Applying Good Governance to Urban Land Management

Prof. Holger MAGEL, Vice President of FIG and Babette WEHRMANN, Germany

ABSTRACT

Because of German surveyors becoming increasingly involved in the international debate on land management, the article focuses on actual world-wide trends: Urban growth rates are still very high in many developing countries. As a result of the uncontrolled and uncoordinated growth of many cities, urban development is far from being sustainable. At present, two international campaigns promoted by UNCHS (Habitat) focus explicitly on sustainable urban development: the global campaign for (good) urban governance and the one for secure tenure. The paper shows how the incorporation of the norms of good urban governance - sustainability, subsidiarity, equity, efficiency, transparency and accountability, civic engagement and citizenship, and security - in urban land management offers ways to improve the actual situation. One by one, the norms are briefly described according to their objectives proposed by UNCHS and subsequently are applied to urban land management. In conclusion, the importance of the changing role of the State and the empowerment of Civil Society are highlighted.

ZUSAMMENFASSUNG

Anwendung der Good-Governance-Kriterien auf städtisches Landmanagement – Warum und Wie?

CONTACT

Univ. Prof. Dr.-Ing. Holger Magel and Babette Wehrmann
Technische Universitaet Muenchen
Lehrstuhl fuer Bodenordnung und Landentwicklung
Chair of Land Readjustment and Land Development
Arcisstrasse 21
D-80290 Muenchen
GERMANY
Tel. + 49 89 2892 2535
Fax + 49 89 2892 3933
E-mail: Magel@landentwicklung-muenchen.de and
wehrmann@landentwicklung-muenchen.de
INTRODUCTION

German Surveyors will soon take over the chair of the International Federation of Surveyors (FIG). German Universities enter the global education market such as TU Munich with its new Master’s Program on land management (zfv 4/2001). Two examples that show that German surveyors will have to face international developments and challenges and take actively part in global discussions on land management presently led by UN agencies and the World’s Bank.

1. INTRODUCTION

World-wide cities are growing at a rate of 2% annually (UN 1999). While in 2000 about half of the world’s population lived in cities, almost 2/3 (60,3%) will reside in urban areas in 2030. Especially African, Asian and Latin American cities are characterised by high urban growth rates (3,5% for Africa, 2,4% for Asia and 1,7% for Latin America) caused by natural population growth and rural-urban migration as well as by the underlying pull- and push factors such as the lacking infrastructure in rural areas and the hope for employment in the cities. As a result of the uncontrolled and uncoordinated growth of urban agglomeration characterised by informal land acquisition, fragmentation of peri-urban land, inefficient use of land, poorly functioning land markets etc. urban development is far from being sustainable.

At present, two international campaigns promoted by UNCHS (Habitat) focus explicitly on sustainable urban development: the global campaign for (good) urban governance (UNCHS 2000) and the one for secure tenure (UNCHS 1996,1999). Both are outcomes of the Habitat Agenda, supporting its implementation. They are linked by their common focus on urban poverty reduction.

FIG too, is aware of this close linkage and the resulting responsibility for surveyors and professionals from related fields. UN-FIG Bogor and Bathurst Declarations on Cadastre and Land Administration, FIG-Agenda 21 and FIG-Guidelines on Women’s Access to Land all recognise the importance of access to land and security of tenure for improving the situation of the poor (FIG 1996, 1999, 2000).

Improved security of tenure, in the absence of fundamental improvements in urban governance, risks being piecemeal and, ultimately, unsustainable. This has also been stated by UNCHS who sees the two campaigns linked in cities – in practical terms – through the promotion of more inclusive decision-making processes. What does inclusiveness, what does urban governance, however, mean in the context of security of tenure?
While the global campaign is called secure tenure, the article will however focus on the broader concept of land management (as the global campaign also does in many parts). The reason is that security of tenure does not only include land tenure issues as the way in which rights, restrictions and responsibilities that people have with respect to land are held. It also demands an enabling land administration as the process of determining, recording and disseminating information about tenure, value and use of land as well as an adequate land policy which has to provide the legal base according to the individual situation of a country by simultaneously respecting and guaranteeing human rights (Williamson 2001). In the following, land management is used as generic term, meaning all activities associated with the management of land as an environmental, an economic and a socio-cultural resource, therefore including land tenure, the implementation of land policy, land administration, land use planning and land readjustment.

2. ACTUAL TRENDS IN URBAN LAND MANAGEMENT

Urban land management actually faces many problems in most developing countries as well as in countries in transition which hamper a sustainable urban development. There is rarely a clear urban land policy that takes into account activities of all agencies involved in land management. Land administration and urban planning are often over-centralised. As an example, conventional centralised procedures limit the effects of regularisation programs. This situation is worsened by the limited enabling capacity of central governments and the absence of a clear distinction of responsibilities between sector policies (ministries), between national, intermediate and local level as well as between State and Civil Society which leads to the duplication of some efforts while ignoring others. Besides the weak institutional and professional capacity to manage land, there is a lack of adequate financial resources, especially at the local level. In addition, complex land regulations and lengthy procedures, e.g. for land regularisation are hindering fast and cost-effective solutions.

Multiple land tenure systems (legal pluralism) often lead to tenure insecurity and can result in severe land conflicts which is aggravated by the lack of (adequate) land conflict-resolution procedures. There often further is a lack of information about land tenure rules, regulations and practices which limit transparent land market activities as well as a lack of reliable information on land use and ownership because of non-existing or uncoordinated record-keeping systems and a lack of institutional co-ordination and – as a consequence – a lack of land information systems. Referring to the urgently needed sharing of data necessary for a functioning land administration, Dale (1997) argues – with reference to countries in transition – that „the opportunities created by data sharing are overshadowed by perceived threats and long traditions of vertical rather than horizontal distribution of data. Information flows upwards within a Ministry more easily than it flows downwards or outwards“. Finally, corruption and illicit practices often hamper to improve the land delivery system for the urban poor (Badiane 1997; Durand-Lasserve 2001; Owor und Bartle 1997).

To overcome these problems, norms of good governance have to be incorporated in urban land management. Since the existing definitions of good governance such as the ones of the

---

JSI Professionals Role in Implementing the Habitat Agenda and Agenda 21 – Habitat Professionals Forum
Holger Magel and Babette Wehrmann
Applying Good Governance to Urban Land Management - Why and How?

FIG XXII International Congress
Washington, D.C. USA, April 19-26 2002
World’s Bank or UNDP tend to be rather vague, good governance is often called an “umbrella concept” unifying ambitious creative measures (Hyden 1998) or more sceptically a “container concept”, covering a wide range of policy objectives hardly to achieve (Kinuthia-Njenga 1999). In the following, we will refer to the norms defined by UNCHS global campaign for (good) urban governance and discuss what does it mean to apply these norms to urban land management.

3. THE GLOBAL CAMPAIGN FOR (GOOD) URBAN GOVERNANCE

The campaign proposes that good urban governance should be characterised by sustainability, subsidiarity, equity, efficiency, transparency and accountability, civic engagement and citizenship, and security (UNCHS 2000). These norms are briefly described according to their objectives proposed by UNCHS (2000). Following the introduction, each norm is applied to land management1.

3.1 Sustainability in all dimensions of urban development

“Cities must balance the social, economic and environmental needs of present and future generations. This should include a clear commitment to urban poverty reduction. Leaders of all sections of urban society must have a long-term, strategic vision of sustainable human development and the ability to reconcile divergent interests for the common good” (UNCHS 2000).

Applied to urban land management this includes:

- Certainty in the law and rule of law (Zimmermann 2001);
- A comprehensive reform in legal order affecting the regulation of land property rights and the overall process of urban land development, policy-making and management (Fernandes 2001);
- Formalisation of informal settlements and thereby integration in the urban fabric (Mertins, Popp, Wehrmann 1998);
- Recognition of the various (formal and informal) segments of the urban land market and ensuring their proper co-ordination;
- Environmental planning and management – including land readjustment - to reach agreement on acceptable levels of resource use;
- Controlling the supply of land to prevent low density urban sprawl and to limit the fragmentation of urban land and – in the long run – to reduce costs for far reaching infrastructure at the periphery (by taxation, the establishment of public reserved areas, long-term strategic land use planning, land use control measures, appropriate fiscal incentives etc.);
- Increasing revenues from land tax to finance the above mentioned long-term land management;

1 Some of the aspects mentioned are discussed in detail in Durand-Lasserve, Lacroux, Fourie and Qvist (all in: Habitat Debate 1997).
- Private-public-partnership in land management, meaning the co-operation of the public sector with the private-profit as well as the private-non-profit sector including civil society organisations (CSO), community based organisations (CBO), non-governmental organisations (NGO).

3.2 Subsidiarity of authority and resources to the closest appropriate level

“Responsibility for service provision should be allocated on the basis of the principle of subsidiarity, that is, at the closest appropriate level consistent with efficient and cost-effective delivery of services. This will maximise the potential for inclusion of the citizenry in the process of urban governance. Decentralisation and local democracy should improve the responsiveness of policies and initiatives to the priorities and needs of citizens. Cities should be empowered with sufficient resources and autonomy to meet their responsibilities” (UNCHS 2000).

Applied to urban land management this includes:

- Implementation of an agreed Land (Reform) Policy at the local level (managing access, use and control over land);
- Establishment of an urban land policy embodied within the Local Agenda 21, e.g. in the form of a Local Habitat Plan of Action;
- Decentralisation of urban planning (still centralised in many countries);
- Transfer of financial / tax resources such as taxes on land and buildings to the local level;
- Development of a local tax collection system;
- Establishment of municipal cadastral and land registration systems accessible for low-income people;
- Introduction of a simplified local land information system accessible and user-friendly to the poor (to replace the former / actual centralised, excessively technical approaches which – if existent at all – only have been used by the middle-class and/or professionals);
- Capacity building at the local level in the above mentioned fields. Technical personnel have not only to become acquainted with simplified technical methods of land administration, urban planning and information and financial management but has to be capable of participatory, flexible and innovative approaches, integrating the local formal and informal land and service delivery systems;
- Legal recognition and integration of informal but legitimated land management in the formal provision of land and services (Wehrmann 2001);
- Recognition and integration of informal institutions settling or mediating land conflicts at the sub-urban level;

“The claim for decentralisation of all levels of government with the intention to improve urban governance and management will have to take cognisance of the existing informal, semi-formal or self-regulating institutions and procedures at the neighbourhood and settlement levels in order to overcome the structural weakness of the public land management and planning sector” (Kreibich 2000).
Kombe and Kreibich (2000) advocate the reconciliation of formal and informal land management by concluding that “optimal land management entails indispensably public guidance”. According to their findings from Tanzania “socially [informally] regulated land management is especially strong in the initial phases of settlement development where it is often paralleled by little effective public planning exercise. The informal instruments are, however, losing their influence in saturated settlements with increasing demand for building land, overheated land markets and excessive housing density”. Therefore, they argue, that roles and responsibilities have to be divided between the state and local communities and that the capacities of each to fulfil these functions have to be enhanced.

In respect to the combination of informal systems with formal systems and the inclusiveness of all people living in the city regardless of wealth, gender, age, race or religion, Fourie (1997) proposes – according to the principle of subsidiarity - the introduction of a local facilitators who could fit in the local social scene, manage change at the local level, has social skills and technical capacity as well as information concerning the range of issues that affect land delivery and sustainability, can identify who “owns” what rights and can assist in the transfer of this knowledge onto maps and land records. Such a local facilitator who would also be responsible for co-ordinating land use controls at the local level “should make it possible to plan, upgrade, develop and supply housing and basic services much more quickly and effectively and in a more sustainable manner. He would serve to bring an informal land delivery system into the wider urban management system” (Fourie 1997). However, Fourie suggests that such a local facilitator needs to have direct access to a land manager integrated in the formal system who should also be his supervisor. Such a land manager should among other things “manage the land information flows between the local, metropolitan and central level; ensure that maps or the area are locally available; assist with conflict management over boundaries and rights; and serve as a communication, negotiation and institutional link between the local level and other professionals and organisations.”

Strengthening the local level in land management will also allow to support and even to implement stepwise a national land reform which might be blocked by individual and / or institutional interests at the national level. There, projects focussing predominantly on technical issues such as the establishment of a national land register, sometimes tend to delay on purpose a nation-wide land or agrarian reform, formerly agreed upon. Combining measures to improve (urban) land management with the process of decentralisation, therefore, seems to be much more promising. In regard to tenure in Sub-Saharan francophone African countries, Durand-Lasserve (2001) claims that “potential for change is clearly linked with the decentralisation process, the emergence of municipalities with effective land management responsibilities, and the pressure exerted by populations concerned”.

However, there has to be a clear distinction of roles and responsibilities between the local, the intermediate (if in place) and the national level as well as between the public and the two private sectors (private profit sector and civil society). Further more, there has to be a clearly defined and transparent commitment of the State concerning financial aspects of land management. At the national level, the State also has to provide a political and legal frame (national land policy) including laws and by-laws to guarantee the recognition of human
rights in all matters concerning land and its management. This might require the participatory reformulation of a national land policy. Once an adequate political, legal and institutional frame has been established, Civil Society can play an enabling role for the implementation of the new land policy. This can also help to ensure that the power of the local landed elite is not reinforced by decentralisation and that local governments are not overloaded (The Bonn Statement on Access to Land 2001; Miethbauer 2001).

Capacities at local level are generally weak during the first decade of decentralisation. Services may have to be provided from various governmental, non-governmental and private sources. In addition there is the need to create an independent organisation or association of local governments. There will, however, always remain a danger that decentralisation includes the de-concentration and thereby multiplication of corruption and other illicit practices. Decentralisation by its own is not yet a guarantee for good governance.

3.3 Equity of access to decision-making processes and the basic necessities of urban life

“The sharing of power leads to equity in the access to and use of resources. Women and men must participate as equals in all urban decision-making, priority-setting and resource allocation processes. Inclusive cities provide everyone – be it the poor, the young or older persons, religious or ethnic minorities or the handicapped – with equitable access to nutrition, education, employment and livelihood, health care, shelter, safe drinking water, sanitation and other basic services” (UNCHS 2000).

Applied to urban land management this includes:

- Ensuring equal access to land, property, credit, natural resources, technologies and knowledge related to land management for all groups of society;
- Efficient and equitable land policies which ensure secure access to affordable and suitable land and property ownership to all, thereby guaranteeing adequate shelter to all. As a first step to achieve this goal of Habitat II, existing national land delivery systems have to be reviewed and land management responsibilities decentralised (see above). This process is already taking place in some countries where it is also accompanied by local capacity-building programs;
- Ensuring that women and men have equal access to decision-making processes, resources and basic services and that this access is measured through gender disaggregated data, e.g. in the context of physical upgrading and legalisation of informal settlements (FIG 2001; Quist 1997);
- Establish quotas for women representatives in local authorities deciding on land use and ownership, on urban land policy and land reform and encourage their promotion to higher management positions within municipalities (Wehrmann, at print);
- Promote equal inheritance rights for land and property;
- Protecting / Recognising (within the national context) customary land rights of indigenous people;
- Removing unnecessary barriers to secure tenure and to the supply of finance;

2 Many of the following aspects are taken from the Habitat Agenda (1996)
- Creating fair and predictable regulatory frameworks on land management;
- Promote awareness campaigns, education and enabling practices regarding, in particular, legal rights with respect to tenure, land ownership and inheritance for women, so as to overcome existing barriers.
- Ensuring that marginalised groups have the same opportunities to get involved in participation and capacity building on issues related to land management.

In the final statement of the International Conference on Access to Land (Bonn 2001) these demands for equity are interpreted as human rights. “Hence, for instance a lack of proper legislation [by-laws or regulations] towards women’s and indigenous communities’ rights, is a violation of these social groups’ human right to be respected” (Miethbauer 2001).

In addition, to guarantee equity governments have to provide for adequate conflict resolution institutions respecting these human rights and accessible by all people (short distance, low fees, open to analphabets and all social groups).

3.4 Efficiency in the delivery of public services and in promoting local economic development

“Cities must be financially sound and cost-effective in their management of revenue sources and expenditures, the administration and delivery of services, and in the enablement, based on comparative advantage, of government, the private sector and communities to contribute formally or informally to the urban economy. A key element in achieving efficiency is to recognise and enable the specific contributions of women to the urban economy” (UNCHS 2000).

Applied to urban land management this includes:

- Development of efficient, transparent and simplified land delivery mechanism, including cadastral systems, land registration mechanisms, land transactions, legal frameworks, land valuation and taxation as well as land consolidation and readjustment;
- Delivery and regulation of public services through partnership with the private profit and private non-profit (civil society) sectors, e.g. while supplying sites with or without services for the urban poor or during physical upgrading of informal settlements.
- Promote integrated, inter-sectoral planning and management;
- Improving the effectiveness and efficiency of local revenue collection (coming from taxation on land and buildings).

3.5 Transparency and Accountability of decision-makers and all stakeholders

“The accountability of local authorities to their citizens is a fundamental tenet of good governance. Similar, there should be no place for corruption in cities. Corruption can undermine local government credibility and can deepen urban poverty. Transparency and accountability are essential to stakeholder understanding of local government and to who is benefiting from decisions and actions. Access to information is fundamental to this
understanding and to good governance. Laws and public policies should be applied in a transparent and predictable manner. Elected and appointed officials and other civil servant leaders need to set an example of high standards of professional and personal integrity. Citizen participation is a key element in promoting transparency and accountability” (UNCHS 2000).

Applied to urban land management this includes:

- Regular, organised and open consultations of citizens on all matters concerning land;
- Ensuring transparent management of an open land market by removing administrative and procedural incentives for corruption, including mechanism to avoid that cheap land released by the public sector and designated to the urban poor is taken by officials and civil servants and sold at a much higher value on the market (often after years of speculation);
- Ensuring transparent, comprehensive and accessible systems in transferring land rights and legal security of tenure;
- All measures that improve transparency in general, such as establishing codes of conduct, promoting an ethic of service to the public by putting into place adequate remuneration for public servants, creating public feedback mechanisms, providing access to information (on land (management)) and the like.

3.6 Civic Engagement and Citizenship

“People are the principal wealth of cities; they are both the object and the means of sustainable human development. Civic engagement implies that living together is not a passive exercise: in cities, people must actively contribute to the common good. Citizens, especially women, must be empowered to participate effectively in decision-making processes. The civic capital of the poor must be recognised and supported” (UNCHS 2000).

Applied to urban land management this includes:

- Encouraging participatory approaches to land policy (and land reform);
- Introducing participatory decision-making concerning land management;
- Establishing the legal authority for civil society to participate effectively through such mechanisms as development councils and neighbourhood advisory committees;
- Making use of mechanisms such as public hearings and surveys, town hall meetings, citizen’s forums, city consultation and participatory strategy development, including issue-specific working groups and participatory planning workshops;
- Local land use planning at the sub-urban level based on a dialog with the affected people;
- Empowerment of people to claim (existing) land rights through information campaigns and sensibilisation;
- Strengthening existing and new people’s movement to facilitate participation of people in land issues.
3.7 Security of individuals and their living environment

“Every individual has the inalienable right to life, liberty and the security of person. Insecurity has a disproportionate impact in further marginalising poor communities. Cities must strive to avoid human conflicts and natural disasters by involving all stakeholders in crime and conflict prevention and disaster preparedness. Security also implies freedom from persecution, forced eviction and provides for security of tenure. Cities should also work with social mediation and conflict reduction agencies and encourage the co-operation between enforcement agencies and other social service providers (health, education and housing)” (UNCHS 2000).

Applied to urban land management this includes:

- Promoting security of tenure, recognising a variety of forms of legal tenure and providing counselling and mediation for people at risk of forced evictions;
- Implementing environment planning and management methodologies based on stakeholder involvement;
- Raising awareness of the risk of disasters and formulating local emergency management plans, based on reduction of risk, readiness, response and recovery, for natural and human-made disasters and, where necessary, relocating residents of disaster-prone areas.

There is an ongoing discussion if tenure security can be achieved through the distribution of land titles only (Magel 2001; Payne 2001). During the Habitat+5 Forum in New York it became obvious that in some countries such as South Africa people strictly demand land titles while other countries opt more generally for secure access to land and services. “It is too often assumed that security of tenure implies individual freehold (‘private ownership’) which is but one of many ways in which security can be effected”, the most common types of secure residential tenure being rent, lease, freehold and collective forms of tenure (UNCHS 1999).

4. FUTURE CHALLENGES

In spite of the comprehensive urban governance agenda, the emphasis in most countries actually is more on efficient urban management, comprising the improvement of institutional performance, decentralisation (in the sense of de-concentration rather than devolution), privatisation, public-private partnerships and social policy ‘safety nets’ to ensure political stability. “The remarkable similarity in problem definition and policy design and implementation from one country to another is the product, not of a shared policy model, but rather of a consensus between governments and international financial institutions on a common policy objective: promoting the development of the formal market” (Durand-Lasserve 1998).

Functioning property rights are therefore often seen as the most important remedy, especially in the context of land management. Putting life into the “dead capital” of the informal sector is what de Soto (2000) asks for in his new work “The Mystery of Capital”. What is lacking in developing countries, according to de Soto, are not innovative entrepreneurs but their access
to formal property rights systems with cadaster and register. By formalising informal property, landed property becomes capital. This idea that by giving titles to informal settlers, land markets will work and squatters will have access to credit which together will lead to the up-grading of the informal settlement and to the reduction of poverty is also promoted by many others, including international financial institutions. While there is nothing to say against de Soto’s plea for a “bottom-up” formulation of new property rights systems that recognise informal rights and that, therefore, are specific to each nation (instead of copying Western property rights systems), the conclusion that this will be the key to a functioning economy and to poverty reduction is what has to be questioned. Why should a bank give credit to someone who owns a shabby shack in an inundation area at the periphery of the city far from every infrastructure? And even if it does, what happens after the credit has been used up? While in areas with high economic potential, limitations on land sales may severely restrict the ability of using land as collateral and attracting investment, credit markets are unlikely to function well in marginal and remote areas (Gilbert 2001; Deininger 2001). The force of the market is restricted. Functioning markets are only one instrument among others but they cannot solve the whole problem of poverty.

Instead of delegating the whole responsibility to the market, governments have to improve access to land by groups whose needs are not met by the market. “The state should regulate the supply of land for housing, ensuring that land can be acquired by different means and that the norms it establishes are respected” (Durand-Lasserve 1998). This demand is underlined by the global report on human settlements (UNCHS 2001): “Access to goods and services required for meeting daily needs should be less dependent on people’s ability-to-pay and based more on basic human rights recognised in international agreements.”

5. CONCLUSION

So, ‘Why and How’ do we – as surveyors - address good governance?

The paper shows that incorporating the norms of (good) urban governance - sustainability, subsidiarity, equity, efficiency, transparency and accountability, civic engagement and citizenship, and security - in urban land management will offer many ways to improve the actual situation. It will also contribute to a more sustainable urban development, including more equity and less poverty.

However, the remarks have also shown that ongoing policies do not necessarily incorporate all elements of good governance but tend to focus on neo-liberal approaches, relying mainly on the market. There is a danger that good urban governance will be reduced to a ‘good market ideology’, especially after the “good” of the urban governance campaign has already been dropped and all that has been left is urban governance. Measures that during the last decades haven’t been realised by the state cannot be transferred entirely to ‘the market’ nor to civil society, defined by the actors of the non-profit private sector. This is a misperception of the demand for a new (definition of the) state. Without the state a sustainable development is not possible. Its role, however, has changed from a doer of development to a partner, catalyst and facilitator (World Bank 1997). “It is the state that must ultimately be held responsible for
both processes and outcomes [of governance]. The judges [however] are assumed to be ordinary citizens for whose sake the city […] exists” (Friedmann 2001).

Urgent actions should therefore include a simplification of all regulations and procedures concerning land management, guaranteeing more transparency and cheaper land administration, thereby allowing a broader participation which in addition should be supported by an appropriate land policy that delegates responsibilities and control to the citizens who will therefore need more information and education on land management. It becomes clear that ‘good governed land management’ requires a holistic approach. It will therefore be a long process that includes changes not only in laws and technical procedures but also in thinking and behaviour.

In this paper, we have focused on land management to demonstrate what good governance means for this specific sector. It goes without word, that successful urban land management needs to be integrated in an all over urban management characterised by the principles of good governance. What is needed is a new “culture of civil society” (Glück/Magel 2000), that means “bringing the state closer to the people” (World Bank 1997) as well as politicians and civil servants which take over responsibilities and act unselfishly following long-term strategies and objectives which are in the interest of all citizens.

REFERENCES


ACKNOWLEDGEMENT

We thank Peter Dale and Willi Zimmermann for their critical comments on former drafts of this article.