Questioning the Century-Old Paradigm
The Case of Securing Land Tenure in the Philippines

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Introduction

- Emerging global discourse on land
- Tenure security is critical for sustainable development
- “what” and “how” questions
- Need to focus on affordability and sustainability issues

Overview of land tenure system

- Quick historical transformation
  - Communal – landlordism – market-oriented
- Land administration experimentation
  - Colonisation - experimentation – agrarian reform
- Present tenure arrangements
  - Introduced reforms; urban - agrarian - ancestral lands
  - Good intentions – poor implementation – mixed results
- Status of land tenure and land markets
  - 50% are covered with titles
  - 4 million slum dwellers in Metro Manila alone
  - Asset reform programs are all delayed
  - 60% of the land market are in the informal system
Questioning the century-old paradigm

- From informality to legality
  - Why do security of tenure programs are delayed?
  - When will these end?
  - Does the land registration system contributes to these issues?

- Cost of first registration
  - View from beneficiaries’ side
    - slow, too many documentary requirements, many laws/regulations, weak and many institutions, inefficient and corruption issues
  - View from governments’ side
    - Process is subsidized, overlapping mandates, inefficient process, huge overhead costs, poor management

Questioning the associated costs

- Does government really need to spend that much?
  - Why the need for higher accuracy survey for low-value lands?
  - Why the need to spend for checking survey works done by private sector?
  - Why the need to perform same functions?
  - Why the need for so many layers of checking and decision-making process?
  - Why focus on individual titles alone?

- What are the alternatives?
From legality to where?

➢ After first registration, now what?
   ➢ Ownership transfer means dealing with the ‘experts’ again
   ➢ Ownership transfer means going through (again!) with the bureaucratic processes
   ➢ Ownership transfer means payment of real property taxes
   ➢ Ownership transfer means high transaction fees and taxes

From legality to where?

The Effects of High Transaction Cost

Source: Fees and Finance Study (DENR-LAMP 2002)
Addressing affordability issues – some options

- Clarify objectives
- Be responsive
- Techniques are solutions not a burden
- Minimize cost
  - Institute policy reforms
    - Why focus on individual titles?
  - Consider other technical solutions
    - Allow lower accuracy surveys for low-value lands
    - Introduce ‘one title document’, etc.
  - Simplify administrative arrangements
    - Merge/co-locate similar functions
    - Institutionalise good practices
    - Implement cost-sharing schemes, etc.

Subsequent Addressing affordability issues – some options

- Clarify objectives
- Be responsive
- Techniques are solutions not a burden
- Minimize cost
  - Institute policy reforms
    - Why focus on individual titles?
  - Consider other technical solutions
    - Allow lower accuracy surveys
    - Introduce ‘one title document’, etc.
  - Simplify administrative arrangements
    - Merge/co-locate similar functions
    - Institutionalise good practices
    - Implement cost-sharing schemes, etc.
Land transactions: affordability vs. sustainability

- What is the ‘right’ and affordable transaction taxes and fees
- For consideration:
  - Reduce cost and be cost efficient (formalisation process)
  - Reduce cost of collection
  - Provide incentives and enforce sanctions
  - Strengthen land registration system
  - Explore reduction of taxes and monitor markets
  - Raise the level of awareness to political level
  - Delay payments?
  - Privatize services?
  - Government subsidy?

Conclusion

- Too many challenges...too many questions
- Answers/solutions can be summarised:
  - Reduce cost of the formalisation process
  - Reduce transaction cost to encourage formality of transactions
  - Weigh affordability and sustainability
- Reforms are being initiated by the Land Administration and Management Programme (LAMP) – with clear emerging impacts
- Remaining question:
  - How to sustain the reform initiative?
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Thank you very much!

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