

# Questioning the Century-Old Paradigm The Case of Securing Land Tenure in the Philippines



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*FIG Working Week 2011 – 'Bridging the Gap between Cultures'  
Marrakech, Morocco, 18-22 May 2011*

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## Introduction

- Emerging global discourse on land
- Tenure security is critical for sustainable development
- “what” and “how” questions
- Need to focus on affordability and sustainability issues



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## Overview of land tenure system

- Quick historical transformation
  - Communal - landlordism - market-oriented
- Land administration experimentation
  - Colonisation - experimentation - agrarian reform
- Present tenure arrangements
  - Introduced reforms; urban - agrarian - ancestral lands
  - Good intentions - poor implementation - mixed results
- Status of land tenure and land markets
  - 50% are covered with titles
  - 4 million slum dwellers in Metro Manila alone
  - Asset reform programs are all delayed
  - 60% of the land market are in the informal system

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## Questioning the century-old paradigm

- **From informality to legality**
  - Why do security of tenure programs are delayed?
  - When will these end?
  - *Does the land registration system contributes to these issues?*
- **Cost of first registration**
  - **View from beneficiaries' side**
    - slow, too many documentary requirements, many laws/regulations, weak and many institutions, inefficient and corruption issues
  - **View from governments' side**
    - Process is subsidized, overlapping mandates, inefficient process, huge overhead costs, poor management

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## Questioning the associated costs

- *Does government really need to spend that much?*
  - Why the need for higher accuracy survey for low-value lands?
  - Why the need to spend for checking survey works done by private sector?
  - Why the need to perform same functions?
  - Why the need for so many layers of checking and decision-making process?
  - Why focus on individual titles alone?
- *What are the alternatives?*

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## From legality to where?

- **After first registration, now what?**
  - **Ownership transfer means dealing with the 'experts' again**
  - **Ownership transfer means going through (again!) with the bureaucratic processes**
  - **Ownership transfer means payment of real property taxes**
  - **Ownership transfer means high transaction fees and taxes**

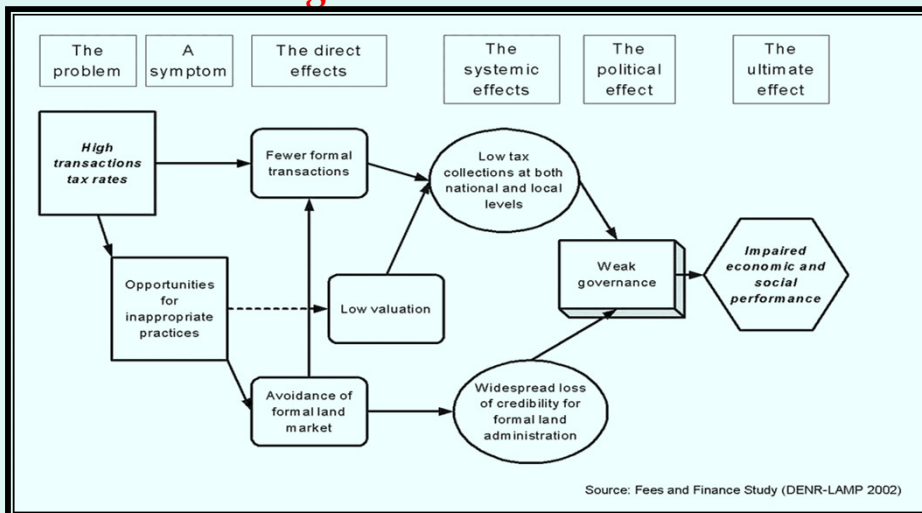


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## From legality to where?

### The Effects of High Transaction Cost



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## Addressing affordability issues – some options

- Clarify objectives
- Be responsive
- Techniques are solutions not a burden
- Minimize cost
  - Institute policy reforms
    - *Why focus on individual titles?*
  - Consider other technical solutions
    - Allow lower accuracy surveys for low-value lands
    - Introduce 'one title document', etc.
  - Simplify administrative arrangements
    - Merge/co-locate similar functions
    - Institutionalise good practices
    - Implement cost-sharing schemes, etc.

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## Subsequent Addressing affordability issues – some options

- Clarify objectives
- Be responsive
- Techniques are solutions not a burden
- Minimize cost
  - Institute **policy reforms**
    - *Why focus on individual titles?*
  - Consider other **technical solutions**
    - Allow lower accuracy surveys
    - Introduce 'one title document', etc.
  - Simplify **administrative arrangements**
    - Merge/co-locate similar functions
    - Institutionalise good practices
    - Implement cost-sharing schemes, etc.

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## Land transactions: affordability vs. sustainability

- *What is the 'right' and affordable transaction taxes and fees*
- *For consideration:*
  - Reduce cost and be cost efficient (formalisation proces)
  - Reduce cost of collection
  - Provide incentives and enforce sanctions
  - Strengthen land registration system
  - Explore reduction of taxes and monitor markets
  - Raise the level of awareness to political level
  - Delay payments?
  - Privatize services?
  - Government subsidy?

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## Conclusion

- Too many challenges...too many questions
- Answers/solutions can be summarised:
  - Reduce cost of the formalisation process
  - Reduce transaction cost to encourage formality of transactions
  - Weigh affordability and sustainability
- *Reforms are being initiated by the Land Administration and Management Programme (LAMP) – with clear emerging impacts*
- Remaining question:
  - *How to sustain the reform initiative?*

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## Thank you very much!



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