# Economic Impacts of LTPR Programming

Property Rights and Resource Governance Issues and Best Practices

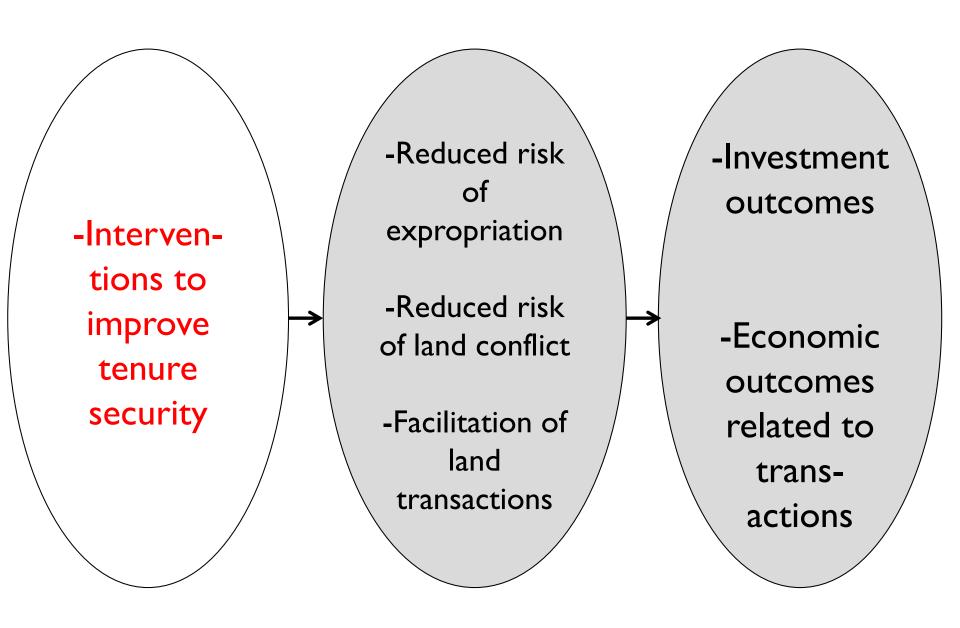
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# **Economic Impacts of (some) LTPR Programming**

- I. 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

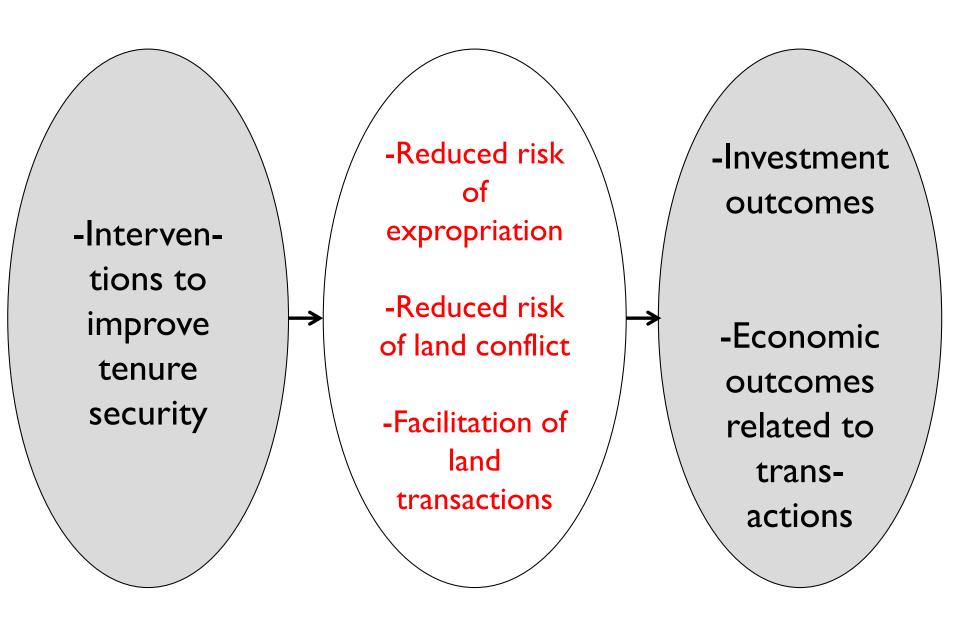
-Reduced risk -Investment of outcomes expropriation -Interventions to -Reduced risk improve -Economic of land conflict tenure outcomes security -Facilitation of related to land transtransactions actions

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

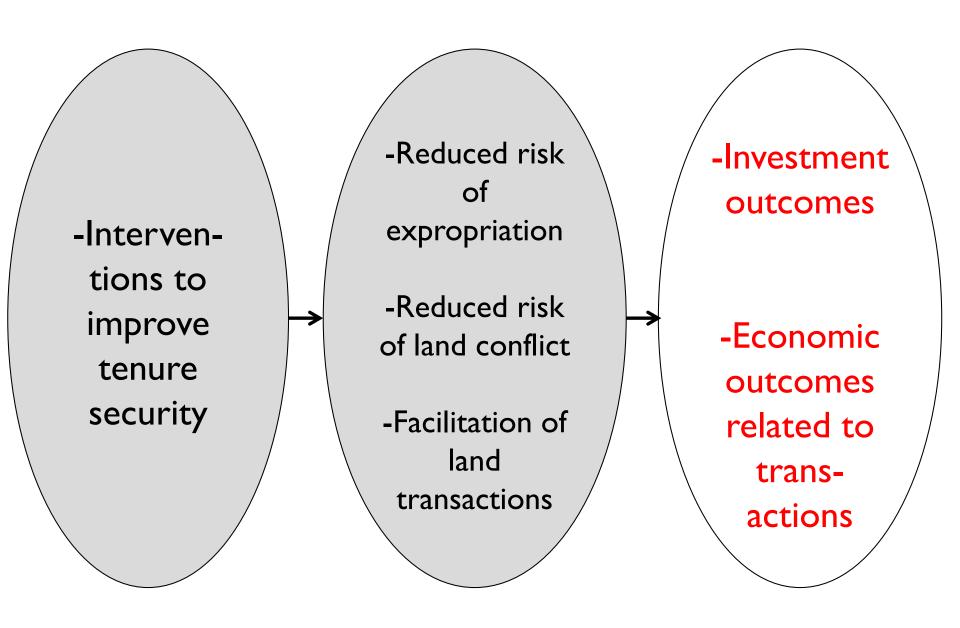


## **Examples of Interventions to Improve Tenure Security**

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



- 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



#### **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 <u>all</u> LTPR programs
- Non-economic benefits may also be a justification
- In practice, timeframe for realizing benefits can be long

# **Economic Impacts of (some) LTPR Programming**

- I. 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

## **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