Land Property Rights and Economic Development in Urban Areas: a Systematic Literature Review

Krigsholm, P., Hiironen, J., Kolis, K., Riekkinen, K.

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Egg or the chicken, or just a coincidence?

”..the first prerequisite for a country to develop is the cadastre. Information of real properties and their ownership is fundamental for establishing a functional economy.”
What does the theory say?

Possible mechanisms through which secure property rights enhance economic development:

1) **Investment incentives** (e.g. Bentley 1967)
2) **Credit channel** (E.G. Feder et al. 1988)
3) **Access to land markets** (e.g. Besley 1995)
Conceptual framework

- Titled land
  - More security to owner
  - More security to lender
  - More demand for investment
  - More supply of cheaper long-term credit
  - More demand for variable input
  - More supply of cheaper short-term credit
  - More variable input use

- More investment
  - More demand for investment
  - More supply of cheaper short-term credit

- Higher output
  - More demand for variable input
  - More supply of cheaper long-term credit

- Higher land price
  - More security to owner
  - More security to lender
  - More demand for investment
  - More supply of cheaper long-term credit
  - More demand for variable input
  - More supply of cheaper short-term credit
  - More variable input use

- Higher income
Finding causal relations in empirical studies can be complex.

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Findings from empirical studies

1. **Investment incentives** increase significantly after titling
2. The **credit channel** mechanism seems to be weak
3. **Access to land market** not explored (with empirical evidence)

Number of other economic and social outcomes still unstudied

*Lots of possibilities for future research!!!*
More from our article!

N.B. The article focuses especially on the differences between urban and rural setting

Questions, comments?