

## **Owning up: what price home ownership?**

**Geoffrey Payne**

### ***A view from the West***

As this paper is being written, the consequences of failings in the US housing sector are reverberating around the world in waves that seem to get stronger and wider by the hour. Only a diehard optimist would bet on things getting better in the near future. How did we get to this state and, more importantly, what lessons do we need to learn internationally for the future?

The conventional wisdom on the current crisis runs that the sub-prime loans scandal in the USA was the cause of our present difficulties. The promotion of home ownership to 'Ninjas' or those with no income, no jobs and no assets, was supported by both republican and democrat political parties, albeit for different reasons. Republicans were following the neo-liberal approach of individualized ownership of assets under a 'light touch' regulatory regime, whilst the democrats were keen to show that the benefits of ownership were also available to lower-income communities. To promote ownership, US banks created a secondary mortgage market to sell on mortgages using complex financial contracts that enabled them to securitize risks and even make profits through 'special purpose vehicles' and 'credit default swaps'. This made it much easier to fund additional borrowing and proved extremely profitable for the banks, which earned a fee for each mortgage they sold on. Accordingly, mortgage brokers were encouraged to sell more and more of these mortgages. As demand for home ownership was artificially increased, so prices rose, further adding to demand. This in turn led to abuses as banks no longer had the incentive to check carefully the mortgages they issued.

By 2005, one in five US mortgages were to 'sub-prime' borrowers, i.e. those with poor credit histories, or limited evidence of income, usually because they were poor. Initial payments were fixed for two years, and then became variable and much higher. Consequently, a wave of repossessions started to sweep America as many of these mortgages were reset at higher interest rates. It is thought that as many as two million families may be evicted from their homes as their cases make their way through the courts. British banks, such as Northern Rock, sought to expand by buying heavily into the bond market, but as repossessions increased, banks stopped buying bonds, or trusting each other, triggering the current crisis. It remains to be seen whether this triggers a widespread economic collapse, or whether governments, operating within a newly emergent and enforceable international agreement, can save the day.

However, this conventional analysis is only part of the picture. As long ago as the 1950s, it was common in the UK to refer to the merits of a "property owning democracy" as though democracy could not exist without home ownership. Whilst private land ownership systems exist in most countries, their extent varies considerably from about 80% in Spain, 70% in the UK and USA to about 40% in Germany and 35% in Switzerland. The link between property ownership and democracy is therefore tenuous at best, even in 'mature' democracies. However, in the UK, property ownership was a precondition for being eligible to vote until as recently as 1918, and the 19<sup>th</sup> century building society movement was founded largely to enfranchise ordinary citizens by enabling them to buy their own dwelling. It was only ninety years ago, and immediately after the 'war to end all wars', that all men over 21 and women over 30 were given the right to vote without the condition of being property owners. Not until

1928 were women over 21 eligible to vote. Britain can therefore really only claim to have become a fully fledged democracy relatively recently and this helps to explain why home ownership became inextricably linked with the development of popular democracy.

In the 1980s, it was this theme that Margaret Thatcher's Conservative Party drew on in order to encourage tenants in publicly owned social housing to assert a 'right to buy' and become home owners. Her motive, however, was not to enfranchise the masses, but to give them a heavily discounted public asset so that they would vote for the political party which was most likely to protect it – the Conservatives. As demand increased, so did prices. The average price of a home in the UK increased a massive 47 times between 1970-2007 from £4,736 to £224,380, thereby reinforcing a positive association between property ownership and democracy as mutually reinforcing achievements of a capitalist model of social and economic development.

In this way, the electoral motivation driving property ownership was replaced by an economic imperative to hold an asset whose value would increase at least as rapidly as any other commodity. 'Getting on the property ladder' became a popular means of increasing wealth and personal security and increasing prices came to be regarded as highly desirable, at least for those already on the ladder. This tempted others to join on the bottom rung, pushing prices up for those higher up the ladder and stimulating an ever increasing, and self-sustaining, spiral of demand and price inflation. As a result, home ownership in the UK increased from 32% in 1953, to 43% in 1961; 51% in 1971 and 75% in 1981, reducing slightly to 70% in 2007. With house prices reflecting ever increasing demand, it was possible for one's income to increase more rapidly by lying in bed as one's home increased in value than it was by going out to work!

This approach to housing as a means of getting wealthy received its most articulate expression with the publication in 2000 of a book which claimed that property ownership was "why capitalism triumphs in the west and fails everywhere else" (de Soto, 2000). Released at a time when house prices were reaching astronomic levels, de Soto's analysis and prognosis received accolades from the likes of Margaret Thatcher, Milton Friedman and Bill Clinton, who saw it as an endorsement of their policy.

De Soto's thesis was simple: the major stumbling block that keeps the rest of the world from benefiting from capitalism is its inability to produce capital, and although 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 titles to their properties which they can use to invest in businesses, rendering their assets as 'dead' capital. He confidently estimates the total value of such 'dead' capital as at least US\$9.3 trillion. By comparison, those who own their properties are able to use the collateral they embody to obtain formal credit, establish a business and lift themselves out of poverty into affluence. Thus, home ownership is the pillar on which capitalism has flourished in the West. This is his model for solving the problems of mass poverty in the South.

There are, however, two major flaws in de Soto's comparison between the experience of the USA and the Third World. First, and most importantly, while he provides fascinating material on the development of property rights and increasing affluence of the West, he fails to provide any empirical evidence in support of a causal relationship between this and the experience of developing countries. Second, he conveniently overlooks the significance of colonialism and slavery in building the economies of the West. The success of capitalism in the UK owes more to these factors than to home ownership, as can be testified by the fact that in 1914, when Britain was at the apex of its economic and political power, only 10 percent of its population were property owners. The remaining 90 percent were tenants and therefore not in a position to use the property they occupied as collateral in obtaining credit.

Nonetheless, the combination of these trends reinforced the link between democracy, capitalism and home ownership as a virtuous (if not holy) trinity in the popular imagination. This may help to explain why so many people in both the USA and UK associate property ownership with social, economic and political progress, despite evidence that other countries have realised these aims without recourse to this means. It also explains in part why more and more people in the West are beginning to question the ability of capitalism to meet social and economic needs.

### ***A view from the South***

For the one billion people, or 1 in 3 of the world's urban population, living in the slums and squatter settlements of cities in developing countries, the crisis dominating news media in the West must seem as relevant to their situation as a moon landing.

If de Soto had his way, they would have been given titles and been able, in theory, to lift themselves out of poverty by sharing in the housing price boom and using the collateral of their homes to obtain credit and set up a business. Certainly, it was not for want of trying. USAID and the World Bank pumped millions of dollars into land titling programmes in order to promote home ownership with this in mind. So what was the outcome? Did this ambitious plan to export the 'triumph' of capitalism in the West to the poor everywhere else succeed?

Before addressing this issue, it is pertinent to mention that whilst de Soto has been the most articulate advocate of property ownership, he was not the first. In fact, the World Bank was advocating land titling and ownership two decades ago. In 1989, I was invited by the World Bank to review a large number of reports, articles, books and papers on land tenure policies in developing countries as a potential contribution to the Bank's forthcoming housing policy paper. Not being a lawyer, surveyor, or economist, I explained that I had minimal knowledge of the subject, but was, of course happy to be paid to learn more.

During correspondence and the exchange of a first draft, it became increasingly clear that the Bank wanted my report to endorse a policy of promoting home ownership in developing countries. Other forms of tenure, such as customary, or rental tenure, were apparently of limited interest. As more and more reports and other publications were reviewed, the more these assumptions seemed politically driven rather than empirically based. There appeared to be no logical reason why home ownership was being so widely promoted. The reason given - that people could use the collateral of their titled homes to obtain credit, set up a business and thereby lift themselves out of poverty, was seductive, but made a rather basic assumption, namely that collateral is only relevant if you can afford to service the debt in the first place. For the majority of low-income households in developing countries, this was clearly not possible. Whilst tenure security is vital for everyone irrespective of their income level, home ownership, in other words, did not seem appropriate for everyone.

My draft report advocating caution and promoting tenure diversity was condemned internally as biased, though no substantive criticisms were made and I was told that they would permit publication elsewhere. When the Bank finally released its report in 1993, it was under the revealing title of 'Housing: Enabling Markets to Work'. A cynic might claim that this was a clever high-jacking of the enabling strategy concept<sup>1</sup> being advocated by UN-Habitat and many progressive housing professionals working in developing countries. Certainly, the emphasis was on market-based solutions to improving access by the poor to housing and

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<sup>1</sup> The enabling shelter strategy evolved during the 1980s. It focuses on managing the framework within which people are able to build or find their own accommodation, and on directing scarce government and private-sector resources to areas which the poor cannot finance for themselves. This movement was refined during the UN International Year of Shelter for the Homeless in 1987 and formalized in the Global Shelter Strategy one year later, to which 171 governments subscribed.

land and this was consistent with the macro-economic policies of structural adjustment which were being imposed by the Bank and the IMF on all developing countries which were not strong enough to resist them.

### ***Assessing the documentary evidence***

This brief summary of the 1993 World Bank and UK/US government housing policies suggests that home ownership in both the West and the South has been politically driven, initially as a 'bottom-up' movement to gain the vote and later as a 'top-down' agenda to broaden and deepen free-market capitalism. The fact that the policy has collapsed so spectacularly poses the question of how soundly based on hard evidence are the claims made for ownership?

These claims have generally been based on assumptions that ownership provides: 1) the highest level of tenure security; 2) access to formal credit; 3) incentives to invest in home improvements; 4) increased municipal revenues from property taxes and charges and 5) more efficient land and housing markets.

Recent research to assess the empirical foundation for these assumptions (Payne, Durand-Lasserve and Rakodi, 2007a, 2007b, 2008) found an extensive literature advocating titling and ownership (eg Panaritis 2007). In a review of USAID policy Stanfield and Bloch (2002:1-2) state that USAID "emphasized land markets, land titling, and real property registration. Policy options that relied on market forces were seen as more feasible politically than administratively determined land redistribution". In addition to USAID, several other organisations are promoting land titling, including the Inter-American Alliance for Real Property Rights, which was established to support the Summit of the Americas process in response to the commitments related to real property rights in the region made in the Declaration of Nuevo Leon; the Millennium Challenge Account (MCA); the Real Estate Advisory Group (REAG); and the Inter-Summit Property System Initiative (IPSI). Property rights and land titling are at the core of the aid and cooperation strategy being pursued by the US government under President George W. Bush.

According to Quan (2003:7), "the dominant thrust of the US based arguments to promote de Soto are basically about betting on the strong, on the assumption that opening up opportunities for enterprise by a few will benefit all, without explicitly building social protection into the equation".

In another review of land and housing policy, Daley and Hobley (2005:13) report that "the start of the Thailand Land Titling Program coincided neatly with a major international shift in development policies: during the 1980s the World Bank's structural adjustment programmes and liberalisation policies (and the IMF's stabilisation policies) linked beliefs about the importance to economic growth of privatising and individualising land rights with the broad pro-market tenets of 'neo-liberalism'. A similar review by the World Bank (2006:12) states that "during the 1970s and 1980s, there was a consensus on the need to formalize property rights by creating documentary evidence – title deeds". The Bank was an early supporter of urban land titling programmes and began funding the major programme in Peru in 1998. The consistency between the approach adopted at the time by the US government and the World Bank is remarkable and reinforces the impression that property ownership and land titling have been promoted as a neo-liberal programme to entrench capitalism at home and convert the masses in developing countries to the ways of the market.

Given this impression, recent changes in approach adopted by the World Bank are particularly significant. For example, a recent report (World Bank 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". Buckley and Kalarickal (2006:23) also argue 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".

This more nuanced approach reflects widespread academic criticism of de Soto's thesis and the emphasis on land titling programmes which it generated. For example, Quan (2003:7) noted that "formal property ownership may not be appropriate for all, indeed, until such time as property institutions become genuinely transparent, accessible and equitable in their operations, the costs of formal property ownership, as well as the debt burdens that are created when property is mortgaged, are not appropriate for the poor". Similar concerns regarding de Soto's analysis and the efficacy of land titling programmes in meeting their ambitious policy objectives have been expressed by other observers, including Angel (2002), Batt (2004), Bromley (2005), Calderón-Cockburn (2002), Durand-Lasserve and Selod (2006), Fernandes, (2002), Gilbert (2001), de Olarte (2001), Gravois (2005), Home and Lim (2004), Payne (2001) and Quan (2003).

Given the substantial investments on land titling programmes to date and the extensive reaction they have generated, perhaps the greatest surprise is the extremely modest empirical evidence to support or challenge the role of land titling in promoting social and economic development and reducing urban poverty. In fact, it has it is difficult to identify another developmental policy which has been so heavily promoted for so long on such a limited empirical foundation.

In an attempt to fill this gap in evidence, a two stage research project was undertaken between 2005-2007 of the social and economic impacts of land titling programmes in the urban and peri-urban areas of developing countries<sup>2</sup>. The review of literature in Stage 1 identified and reviewed 164 documents relating to land titling in urban and peri-urban areas. However, despite this wealth of material and the lavish claims made on behalf of titling by its advocates, very few examples were found which offered independent assessments of the social and economic impacts of titling programmes.

A second surprise revealed by the review of literature was that a key reason for the paucity of empirical assessments is simply that very few titling programmes have actually been undertaken so far in the urban and peri-urban areas of developing countries. Many proposed programmes, for example in the Philippines, Tanzania, Egypt and Ethiopia, have not so far been implemented or expanded from pilot projects into citywide programmes. In Africa, Senegal and South Africa are the only countries where, although at different scale and pace, property ownership has been promoted in order to secure tenure, ensure social inclusion and spatial integration of the urban poor and, in the South African case, redress historical inequalities.

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<sup>2</sup> The project was undertaken by Geoffrey Payne, Alain Durand-Lasserve and Carole Rakodi. Case studies were undertaken in Senegal by Selle Ndiaye and in South Africa by Colin Marx and Margot Rubin. The project team gratefully acknowledge the support of Sida, the Global Land Tool Network at UN-Habitat and the Norwegian Ministry of Foreign Affairs, though the views expressed are those of the project team alone.

Apart from these surprises, it was also evident from the literature that a key reason why property ownership has become so widely promoted is the need not only to provide security of tenure for residents but also to protect the investments of both local and international investors. As such, a common means is being advocated to meet different and possibly conflicting policy objectives.

Following the literature review, it was decided to undertake case study research in two developing countries where land titling programmes have been extensively undertaken in order to obtain independent empirical evidence of the social and economic outcomes. For reasons outlined above, Senegal and South Africa were selected and case studies undertaken by local teams. Programmes were assessed by comparing them with control settlements of similar social and environmental characteristics which were not titled.

Data on urban land and housing markets in developing countries is invariably limited, unavailable, outdated or inconsistent between cities and countries. Even where the data are available, they rarely deal with the key outcomes and impacts. For this reason, although the city case studies drew on secondary data where possible, primary data collection was essential in both cases. Attributing a range of social and economic outcomes to a specific change in legal status is, of course, problematic. Since time did not permit a before-and-after study of both beneficiaries of titling and a control group with similar socio-economic characteristics, comparative studies were undertaken of areas in which key factors could be held constant. Fieldwork involved a combination of quantitative and qualitative methods, as experience has shown that this provides the most effective way of gaining the necessary understanding of complex and dynamic policy outcomes.

So what were the key findings from the case studies? These can best be summarised under the following headings.

#### *Titling and tenure security*

Both the Senegal and South Africa case studies confirm that there whilst there are substantive differences between formal, informal and customary tenure categories, perceptions are important in determining tenure security. The surveys revealed that residents in most informal settlements in both case study countries already enjoy *de facto* tenure security. However, titling has had a very positive impact on increasing tenure security for women by specifying them on ownership records. The situation for tenants is less positive in that rents in the Senegal case increased sharply as newly regularised shack owners transferred onto them the costs of tenure regularisation and physical upgrading.

The Senegal case study found that many households entitled to regularisation have not yet completed the process of registering their rights. This suggests they consider the option of a title sufficient to realise an adequate level of tenure security and that finalising the process can be delayed indefinitely, especially if completion exposes them to additional unnecessary expenditure. Of course, this perpetuates the illegal, or semi-legal status of the settlements and inhibits formalisation of the urban land and housing markets.

#### *Investment in housing*

The superior tendency of land titling to stimulate investment in housing and property development has been advanced as a key factor in the promotion of titling. However, evidence of a link between titles and investment in house improvements is not always clear, either because titles are allocated as part of a general upgrading of a settlement, differences between titled and untitled settlements are unclear, or the location of a settlement influences behaviour.

The surveys in Dalifort, the first settlement in Dakar to be regularised, indicate that in 1987, before tenure regularisation, 90% of the dwelling units were shacks built in non-permanent materials. In 2007, after regularisation, 68% of the houses consisted of permanent building materials. Titles, or the anticipation of receiving them, have therefore clearly stimulated investment in housing, though high proportions of households in informal settlements have also invested in improvements when they considered themselves secure. When probed, most households in both titled and untitled settlements who had not invested in their homes claimed that the reason was a lack of finance rather than tenure status.

#### *Access to formal credit*

The ability to use property titles as collateral in accessing formal credit is widely considered a key reason for promoting land titling. However, no evidence was found in the published sources or the case studies that titles increase the likelihood of receiving credit from private sector banks or that banks are using property titles to secure loans. The proportion of households who have taken out loans to develop businesses is tiny, and none have used their houses as collateral. The main reason given was that households feared losing their prime asset, their property, whilst the banks usually ask for a bank guarantee provided by another person, or demand evidence that the borrower has a regular income before offering a loan. In this sense, the banks are operating in a far more responsible, if conservative, manner than those in the West.

#### *Municipal government revenues*

The integration of informal settlements into the formal urban land and housing market is widely held to increase the potential for local governments to raise revenue from property taxes as well as fees for land registration, transfer, capital gains and inheritance. This can then be used to finance public services and improve urban governance. However taxes and other charges may be collected by one agency or authority, while benefits, such as improved services, may be provided by others.

However, taxes and other charges place heavy demands on newly titled households, whose incomes may remain low and/or irregular. In South Africa, evidence was found of distress sales by beneficiary families unable to meet such costs. In Senegal, exposure to taxes and other charges was found to be a factor in the non-completion of the titling process by many households.

So far, revenues from taxation following tenure regularisation are so modest as to be insignificant. In South Africa, indigent households can make use of lower tariffs for a range of municipal services and the municipal council's tariff strategy has meant that it effectively writes off significant amounts each financial year, so that any increases in revenue are more than offset by the subsidies. As a result, the impact of the provision of real property rights on municipal government revenues was limited in both countries.

#### *Impacts on urban land and housing markets*

Land titling is often promoted as a means of stimulating land markets in which households use their properties to 'trade-up' as a means of increasing their asset base. However, the case study findings reinforce the literature in noting that residential mobility is very limited, and there is very little buying and selling of homes in consolidated communities, except in desirable areas that are subject to gentrification. This suggests that newly titled households regard their properties primarily as homes and the basis for family and community life, not commodities to be traded in the market.

When property transfers have occurred, they are not necessarily for the reasons predicted. In Cambodia, where property sales have increased following titling programmes, it was because titles have been provided in peri-urban locations to which residents have been relocated from informal inner-city settlements. Drastic increases in land prices in settlements declared for regularisation in Dakar and the commencement of delivery process of property rights (surface rights that could be converted into a freehold title) has increased market pressure in targeted settlements and accelerated gentrification. In South Africa, many sales were at prices lower than the cost of development by households unable even to meet the cost of service charges. Such sales were informal and, as a result, the formal land registration system had broken down.

Land titling programmes place heavy demands on land administration agencies, since they involve a number of administrative procedures. Many of these agencies are overstretched performing routine tasks, so their ability to adapt to new challenges within a dynamic policy and economic environment imposes further demands. The initial titling allocation process 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.

Case studies of the tenure regularisation programme in Dakar show that the programme is having two opposite impacts: i) it has accelerated the formalisation of informal land markets and; ii) it has induced an “informalisation” of formal land transactions (to avoid taxation or temporary restrictions put on the transfer of real property rights). These two phenomena are closely interrelated and cannot be disentangled one from each other.

### ***Conclusions***

The literature review and the two case studies all indicate that the social and economic objectives of land titling programmes have not been met and that any benefits realised have also been frequently met through other forms of land tenure.

In those countries where the threat of eviction is tangible, clearly the possession of a title is highly valued. Equally, where no threat exists, people feel sufficiently secure to invest what they have in housing improvements and in these cases titles are not regarded as important, and may even have negative connotations due to the increased commitments and visibility to the authorities that they entail. Ironically, titling programmes appear to be more widely implemented in countries where de facto security is already high and titles are relatively less needed than in countries where insecurity is widespread and titles would be most welcome.

A further policy consideration is that where titling programmes are undertaken on a small scale due to resource or other constraints, land market distortion is likely to be considerable, since well located settlements attract dramatically higher values and newly titled households become vulnerable to market-driven displacement. Where programmes are undertaken at a large enough scale to minimise market distortion, they place very heavy demands on land administrative agencies. In cases where land administration authorities are unable to maintain accurate and up-to-date records, or where those engaged in property transfers fail to formally register such transactions, land tenure regularisation has frequently encouraged the development of new forms of informal land delivery channels/markets. According to municipal sources in Dakar, most land sales in newly regularised settlements, especially in Dalifort, are not declared, because they have not been formally authorised. Paradoxically, formalisation of land tenure has therefore resulted in the informalisation of formal practices.



## ***Policy implications***

The research has been undertaken at a time when the excessive promotion of home ownership in the West, though questionable mortgage lending practices and inadequate regulation, has brought the entire Western financial system and possibly its economy, to the brink of collapse. The parallel promotion of land titling programmes in developing countries is unlikely to pose a similar threat as both potential borrowers and banking practices are more conservative and, arguably, more responsible. On balance, the costs of land titling and home ownership appear far greater than the benefits generated and governments would be well advised to reconsider any moves in that direction.

The research suggests that the social and economic policy objectives used to promote land titling programmes in developing countries can more easily be achieved through a range of tenure options other than formal ownership. The high proportion of low-income households also suggests that rental, communal or customary tenure options will remain appropriate for some time to come, as they offer flexibility and support without high entry costs. Given the enormous diversity and complexity of land tenure practices and the changing pressures under which urban land is used, it is preferable to build on local traditions and practices which are well known and which enjoy social legitimacy. An incremental approach, applied at a large scale and combined with other policy instruments, such as land use planning, transport policy and environmental management to reduce energy consumption, can provide a more sustainable basis for urban development in ways which benefit all sections of the population, not just an affluent minority.

The issue of equity is central and cannot be solved by continued economic growth. At some point in the near future, resource constraints, plus the impact of climate change, will impose limits and humanity will be forced to consider how to allocate what is available. Whilst more efficient use of resources and energy are vital, even this will not be sufficient to resolve the differences between and within nations.

Yet, as George (2008) has observed, there is no shortage of wealth. The problem is its allocation. She cites the UN World Institute for Development Economic Research, WIDER, which "estimates total world household assets at about \$125 trillion. This is about three times world GDP and unsurprisingly, the top two percent of the world captures more than half of that wealth. The top 10 percent ... hold 85 percent, while the bottom half of humanity is obliged to stumble along with barely 1 percent". The problem is not confined to differences between rich and poor countries. For example, in a survey of 120 major cities, New York was found to be the ninth most unequal in the world and Atlanta, New Orleans, Washington, and Miami had similar inequality levels to those of Nairobi, Kenya Abidjan and Ivory Coast. Many were above an internationally recognised acceptable "alert" line used to warn governments (United Nations 2008). The UN report expresses concern that growing inequality in US cities could lead to widespread social unrest and increased mortality.

Whilst housing finance practices in one country have engendered an international financial crisis and this has brought into question the very survival of capitalism, it is worth asking if the present situation is not actually a blessing in disguise. Now that leading Western banks are effectively owned by governments, the era of unregulated, free-market capitalism has effectively ended. We now have a unique opportunity to redefine the public interest in economic development and create a form of social capitalism which can address both inequality and climate change. As George notes, "we can expect a new generation of 'smart regulation' in which private corporations will need to take into account the wider public interest when making their investments". Housing finance, land tenure and urban management policies have a major role to play in building a more sustainable and harmonious future.

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### **Bio of Geoffrey Payne**

Geoffrey Payne is a housing and urban development consultant with over three decades of experience in developing countries. He has undertaken consultancy, research and training assignments in most parts of the world for a wide range of development agencies. He has published extensively on housing, land policy, property rights, regulatory frameworks, public-private partnerships and other urban development issues. He was a founding member of the Homeless International Management Council and is an External Associate Adviser to the British Council and a trustee of the Building and Social Housing Foundation.