

Role of property rights, property ownership and wealth creation in eradicating poverty and fostering sustainable development in developing countries

2013/2026(INI) - 21/02/2014 - Committee report tabled for plenary, single reading

The Committee on Development adopted the own-initiative report drafted by Nirj DEVA (ECR, UK) on the role of property rights, property ownership and wealth creation in eradicating poverty and fostering sustainable development in developing countries.

Article 17 of the Universal Declaration of Human Rights states that everyone has the right to own property alone as well as in association with others and that no one shall be arbitrarily deprived of his property. Nevertheless, 1.2 billion people worldwide occupy properties for which they don't hold formal rights, live without permanent homes or access to land altogether.

Moreover, although the MDGs recognised the need to address the security of slum inhabitants and urban squatters in developing countries and committed to account for at least 100 million slum inhabitants by 2020, the target is far from being on track. 90% of new urban settlements in Sub-Saharan Africa are taking the form of slums and 3 billion people are estimated to reside in slums by 2050.

However, these assets cannot be protected nor mobilised. They represent dead, extra-legal capital. This total extra-legal and unregistered wealth is estimated at over 9.3 trillion USD, which is 93 times larger than the total for all the foreign aid given to developing countries in the past 30 years. As such, establishing legal property law systems and empowering people to govern over their own resources could turn out to be the greatest development story of the 21st century, but also the greatest challenge of all.

Land rights, including property rights, and wealth creation: the report considered registered property rights and secure land rights to be a **catalyst for economic growth**. It stressed that empowering people to make decisions about their own resources, combined with **formal inheritance provisions**, strongly encourages smallholders to invest sustainably in their land, practise terracing and irrigation, and mitigate the effects of climate change.

Members recognised that the challenge is to **overcome the dissonance between legality, legitimacy and practices** by building land tenure mechanisms based on **shared norms**, starting from a recognition of existing rights, while making sure that men and women, as well as vulnerable communities in developing countries, have secure rights over land and assets, and are fully protected against vested interests that could seize their property. Members strongly condemn the practice of **land-grabbing** which, in particular, illegally dispossesses the rural poor and traditional Nomad populations of land without adequate compensation.

Roadmap to secure land rights, including property rights, and sustainable land governance in the developing world: Members highlighted the fact that land reform requires flexibility, tailored to local, social and cultural conditions, such as traditional forms of tribal ownership, and should be focused on empowering the most vulnerable. They stressed that land tenure reform should begin with **accurate land data collection** and with systematic titling by means of cadastral mapping using low-cost technologies. They warned against applying a one-size-fits-all approach in order to achieve land security. The report stated that the decentralisation of land administration empowers local communities and individuals, and

drew attention to the need to **eliminate corrupt practices imposed by local chiefs through deals struck with foreign investors** and any claims to unregistered individual plots of land. Members emphasised that a high priority for development policy should be to **establish and improve land registries** in developing countries. According to the report, tenure security can be safeguarded under various forms, such as through clear, long-term rental contracts, or formal recognition of customary rights and informal settlements, with accessible and effective dispute settlement mechanisms.

The EU is called upon to:

- channel support towards capacity development and **training programmes** in land management with the aim of securing land rights for the poor and vulnerable groups, including through cadastral surveying, registration, and efforts to equip educational institutions in developing countries;
- **strengthen the capacity of courts** in developing countries to enforce property law effectively, to resolve land disputes and manage expropriations as part of a holistic approach aimed at consolidating judicial systems and the rule of law;
- help developing countries to implement their land reforms in order, to promote, in particular, the participation of all stakeholders, and in combination with awareness-raising programmes, so that the rights of all parties involved, especially the poor and vulnerable, are fully respected;
- give strong **assistance to newly empowered landowners to invest**, by means of auxiliary support mechanisms, in new equipment;
- ensure that developing countries introduce **legislative measures to promote gender equality** and prevent discrimination;
- address the means of removing the significant social, political and cultural constraints on land rights acquisition.

With a view to **empowering women** in their rights and access to land, inheritance, access to credit and savings in post-conflict situations, the EU is urged to pay particular attention in its land reform programmes to women's vulnerability to changes in family structure and the degree to which women can enforce their rights, as well as to ensure that in practice, **household deeds have both spouses' names on the land title**.

Placing land rights, including property rights, at the heart of EU development policy: Members commended the EU's participation in global land initiatives. They highlighted the fact that, as the world's leading development actor, the EU has the capacity to **enhance its currently limited approach** in terms of both scope and visibility with a view to addressing land tenure. The EU must aim to ensure that people have access to social protection and insurance schemes in order to protect their livelihoods and protect their assets in the case of a disaster or shock. They recommended that an update be made to the 2004 EU Land Policy Guidelines in coordination with Member States in order to assess current tenure challenges and assist with the implementation of new low-cost technologies in land mapping and administration.

The Commission is urged to:

- set a clearly defined **budget line for property rights**, shifting from a small-scale perspective to long-term land governance reform, with a view to streamlining land tenure;
- enhance its assistance with respect to the inclusion of land rights in humanitarian and development responses to disasters or civil conflicts, whereby land policies must guarantee secure land rights for different ethnic, social or generational groups in an equitable manner.