

Land Administration and Economic Development: a Case Study of Property Formalization in Chulachuli Village of Eastern Nepal

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SUMMARY

Economic development is one of the common goals of many developing countries like Nepal. The nature of policy adopted by the government to distribute land to its people and associated property rights affect the level of economic performance. Land administration and associated systems are the mechanisms that translate such policies into practice. This paper aims to investigate how land administration supports the goal of economic development based on case study of property formalization program in the Chulachuli village of Eastern Nepal. A questionnaire, in-depth interviews with landowners and relevant land professionals and field observation techniques were used to investigate perceptions and practice of land formalization. Most of the respondents perceive that their land rights are more secure after formalization and the land administration organizations play crucial role in securing those rights. The property rights are found to be positively correlated with the land value, investment and income when land rights are formally recognized, the use value, collateral value and exchange value of land is increased, landowners are able to access credit from the institutional sector and investment and income are also increased. Thus, after property formalization, landowners are benefited from using highest form of property rights, reliance from higher interest rate, and increased land price and income. The land administration institutions play crucial role in property formalization, management of land information and registration of transactions. The investment of government in this sector could be justified from the benefits it received from increased revenue and production which supports to fulfill their goal of economic development. Its contribution in attaining the goal of distributive justice is also a matter of study.