

Poverty and Land Ownership

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The right to own land is one of the keys to breaking the cycle of poverty, and a cornerstone of a free market democracy. Yet the majority of people in the developing countries of the world have no legal right to stay in their homes or to farm their fields, or documentation of their property rights. And the lack of clear, enforceable property rights too often prevents the poor from improving their lives.

Security of tenure, in other words --the ability to live in a place without fear of eviction -- can increase economic growth, help alleviate inequalities and break the cycle of poverty. A family that doesn't fear eviction may find it easier to put down roots, to secure an education for its children, to improve its property, sometimes even to borrow against that property to start a business.

When authorities recognize its secure tenure rights, a community is in a better position to make demands for clean water and sanitation, thus, in turn, ensuring better health for its members. If they own it, farmers are more likely to make productive use of land, invest in improvements or higher-value crops, and work to prevent environmental degradation. Legal records of ownership are key for families and small businesses to access credit.

Nevertheless, in many countries there exist barriers to property ownership and legal registration. These include insufficient legal systems and regulation, or, conversely, too much regulation of land rights; gender and class discrimination, corruption, inefficient land registration, and lack of political will to do anything about the situation.

The Millennium Challenge Corporation, or MCC, a United States government agency that works to reduce global poverty through sustainable economic growth, is committed to helping partner countries reduce poverty and stimulate economic growth through improved property rights systems. To date, the MCC has committed about \$291 million toward projects in poor countries worldwide,

countries which have determined that secure land tenure is a necessary component of their long-term economic growth. These countries are working with MCC to improve their legal frameworks, property registries and client services such as mortgage finance and land registration administration.

Breaking the cycle of poverty can be done. Strengthening tenure security and ownership rights is a step in the right direction.