

Economic Impacts of LTPR Programming

Property Rights and Resource Governance Issues and
Best Practices

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Economic Impacts of (some) LTPR Programming

1. Economic logic of LTPR interventions to improve security of tenure
 - How do LTPR interventions lead to rising incomes and economic growth?
2. Existing evidence on economic impacts of LTPR interventions to improve security of tenure

Economic Logic of (some) Land Tenure Interventions

-Interventions to improve tenure security

-Reduced risk of expropriation
-Reduced risk of land conflict
-Facilitation of land transactions

-Investment outcomes
-Economic outcomes related to transactions

... end result: rising ag. productivity, household incomes, economic growth

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Examples of Interventions to Improve Tenure Security

- Participatory community land use planning/boundary demarcation
- Documentation of land rights (certification, titling)
- Institutional reforms/improvements
 - More efficient and responsive land administration
 - More effective/streamlined dispute resolution processes
- Legal education/outreach

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Economic Logic of Land Tenure Interventions

- Reduced risk of land expropriation
 - Government
 - Traditional authorities
 - Others
- Reduced risk of land conflict
 - Challenges to land claims
 - Inheritance disputes
 - Conflicts with pastoralists
- Facilitation of transactions
 - Sales, rental markets
 - But not always focus of interventions

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Increased Investment Incentives

- Lower risk especially to investments that pay off over time
 - Soil conservation / fallowing
 - High value crops, esp. tree crops
 - Fixed investments in land (wells, small-scale irrigation)
- Resources used to defend land claims can be redirected to productive use
 - Labor
 - Less productive trees
- Ability to recoup cost of investments through sales

Outcomes Related to Transactions

- More efficient land distribution
 - Producers can adjust to optimum scale
 - Reduced risk of conflict => increased willingness to rent out
- Land titles can be used as collateral to obtain loans
 - Idea popularized by de Soto's Mystery of Capital
 - But often problematic in practice:
 - Ownership must be freely transferable
 - Financial institutions not always there to fill gap

Caveats

- This framework does not reflect all LTPR programs
- Non-economic benefits may also be a justification
- In practice, timeframe for realizing benefits can be long

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Existing evidence

- LTPR impact evaluation is an under-researched area
- Titling programs of the 70s and 80s- little economic impact

Existing evidence

- Recent research shows more promising outcomes
 - Deininger and Castagnini (2006): resolving ongoing land disputes in Uganda would increase agricultural production by 5-11%
 - Holden et. al. (2009): Land certificates cause farmers to be 40% more productive in Ethiopia
- Indirect evidence: varying configurations of land rights can have significant economic implications
 - Smith (2004): Stronger land rights lead to increased productivity, cotton adoption in Zambia
 - Goldstein and Udry (2010): Less politically connected farmers in Ghana are less likely to fallow their land and experience lower productivity as a result