

Opinion

Land title reform: Increased investment, security, development

By Dr Bjorn Lomborg

GHANA'S economy has shown robust growth in the past two decades, with GDP per capita increasing by 88 per cent in real terms during this period. Still, poverty remains a challenge, especially among the rural population.

For an economy largely reliant on agriculture and mineral resource mining like Ghana's, land plays a crucial role in development. However, the land structure in the country is complicated, with most holdings remaining in customary ownership, untitled, and undocumented. This generates problems of disputes and inadequate utilisation of the property.

The formalisation of land rights through titling has positive implications for investments, land productivity, and socioeconomic development in general. Titling is a crucial step in providing assurance for ownership and securing investments. Security to land streamlines transactions and greatly increases the propensity to invest with a long-term perspective.

Well-documented private property rights also facilitate the use of land as collateral for loans and therefore provide easier access to credit. Given all these benefits, it is not surprising that registered title has been found to raise property values by as much as 60 per cent.

Some major reforms, policies and laws have been implemented in the last three decades both in Ghana and globally. However, due to the magnitude of the challenges in titling in Ghana, a lot remains to be done to register the majority of holdings and enhance the effectiveness of the system. If conditions are right, well-implemented land registration programs can help improve governance and administrative efficiency, reduce the need to spend resources on enforcing land

rights, enhance gender equality, increase land-related investment, and enhance the operation of land markets as well as credit access.

Land titling impact

Spending resources for land title reform can drive development in Ghana, but public resources are always limited, and identifying the areas where investment would do the most good is crucial. Governments need to prioritise the most cost-effective

policies that generate the highest return on every cedi spent.

Ghana's priorities is a collaboration between the National Development Planning

Every cedi spent on the reform would yield a benefit of around GH¢90.

Commission and the award-winning think tank Copenhagen Consensus that aims to provide reliable inputs to the discussion on the best policies for the country.

The project brought together 28 teams of local and international experts to study the economic, social and environmental impact of over 80 policy initiatives across all sectors of government. These cost-benefit studies are now published for the benefit of all Ghanaians.

To provide Ghana with a modern land records database as the foundation for smoother transactions and economic growth, Charles Adjasi from the Stellenbosch University in South Africa, Stanislaus Adjaba from the Lands Commission of Ghana, and Brad Wong and Saleema Razvi of Copenhagen Consensus studied the possibility of surveying and documenting over more than half of Ghana's land area — 170,000 square kilometres of customary lands in Ghana to build a comprehensive and automated national base land map.

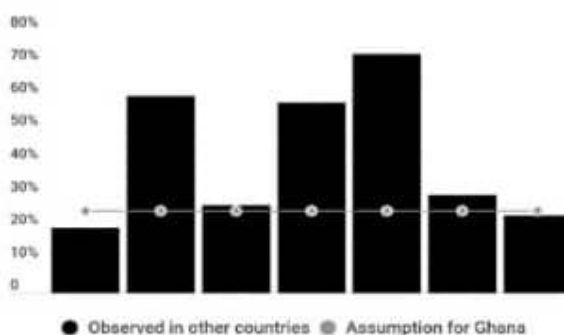
Intervention

The intervention would require updating and modernising the existing national base map, surveying and demarcation of customary land ownership, and rehabilitating the Continuously Operating Referencing Station (CORS) network, a system of about 200 stations across the country.

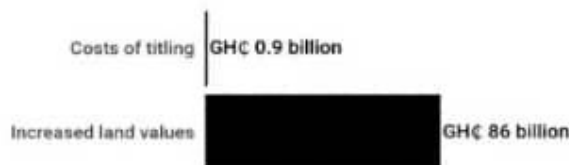
It would also include the digitisation of documents and automation of the registration process, as well as a national awareness campaign to sensitise citizenry, traditional rulers and families about

Surveying and titling for 170,657 km² of land

Increase in property values after land titling



Costs and benefits if one in four titling projects succeeds



Source: Authors paper



When successful, land reform eliminates barriers to increase sustainability and has numerous favourable outcomes for social, economic, and political development.

the intervention.

A new legal and arbitration framework would be needed to resolve disputes and review previous court judgments, possibly through engagement with the National and Regional House of Chiefs and a committee of eminent judges, states actors and land administrators. The researchers estimated the total cost of these components of the land reform programme at GHe 940 million.

While the costs are high, there are many benefits associated with land titling, including improved access to credit, higher certainty for investments and smoother land transactions. One of the clearest and largest advantages is the increased property value of titled land, estimated at 25 per cent. However, land-titling reform is not a simple endeavour. Given the challenges of previous land reform in Ghana and around the world, the researchers conservatively assumed that any project would only have a 25 per cent likelihood of actually working. Even then, the total benefits were estimated

around GH¢ 86,000 million. Every cedi spent on the reform would yield a benefit of around GHe90.

International experience shows that land reform is likely to be a lengthy process and the probability of success depends on the appropriate legal structures, adequate appreciation of the customary issues related to land, and the extent of political support behind the intervention.

When successful, land reform eliminates barriers to increase sustainability and has numerous favourable outcomes for social, economic and political development.

This recent study truly gives Ghanaian policymakers interesting new inputs for the discussion on economic growth and poverty reduction through a modernised, automated land registry and increased security for investments.

The writer is the President of the Copenhagen Consensus & Visiting Professor at Copenhagen Business School.