Lessons on Urban Land Governance

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The prevailing view towards urban land governance

State institutions and regulatory frameworks have to be enhanced and strengthened to enable the system to get on top of the problem, to bring the city under control, to introduce order into chaos and to realize the vision of more just, more efficient and more sustainable cities.

Historical dimension

Emergence of town planning law in post Industrial Revolution UK

Use of urban land laws to control urbanisation under colonialism

Training of planners and officials

Political dimension

National governments threatened by city governments

Rule of law pressure, especially from donors

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In many countries though…

The instruments available to regulate the land markets are unaffordable (citizens cannot comply, state cannot implement).

Where land governance is effective it increases the value of the land, excludes the poor and propels more households away from the official system.

The big players in the urban land markets – developers, mines, farmers, investors, traditional leaders – are able to operate outside of the regulatory framework.

Perverse outcome: weak state concentrating resources on applying regulatory frameworks to a shrinking pool of households, excluding the majority and ignoring the most powerful interests.

ULM experience with governance projects: some examples

Title deeds for subsidy houses

•An investigation into why so few of SA's 'free' houses have title deeds

Regulatory impact assessment

•2 initiatives: inclusionary housing and establishing a housing development agency

•Promoting a methodology of developing options, identifying impacts and then selecting best possible regulatory option

National Planning Law Reform

•Supporting the Presidency in guiding proposed national planning law to ensure efficient and pro-poor outcomes

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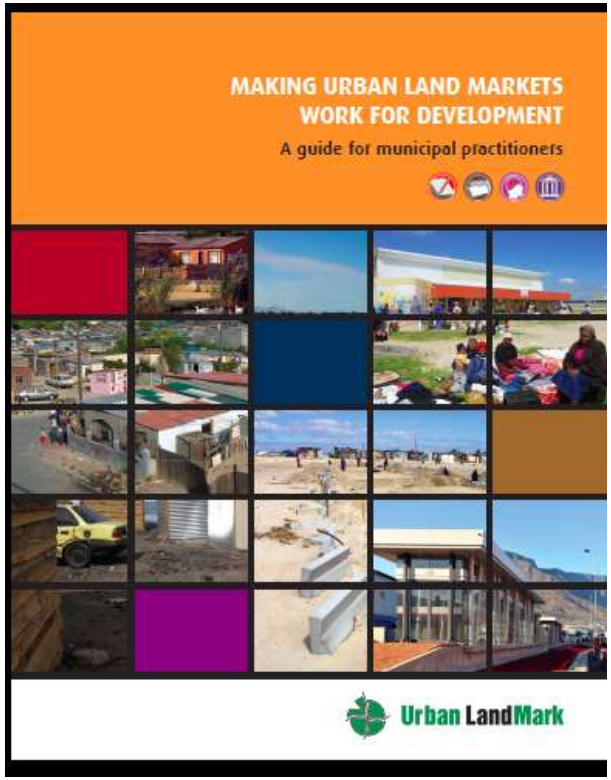
ULM experience with governance projects: more examples

Guide for Municipal officials

- Collation of ULM findings (land use management, municipal property taxation, value capture mechanisms, commercial development in township areas etc) in easy format for muni officials



Scoping exercises: Zimbabwe and Lesotho

- Studies into options and scope for developing ULM-type programmes there

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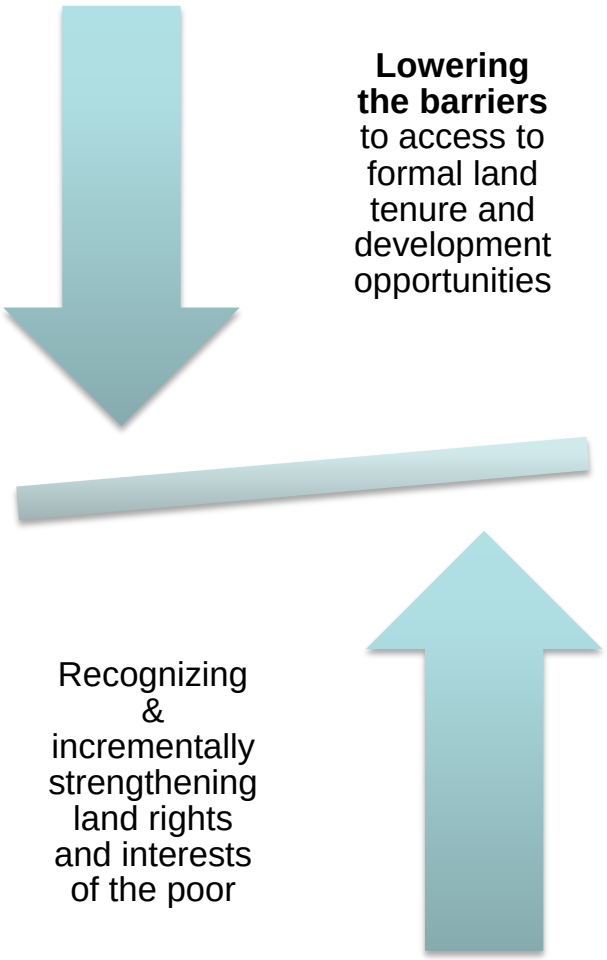
What does this mean for strengthening property rights and building inclusive urban land markets?

One dimensional, short-term, single solutions cannot work.

The issue has to be tackled:

1. Firstly, on the basis of an informed understanding of the ways in which the land market operates in a particular context
2. Secondly, on the basis of a logic built on the understanding of the market operation, design a governance strategy.
3. Thirdly, whatever the strategy, intervention is needed in **two** directions.



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Why it's so important to understand the governance context

No government will support an initiative that changes fundamental property rights and powers of the state (over citizens and municipalities) – and which strike at the heart of gender relationships and traditional leadership – unless there's a compelling logic:

1. will it build political support;
2. will it generate revenue; and/or
3. will it strengthen the power of the government (or weaken it)?

Which hook is the easiest on which to hang an argument for regulatory reform?

Why property rights are important

Tradeable, bankable, defensible property rights are created and protected by the state.

Where the state doesn't protect or recognize them, some communities are able to create local governance systems. These are often fragile and open to abuse but:

a)they work; and

b)official systems are often fragile too and are certainly open to abuse.

In some cases protecting property rights can weaken the position of the poor through:

a)strengthening the protection of elite interests;

b)increasing the rights-holders liabilities; and

c)Weakening the state's capacity to intervene through value capture or land readjustment, for example.

So, how do we proceed with building an argument

Be clear that the regulation of the market is intended to strengthen the position of the poor, in the short, medium and long-terms. Because it's a market and because they are poor the state has to intervene.

In highly unequal societies urban land markets that exclude the poor are costly and inefficient.

But each country has a different combination of factors determining the way the market works: legal, political, fiscal and economic.

When that context is understood the potential impacts of different impacts can be identified and interventions designed accordingly.

Real change comes, over time, from both building the local systems and changing the overall system.

What needs to be done

ULM has built an evidence base and provided a framework for approaching urban land governance through a different approach.

Immediately

Now there is potential to take this approach and apply it to urban land governance reforms.

Medium term

There is also plenty of scope to study the relationship between regulatory reforms and land access (prices, land supply, fair distribution of land rights, rate of building) over time. In a particular market this will provide an even more compelling argument for both the nature and timing of governance reforms.

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MAKING URBAN LAND MARKETS WORK FOR THE POOR