

The evolving land administration system in East Asia and the World Bank's assistance, with a focus on China - Guo Li, World Bank

a. Overview of the East Asian experience

Guo Li from the World Bank noted that the aim of his presentation was to provide a quick overview about the East Asian experience in the land sector. The question of why the focus on land he answered as follows. There is a strong sense that tenure security has a profound impact on poverty reduction through direct linkages such as increases in agricultural efficiency in rural areas, the construction of efficient land markets, the facilitation of urban expansion, and the establishment of efficient and effective housing finance schemes. Tenure security also has a profound impact on poverty reduction through indirect linkages, which include being able to expand the credit base, property taxation – which is seen as crucial for fiscal decentralisation – and natural resource management.

The World Bank is working in 10 countries that can be grouped by land-allocation systems and tenure. By way of illustration, China has higher amounts of land security and a strong state, whereas Thailand and Indonesia are very market-orientated with emphasis on customary law. There is also more equality of distribution in China than in Thailand. The World Bank has assisted in land issues and has been very active in East and Central Asia, Central and East Europe where land has been quickly privatised and the countries needed help to quickly set up cadastral systems. In East Asia they have financed 13 projects on lending services on land administration since 1984 (in Thailand, Indonesia, Philippines, Laos, Cambodia, and Vietnam) spending a total of US\$550 million. In addition to lending services, the World Bank has provided advisory services and land-policy dialogues, which have attempted to help client countries address land-related and legal issues. For example, in Indonesia, customary law is important and should be respected but urban areas do not follow this law, thus the question, how does one align different systems and provide institutional alignment?

The World Bank also tried to address outdated and fragmented policy and legal frameworks, inappropriate institutional arrangements and inadequate services provision, and weak land administration and management capacity. One example of weak land administration and management capacity is the average time required to transfer a property: in Thailand it takes two hours but in the Philippines 14-800 days.

World Bank activities have also included the development of land policy and regulatory frameworks in various countries, using their international expertise, institutional development, capacity building and training. In one case, students from Indonesia were selected for a Masters programme in Australia, after which they went back to work for the state. The activities also include implementation of an accelerated land-titling programme, which is considered its most important activity and where it has identified an urgent need to strengthen capacity at local level. The distribution of investment has been about 70%-80% for project costs, which have been used for adjudication and registration activities, and the remaining 20%-30% of the project costs were used for other components.

b. Lessons learnt from the World Bank projects

Li reflected on the overall impact and lessons from the World Bank's projects. Each project has had its own impact evaluation but the following gives a sense of the general results: tenure security is perceived to have improved, which has in turn improved landowners' access to credit. Land titles also seem to have strengthened investment incentives of landholders, land markets have become more active and land prices higher than those in non-project areas. There is, however, no evidence to support the idea of an increase of land concentration or landlessness as a result of registration.

Some of the lessons from the World Bank projects have demonstrated that what is needed is strong and high-level government commitment to the land-titling programme, where land policy is viewed as an integral element of a broader policy dialogue rather as a string of narrowly oriented technical interventions. Land titling should be area-based, particularly in rural areas. There is also a set of enabling factors behind the success of various programmes, which are considered the building blocks of institutional base and policy strategy for rural development. These include issues such as land reform, market liberalisation (regional integration and globalisation), investment into agricultural technology, investment in water and other infrastructures, rural industrialisation and off-farm jobs, specially designed national poverty reduction programmes, and new subsidy programmes. China provides an interesting case study for rural land registration and land reform, which is seen as the starting point of China's economic and social transformation and growth in the past 30 years.