expense of the other?
- In what ways and to what extent do the interests of newly titled residents and outside investors clash?
- Does the volume of lending for property investment increase over the medium term, and if so, does it benefit newly titled households?
- To what extent does titling stimulate investment more than other tenure options?
- What are the impacts of dramatic or modest increases in property values following titling?
- What impact (if any) does titling have on household incomes?
- What impact does titling have on cities and communities, not just households?
- What evidence exists on the health impacts of titling compared to other tenure options?
- In cases where titling has generated increased investments, has this been undertaken by the original residents or others, such as private sector investors or replacement households?
- How much has titling improved tenure security and increased investment by developers and other outsiders compared to resident households?
- Does titling have different impacts in areas under customary rather than statutory regimes?
- Are the costs of titling affordable to governments and households?
- Are the costs of titling recovered by taxes and other revenue streams?
- Are land and property registers updated as new transfers occur? What happens if they are not?
- What are the titling outcomes in areas that cannot conform to planning or building regulatory requirements and what impacts are found if such areas are titled?

It is hoped that impact assessments will be routinely incorporated into the Terms of Reference for land titling programmes. It is also hoped that independent empirical analysis can be undertaken in selected countries during 2007 to address these issues, so that policy makers can be informed of possible outcomes when formulating or reviewing tenure policy applicable in urban and peri-urban areas.

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