

Opinion

Land-title reform for prosperous Ghana

By Dr Bjorn Lomborg & Dr Jonathan Zinzi Ayitey

NEW research shows that building a comprehensive, digitised and accurate national-based system of land registration can help Ghana unlock enormous economic opportunities.

It would bring benefits such as increased property values, improved access to credit, higher investment certainty, and smoother land transactions as well as an efficient and vibrant real estate market.

Notwithstanding the novel research findings, policymakers are constantly faced with the question of identifying which initiatives will be most expedient for Ghana's future development.

Unfortunately, they often lack critical data that would allow them to compare the effectiveness of different policies and prioritise those that stand out.

Ghana Priorities, a cooperation between the National Development Planning Commission and the award-winning think-tank Copenhagen

Consensus, is providing input to this discussion to fill the identified gaps based on academic analysis of the costs and benefits of 79 policy proposals across all sectors of government.

Ideally, Ghana should address all challenges and fix all problems. But no country, no matter how wealthy, can solve all problems at a go.

That is why local and international economists have researched how much good each cedi spent can deliver for Ghana across all these possible solutions.

Papers

The result has been dozens of thorough and peer-reviewed papers and their short summaries, which you have

read in *Daily Graphic* over the past year.

These papers reveal the breadth and potential of each intervention, from the benefits of digitising public administration, to improved seeds and fertiliser to increase yields, and malaria treatment.

But which are the best policies for Ghana? When choosing among many worthy opportunities, prioritisation is necessary. An eminent panel met in Accra for three days in 2020 to debate and prioritise the policy interventions for Ghana.

• Aerial view of Accra and its coastline. Reforming the land record system will be one of the best efforts for the country

The panel included Finance Minister, Mr Ken Ofori-Atta, then Planning Minister Prof. George Gyau-Baffour,

former Finance Minister, Prof. Kwesi Botchwey, Prof. Augustin Fosu from the University of Ghana, Prof. Ernest Aryeetey, Secretary-General of the African Research Universities Alliance, Prof. Sister Eugenia Amporfu from KNUST, and Prof. Finn Kydland, winner of the Nobel Prize in Economic Sciences.

They met with all the authors, heard their arguments, quizzed them and finally made their ranking of the very best interventions for Ghana.

Land record system

One of the top ranked policies is to reform Ghana's current land record system. The policy was based on research presented to the panel by Charles Adjasi from the Stellenbosch University in South Africa, Stanislaus Adiaha from the Lands Commission of Ghana, and Brad Wong and Saleema Razvi of Copenhagen Consensus.

These experts 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, digitised and accurate national system of land registration and ownership records. Because land reform is challenging and unpredictable, the authors explored a range of different scenarios.

If reform had a 25 per cent chance of succeeding, they estimated the intervention would cost GHe0.9 billion on average but would make Ghana GHe 86 billion richer.

Each cedi spent would create an amazing GHe91 of societal good to Ghana. How is that possible?

Agriculture is an essential part of Ghana's economy, and land plays a key part in economic development and poverty reduction.

Clear landownership rights will streamline transactions and encourage long-term investments. Well-documented private property rights also facilitate the use of land as collateral for loans and therefore provide easier access to credit.

By formalising land rights, individuals will have more economic independence and the nation can expect higher economic activity.

The way to measure this social benefit is in the long-term value of property, which could increase by 25 per cent.

Similar improvements to land

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records in other countries, such as Ecuador, Tanzania and the Philippines, have led to land value increases between 20 and 60 per cent.

Unclear ownership rights are also the cause for many legal disputes in Ghana. Therefore, the Ghanaian Supreme Court has called on policymakers to reform the current system.

Reforming

Reforming the land record system has the amazing potential to make Ghana much richer, and it is ripe for implementation.

But why hasn't this happened yet? In the past, policy-makers have attempted to make such reforms, but the rewards have not been as significant and visible.

The reasons for the modest returns of the past have been twofold.

The first issue has been funding. When Ghana last attempted to implement a land record reform, the Land Administration Project II, it was based on a joint investment between the Canadian and Ghanaian governments.

As Canada dropped its initial investment of GHe86 million to GHe 15 million and the Ghanaian Government subsequently dropped their investment of GHe 29 million to GHe 6 million, the potential of the reform was limited.

If Ghana is to succeed with transforming landownership database and records this time around, the political will and sufficient funding are critical.

The second issue concerns sensitivities around formalising customary landownership. For this intervention to work, landowners must be persuaded to both allow surveys of their land and register their properties formally.

It is crucial that everyone is engaged in understanding how securing land ownership can help both landowners and tenant farmers, spurring development for Ghana and that these points are clearly communicated, to ensure strong public support.

Some of the members on the eminent panel highlighted that overcoming such cultural and political obstacles was crucial.

But overall, these distinguished economists found that land titling was one of the best policies for a more prosperous Ghana. It is time to move forward with a comprehensive land reform programme.

The writers are President of the Copenhagen Consensus and Fellow at the Ghana Institution of Surveyors, respectively.

