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**The Intricacies of Land
Markets - Why the World
Bank Succeeds in Economic
Reform through Land
Registration and Tenure
Security**



Land Administration
and
Socio-Economic
Development

Key message:

A well designed and properly managed land administration system is a key factor in socio-economic development.

Structure:

1. History
2. Conceptual framework
3. Empirical evidence on economic impact
4. Social considerations
5. World Bank experiences

Historical Perspectives (i)

Ancient Egypt (4th-6th Dynasties, 2200 B.C.)

- All lands registered at prime ministers' office
- Ownership transfer recorded on papyrus, signed by three witnesses
- Official seal marks end of document, to prevent fraud
- By 550BC landholder keeps document of possession as well as all earlier documents of earlier owners

Historical Perspectives (ii)

Hammurabi's System in Babylon (1792-1750 B.C.)

- Private ownership common
- All land holdings registered in palace
- Tracts marked by boundary pegs
- State adjudication of ownership and use

Historical Perspectives (iii)

Assyria' (1200-750 B.C.)

- Transactions recorded in king's presence
- Records kept on clay tablets in palace
- Property law enforced by state
- Displacement of boundary markers severely punished

Historical Perspectives (iv)

Ancient Israel (700 B.C.)

- Sales recorded on deeds, signed by witnesses
- Two copies of deed, one of which sealed
- Copies kept by a temple priest, in ceramic jar

Historical Perspectives (v)

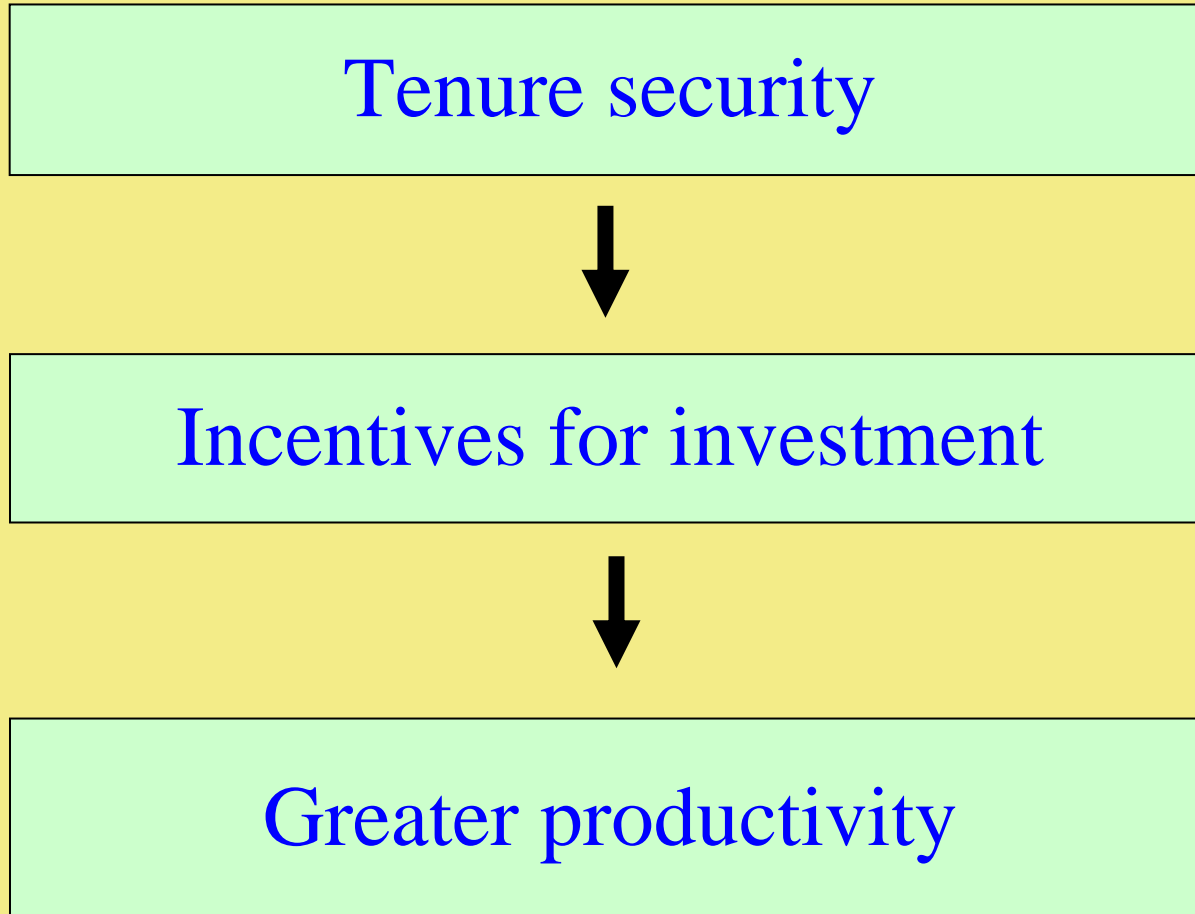
Cleopatra's Egypt (35 B.C.)

- Detailed cadastre kept by the state, recording every single tract's possessor, dimensions, location, nature of crops grown, and tax status

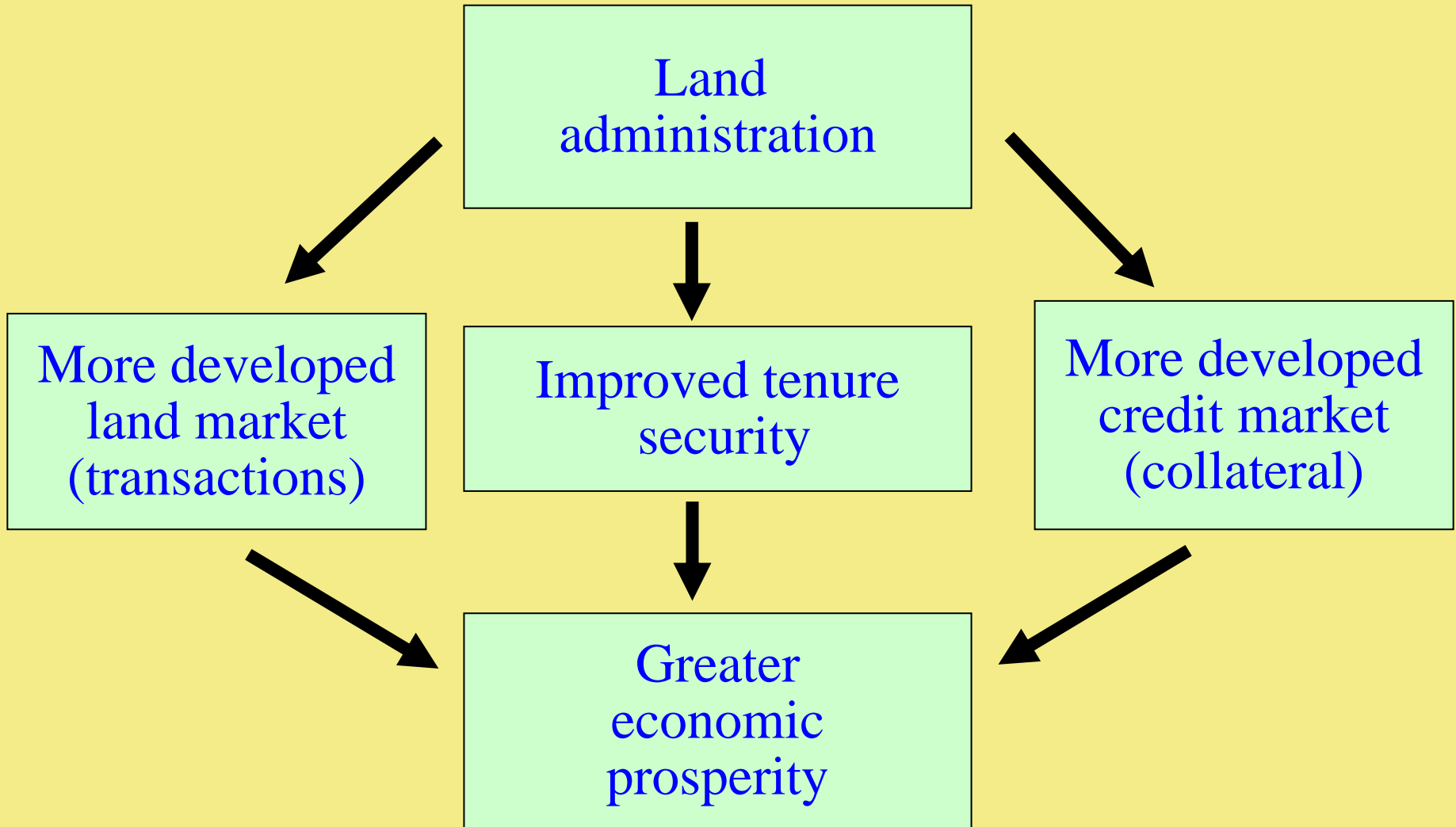
What does history suggest?

- Sophisticated land administration systems are associated with economically and politically advanced societies
- Governments or their surrogates have always had important roles in maintaining and facilitating land administration systems

The Conceptual Framework (i)



The Conceptual Framework (ii)



The Conceptual Framework (iii)



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graph TD; A[Better land administration] --> B[Better tax collection]; A --> C[Better citizenship];
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Better land
administration

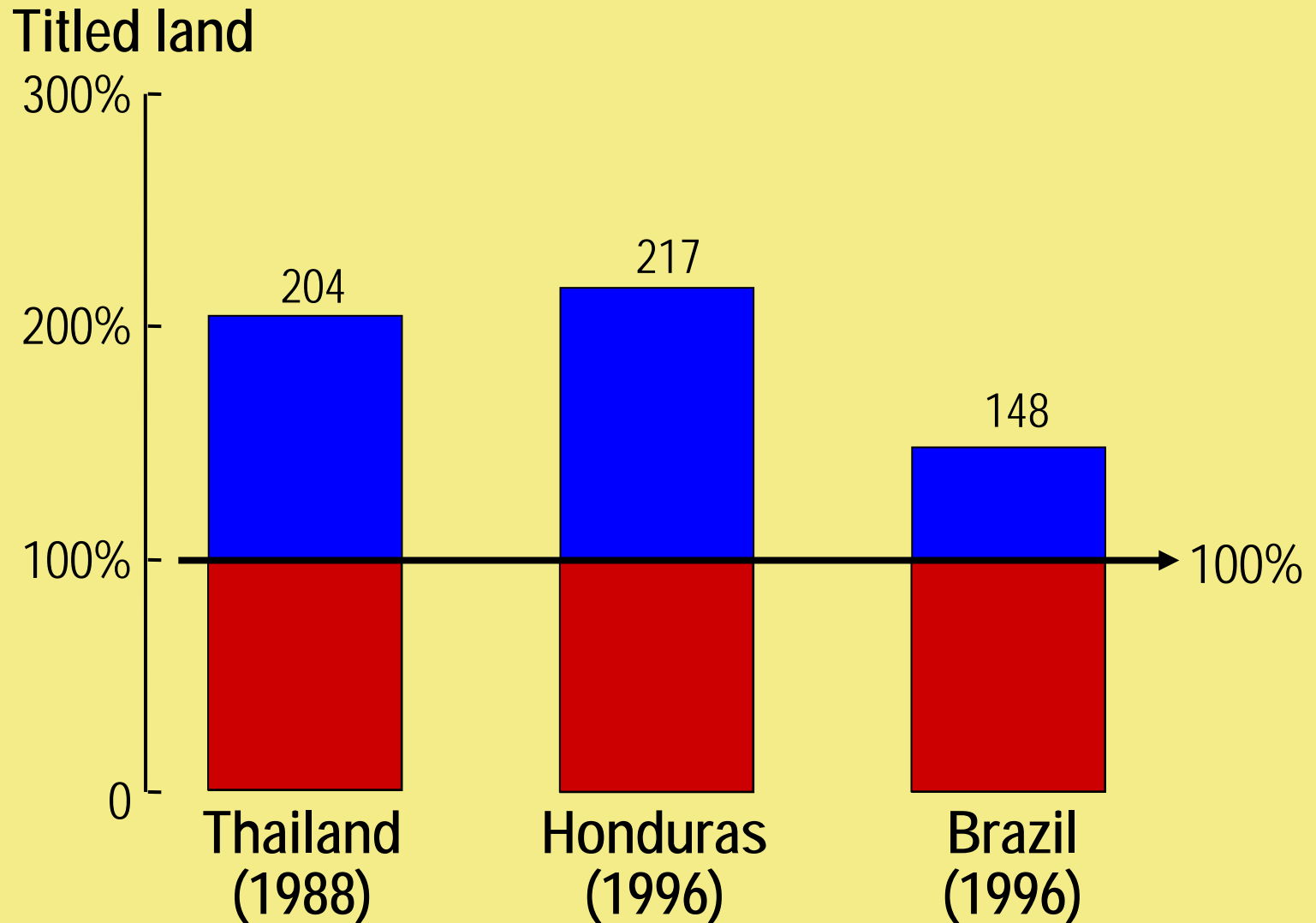
Better
tax collection

Better
citizenship

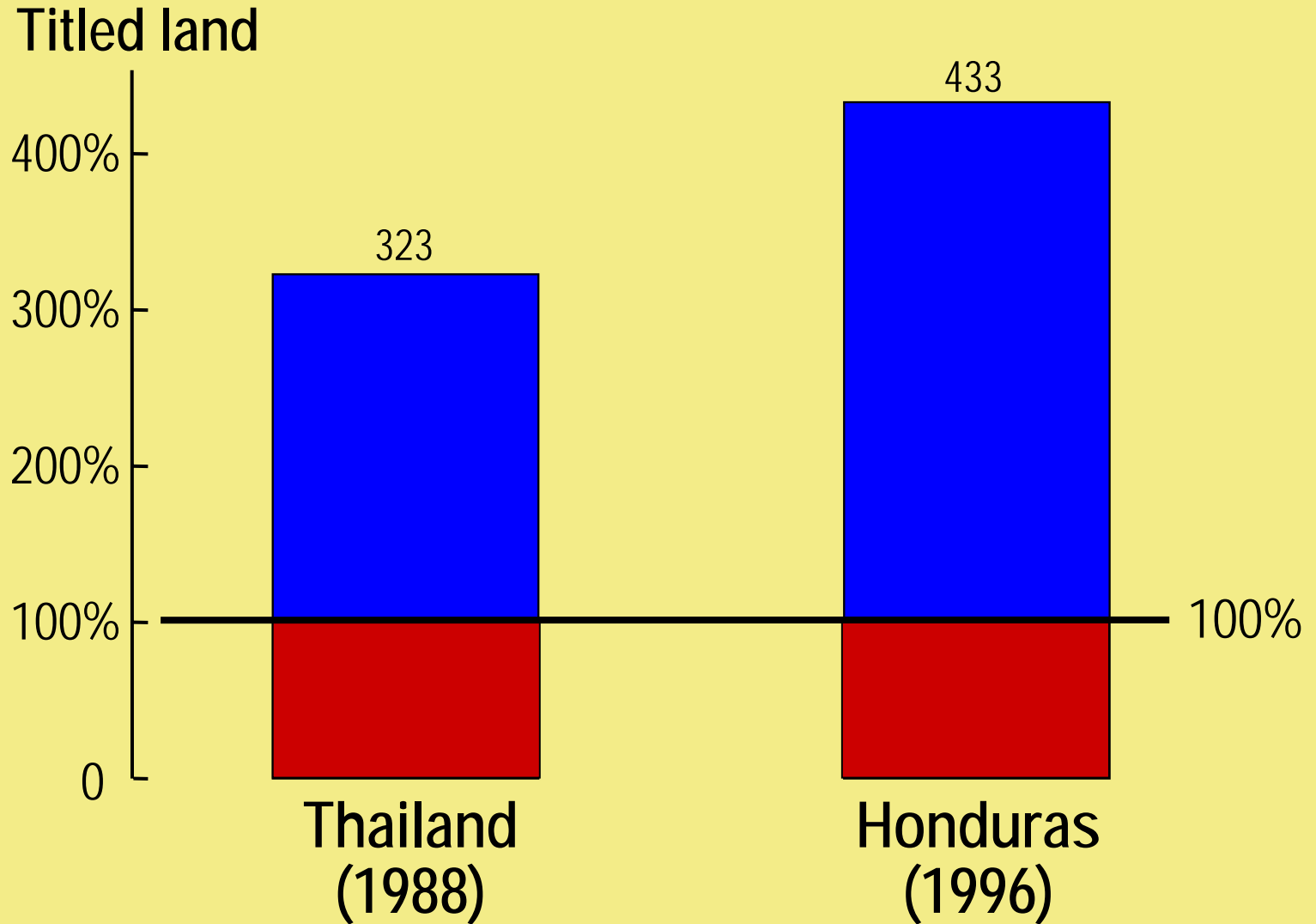
Testable Hypotheses:

- Land registration → Greater investment
- Land registration → More credit
- Land registration → Higher land value
- Land registration → ← Greater revenue from land

Empirical evidence: **Investment**

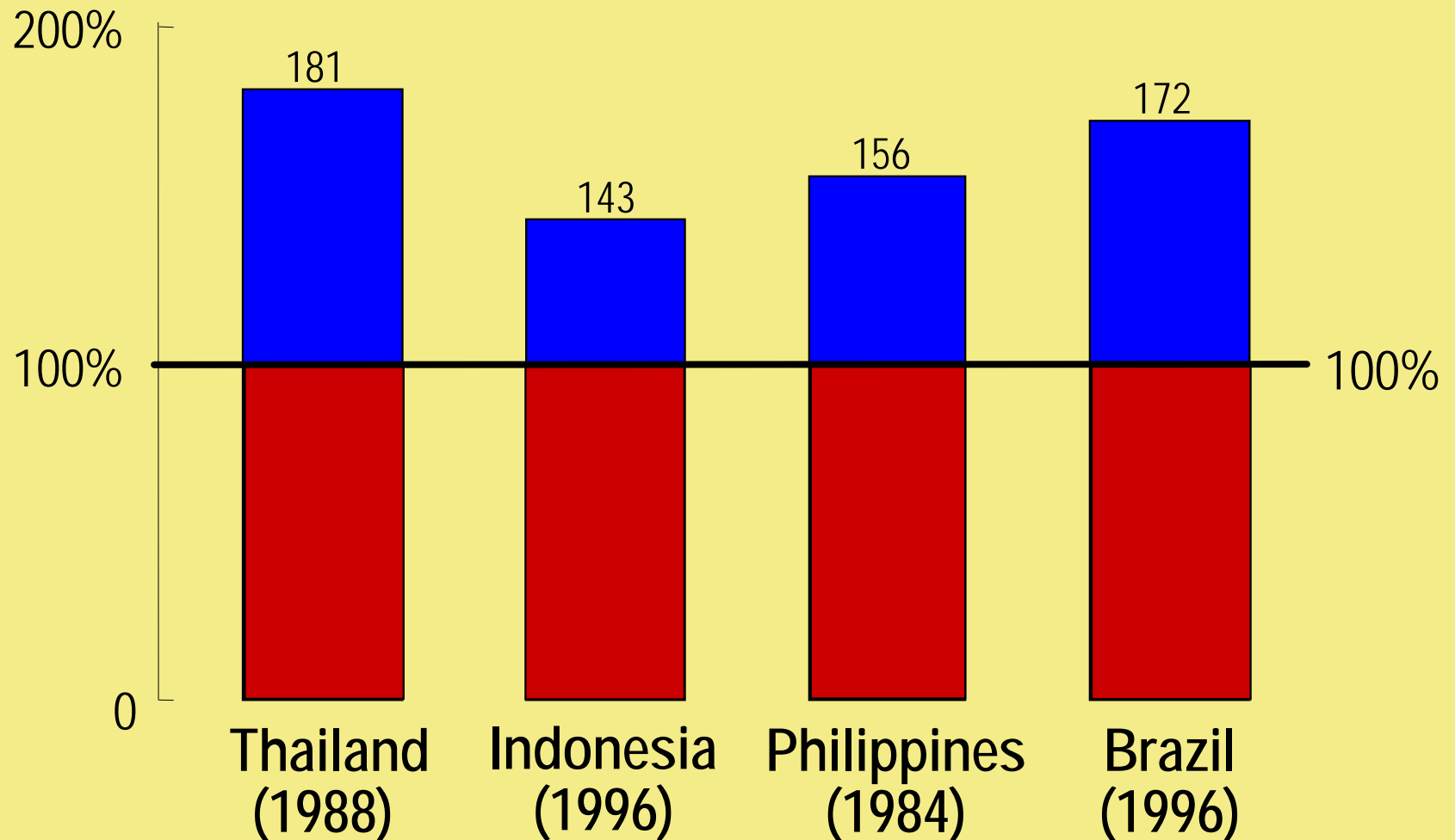


Empirical evidence: **Credit**



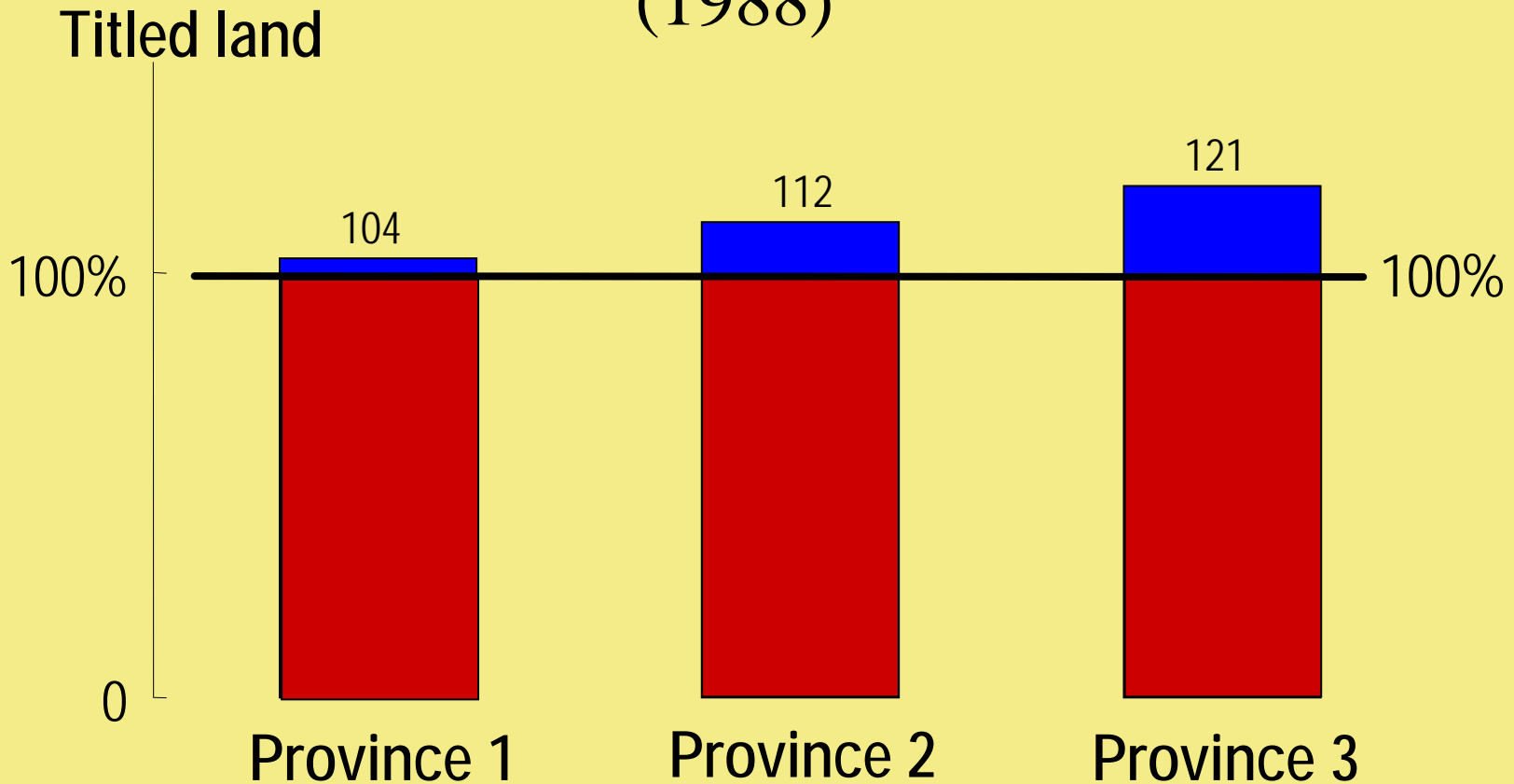
Empirical evidence: **Land value**

Titled land



Empirical evidence: Revenue from land

THAILAND (1988)



Social Considerations

- Change in rules can provide unfair advantages to the wealthy
- High transactions costs undermine the access for the poor
- More efficient land markets can lead to land concentration when credit markets are distorted
- **Remedial steps are available to tackle these risks**

World Bank Experiences: Scope of Operations

- The World Bank is a major financier of land administration activities:
- Scores of projects over the past 15 years
- Activities in Asia, Africa, Europe, Middle East and Latin America
- A variety of activities supported: Cadastres, registration, titling, organizational reform, legal reform, capacity building, studies
- Both rural and urban sectors

World Bank Approach to Land Administration

- Land administration viewed as input for socio-economic development
- Analytical work typically precedes actual financing
- The broader context of a country's situation: legal system, economic forces, political background are considered
- Complementary investments and policy reforms supported as well
- Social risks addressed in project design
- Long term horizon

Common Design Features in Land Administration Projects

- Ensure that the institutional policy and legal framework is appropriate
- Information campaigns to protect the underprivileged
- Legal assistance for the poor
- Community involvement in adjudication and conflict resolution, and feedback mechanisms
- Geographical prioritization
- Reliance on private sector where possible
- Subsidize first-time registration for small land-owners, but plan for long-term fiscal sustainability