

Tenure insecurity and demand for land documents in Zambia:

Evidence from a nation-wide household survey

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Motivation

- Though costs have come down, titling not costless
 - ‘Production cost’ from \$50-60 to \$10 (general boundary)
 - Survey standards/complex processes can add hugely
 - In many African countries, still in the 100s of USD
- Benefits of title may well be below cost
 - Customary tenure provides security at lower cost
 - Even costly titling would go back to informality
 - But title may be useful if tenure insecure, transfers impeded
 - Informal documents one indication of this
- Very few recent studies looked at this
 - Mostly showing that title cannot be maintained
 - It has profound implications for a ‘fit for purpose’ approach
 - Recognized as a key element of SDG 1.4.2

Zambia as an interesting case

- Dual system of customary and state land
 - No formal recognition of customary tenure
 - Title can be acquired only on state land
 - Customary to be permanently changed into state land
 - Requires chief's consent: Resistance & bribery
- Even on state land, acquiring title is costly
 - Complex bureaucratic process – high fees
 - Ad hoc process without coordination/planning
- Added module to 2017/18 LFS
 - Transfer rights & perceived tenure security
 - Formal/informal documentation
 - Demand & willingness to pay for documentation
 - Ex-ante (& ex post?) assessment of national titling program

Key descriptives – National level

	Total	Rural	Urban	Lusaka	North	East	West	South
Perceived tenure insecure	0.443	0.459	0.391	0.45	0.448	0.73	0.22	0.134
Can sell	0.356	0.25	0.69	0.669	0.259	0.25	0.167	0.175
Can bequeath	0.419	0.336	0.678	0.71	0.397	0.171	0.322	0.224
Has document	0.269	0.135	0.688	0.534	0.148	0.092	0.143	0.15
Has formal title	0.102	0.019	0.363	0.248	0.019	0.024	0.002	0.067
Has informal certificate	0.069	0.07	0.066	0.08	0.067	0.024	0.1	0.016
Wants title	0.548	0.512	0.707	0.806	0.558	0.628	0.305	0.256
WTP for title	718	638	982	870	579	475	575	530
Wants certificate only	0.064	0.072	0.028	0.071	0.08	0.054	0.052	0.042
WTP for certificate	401	362	864	666	319	269	141	111
Number of households	4,883	3,704	1,179	487	522	761	490	566

Key descriptives agric. land

- Limited transferability
 - 22% can sell land (45% in Lusaka, 6% in South)
 - 32% can bequeath it (59% in Lusaka, 13% S, 24% W)
- Few documents, mostly informal
 - 13% w. any document (31% in Lusaka; 5% in E&W)
 - 2.3% w. complete title (10% Lusaka, 0 W; 1% E 4% S)
- Demand for documents high
 - 50% pop w/o title want one (75% Lusaka, 60% E); 5% cert.
 - Mean WTP 769; Median 350
 - Link to revenue & other services (utilities/census)

Descriptive table agric. land

	Total	Rural	Urban	Lusaka	North	East	West	South
Perceived tenure insecure	0.444	0.432	0.541	0.569	0.430	0.686	0.190	0.113
Has right to sell land	0.222	0.201	0.404	0.446	0.166	0.237	0.094	0.062
Has bequeath right	0.324	0.308	0.462	0.593	0.347	0.145	0.240	0.126
Has document	0.128	0.101	0.352	0.309	0.108	0.054	0.052	0.077
Has formal title	0.023	0.014	0.096	0.103	0.007	0.012	0.000	0.040
Has informal certificate	0.055	0.053	0.069	0.088	0.052	0.015	0.049	0.009
Wants title	0.502	0.494	0.575	0.751	0.514	0.603	0.260	0.212
Wants certificate only	0.050	0.051	0.049	0.091	0.062	0.034	0.027	0.035
WTP for title	769	720	1,153	794	600	556	712	722
WTP for certificate	388	324	1,003	353	406	214	16	67
Number of households	4,883	3,704	1,179	487	522	761	490	566

Key descriptives resid. land

- Limited transferability
 - 35% can sell land (72% in urban, 21% rural)
 - 42% can bequeath it (71% urban, 31% rural)
- Few documents, mostly informal
 - 29% w. any document (58% in Lusaka; 9% in E; 14%W)
 - 12% w. complete title (26% Lusaka, 1%W; 2% E&N 6% S)
 - Bimodal distribution
- Demand for documents high
 - 48% pop w/o title want (81% Lusaka, 57% N; 46% E 20% S/W)
 - Mean WTP 738; Median 350
 - Only 7% pay ground rent(24% urban; 39% Lusaka)

Descriptive table resid. land

	Total	Rural	Urban	Lusaka	North	East	West	South
Parcel tenure insecure	0.444	0.432	0.541	0.569	0.430	0.686	0.190	0.113
Has right to sell land	0.351	0.207	0.723	0.692	0.277	0.076	0.174	0.212
Has bequeath right	0.419	0.305	0.714	0.730	0.374	0.199	0.246	0.252
Has document	0.287	0.115	0.731	0.575	0.137	0.090	0.141	0.165
Has formal title	0.124	0.015	0.408	0.272	0.026	0.023	0.003	0.064
Has informal certificate	0.057	0.057	0.056	0.068	0.054	0.021	0.089	0.020
Wants title	0.480	0.427	0.704	0.812	0.566	0.460	0.201	0.226
Wants certificate only	0.053	0.061	0.018	0.071	0.068	0.044	0.046	0.029
WTP for title	738	647	968	863	598	475	519	586
WTP for certificate	376	368	490	800	193	277	109	150
Number of households	4,883	3,704	1,179	487	522	761	490	566

Perceived tenure security

- Perception of tenure insecurity generally high (41% resid. and 44% agric.)
- Regression for determinants of insecurity - overall
 - Title reduces insecurity (point est. 19%)
 - Customary more secure (8-15%)
 - Self-employment in farming (4%) & education (5%) reduce insecurity.
 - Married more insecure (8%); female joint ownership insignificant.
- Determinants of insecurity on customary
 - No difference

Results on tenure insecurity

	All parcels		Customary	State
Title ownership	-0.198*** (0.034)	-0.140** (0.063)	-0.223** (0.095)	-0.134* (0.073)
Residential use	-0.017 (0.012)	-0.014 (0.012)	-0.010 (0.012)	-0.052 (0.050)
Title * Residential		-0.073 (0.059)	0.010 (0.115)	-0.022 (0.074)
Customary tenure	-0.084*** (0.030)	-0.085*** (0.031)		
Title * Customary tenure		0.011 (0.071)		
Chief certificate	-0.052 (0.042)	-0.053 (0.042)	-0.139*** (0.050)	-0.081 (0.164)
Chief cert. * Residential			0.134** (0.065)	-0.050 (0.172)
Married head	0.078** (0.030)	0.078** (0.030)	0.080** (0.035)	0.084* (0.048)
Head highly educated	-0.051** (0.020)	-0.051** (0.020)	-0.035* (0.021)	-0.142*** (0.037)
Head in farming	-0.042* (0.022)	-0.043* (0.022)	-0.052** (0.024)	-0.005 (0.041)
Dep. Var. mean	0.428		0.436	0.446
R-squared	0.038	0.038	0.036	0.126
Observations	7,457	7,457	6,116	1,341

Demand & WTP for title/cert.

- Higher demand among insecure owners (6-10%)
 - Slightly higher for agric. land & customary land
 - But WTP is not higher
- Wealth effect
 - Higher educated with higher WTP (16% title, 29% cert.)
 - Head farm work reduces WTP (24% title, 20% cert.)
 - Electricity access/Tap water access (10% on apply title, and 30% on wtp)
 - More pronounced on customary & agricultural land

Results on demand for title

	Willingness to apply				Ln (WTP)		
	All	Customary	State		All	Customary	State
Tenure insecurity	0.094*** (0.019)	0.096*** (0.021)	0.107*** (0.022)	0.009 (0.069)	-0.146* (0.085)	-0.154* (0.088)	-0.205 (0.274)
Residential use	-0.004 (0.012)	0.016 (0.017)	0.006 (0.017)	0.122* (0.073)	-0.182** (0.079)	-0.129 (0.080)	-0.614** (0.301)
Insec. * Res.		-0.007 (0.021)	0.003 (0.022)	-0.055 (0.072)	-0.007 (0.089)	-0.059 (0.090)	0.205 (0.316)
Head high educ.	0.030 (0.019)	0.030 (0.019)	0.024 (0.020)	0.038 (0.042)	0.167** (0.072)	0.184** (0.077)	0.083 (0.164)
Head in farming	-0.044** (0.021)	-0.045** (0.021)	-0.050** (0.022)	0.023 (0.050)	-0.240*** (0.077)	-0.253*** (0.082)	-0.224 (0.219)
Dwelling: det. house	0.016 (0.026)	0.018 (0.026)	0.010 (0.029)	0.079 (0.049)	0.041 (0.105)	0.026 (0.110)	0.392* (0.224)
Dwelling: flat	0.063 (0.058)	0.064 (0.058)	-0.079 (0.090)	0.229*** (0.070)	-0.128 (0.205)	-0.502 (0.317)	0.507* (0.286)
Food security	-0.003 (0.019)	-0.003 (0.019)	-0.029 (0.020)	0.156*** (0.040)	-0.114 (0.076)	-0.135 (0.084)	-0.044 (0.138)
Sbdy in gov/public	-0.008 (0.044)	-0.009 (0.044)	-0.005 (0.054)	0.038 (0.060)	0.352** (0.177)	0.347 (0.217)	0.282 (0.264)
Electricity access	0.099** (0.039)	0.099** (0.039)	0.100** (0.048)	0.046 (0.056)	0.304* (0.169)	0.364* (0.202)	0.319 (0.209)
Dep. var. mean	0.486		0.472	0.592	5.702	5.646	6.030
R-squared	0.166	0.167	0.156	0.320	0.168	0.179	0.146
Observations	6,793	6,793	5,975	818	3,304	2,820	484

Documents & Transferability

	Can transfer		Can bequeath	
Title ownership	0.134*** (0.035)	0.134* (0.072)	0.119*** (0.035)	0.086 (0.070)
Informal certificate	0.273*** (0.036)	0.325*** (0.046)	0.224*** (0.037)	0.326*** (0.043)
Residential use	0.039*** (0.012)	0.045*** (0.012)	0.032*** (0.011)	0.042*** (0.012)
Title * Resid.		-0.002 (0.072)		0.038 (0.071)
Cert. * Resid.		-0.102** (0.052)		-0.198*** (0.054)
Customary tenure	-0.071*** (0.027)	-0.070** (0.027)	0.036 (0.034)	0.038 (0.033)
Dep. Var. mean		0.283		0.365
R-squared	0.224	0.224	0.138	0.141
Observations	7,457	7,457	7,457	7,457

- **Title** and **cert.** both increases transferability (13% and 27%) as well as bequeath-ability (12% and 22%)

Policy implications

- Large unsatisfied demand (but not universal)
 - 42% can bequeath it (71% urban, 31% rural)
 - Variation in female say for bequest (43% rural, 37% urban)
- Could generate large consumer surplus
 - Title reduces insecurity (point est. 19%)
 - Customary more secure (8-15%)
 - Self-employment in farming & education reduce insecurity (4-5%)
 - Married more insecure (8%)
- Routine instrument, scope for output-based lending
 - Questions on process, source of threat, constraints
 - Scope to replace high transfer duties?