

**Social and economic impacts of land titling  
programmes in urban and peri-urban areas:  
International experience and  
case studies of Senegal and South Africa**

**A research project undertaken between 2006-2007 by:**

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# Project context

2008 marks the first time in human history in which more people live in urban than rural areas.

Urbanisation and urban growth are set to continue, especially in developing countries. This cannot be stopped – the challenge is how to manage it.

About 1 billion people presently live in slums or squatter settlements, maybe 2 billion by 2030.

The MDGs are a very modest and insufficient goal.

The political and economic context has changed dramatically during our project.

# Project objectives

The study seeks to address the following key issues:

- What are the social and economic outcomes and impacts of titling programmes? Who has benefited?
- To what extent have titling programmes increased tenure security for all affected groups?
- Has titling improved access to formal credit? By whom? From which sources?
- Has titling led to increased investment in housing and/or infrastructure? By whom?
- Has titling led to improved the economic status of poor households? To what extent and through what channels?
- How adequately has the administration system coped with ongoing transfers of land and property?

# Research methodology

Limited availability, currency and reliability of data between cities and countries a challenge.

Attribution and identifying the 'titling gene'.

Comparative studies used to assess impacts.

A common research methodology using both quantitative and qualitative methods was used in each location:

- stakeholder analysis,
- key informant interviews,
- a questionnaire survey,
- in-depth household interviews,
- maps and photographs.

# Impacts: Tenure security

Does titling increase tenure security?

- Importance of perceptions in assessing security.
- Many residents already enjoy *de facto* security.
- Increased tenure security for women headed households.
- Decreased security for tenants, usually the very poorest.
- Decreased security for some owners, due to market driven displacement.
- Many titling programmes implemented in areas that already enjoy tenure security.

# Impacts: Investment in housing

Does titling stimulate investment in housing and property development?

- *Perception* of security more important than titles.
- Promise more important than delivery of titles. Titling is one of many means of encouraging investment in housing and land, though by no means the only one.
- Finance a major factor, as is
- The location of the settlements involved, or
- The provision of services and other upgrading measures, including
- The regulatory framework.

## Impact on access to formal credit

Are titles important as collateral in accessing formal credit?

No evidence found in the published sources or the case studies. Reasons:

- The poor fear losing their prime asset
- Banks are not adapted to the needs of the poor
- Households prefer savings or loans from friends or local moneylenders.

No loans used land or houses as collateral. Titling does *not* liberate dead capital.

# Impact on municipal government revenues

Does titling increase municipal revenues?

- Issue complicated by roles/responsibilities
- Charges based on land prices are restricted by ability to pay, or force distress sales.
- Charges set according to affordability levels may cost more to collect than is justified.
- Charges may discourage households from completing the tenure formalisation process.

Titling has not increased revenues and in some case has reduced them.

Action should facilitate transparent land and housing markets which enjoy social legitimacy.

## Impacts on economic development for poverty reduction

Has titling reduced poverty?

Desk review and two country cases not definitive, *but*

- Minimal evidence of increased household incomes or employment status.
- However, titles empowered households to defend ownership claims and rights – even if they did not use them for such a purpose.
- Women are allocated a legally defensible asset.
- ‘Asset poverty’ has decreased in SA, but due largely to subsidies.

# Impacts: Land & housing markets

Do titles stimulate land markets & transfers?

- Residential mobility is very limited except in prime locations subject to gentrification.
- Reasons given are often not as predicted.
- Titling programmes place heavy demands on land administration agencies.
- Tilting has tended to formalise informal land markets but 'informalise' formal ones.
- Need to integrate tenure policy with spatial planning, livelihoods policy and services provision
- Governance and political economy are key issues.

## Conclusions: General issues

Titling programmes undertaken for primarily economic reasons (eg to secure investment) have failed to realise social objectives (securing the poor). *Legalise land or legalise the poor?*

Titling programmes undertaken for primarily social reasons also appear to be limited.

Programmes undertaken on a small scale maximise land market distortion, whilst

Programmes undertaken on a large scale may over-burden land admin agencies.

Top-down, or outside-in, programmes do not work.

Social legitimacy is vital, as is building on what works in an incremental way.

# Policy implications

- Assess the number of titles required and the capacity of the administrative system.
- Introduce/expand innovative finance mechanisms to provide credit to the poor
- Review/relax the regulatory framework for managing urban land and housing markets
- Introduce/expand multi-stakeholder partnerships
- Encourage a *range* of tenure options so *all* social groups have a choice
- Avoid 'quick fixes'.

## ... and

Apply different objectives according to the circumstances under which titling is undertaken:

- **Discourage** titling of existing informal settlements within inner urban areas.
- **Strongly discourage** titling of new areas undertaken as part of slum or squatter relocation programmes.
- **Where evidence of demand exists, encourage** titling undertaken as one option amongst others allocated in new development areas,

**Finally,**

Materials generated by this project  
can be downloaded at:

- [www.gpa.org.uk](http://www.gpa.org.uk)

Thank you.