

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

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The European Parliament adopted by 340 votes to 19 with 22 abstentions, a resolution on the role of property rights, property ownership and wealth creation in eradicating poverty and fostering sustainable development in developing countries.

Parliament recalled that Article 17 of the Universal Declaration of Human Rights stated that everyone had the right to own property alone as well as in association with others and that no one should be arbitrarily deprived of his property. Nevertheless, 1.2 billion people worldwide occupied properties for which they did not 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 was far from being on track. 90% of new urban settlements in Sub-Saharan Africa were taking the form of slums and 3 billion people are estimated to reside in slums by 2050.

However, these assets could not be protected nor mobilised. They represented dead, extra-legal capital. This total extra-legal and unregistered wealth was estimated at over 9.3 trillion USD, which was 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: Parliament considered registered property rights and secure land rights to be a catalyst for economic growth, **while also promoting social cohesion and peace.** It stressed that empowering people to make decisions about their own resources, combined with **formal inheritance provisions**, strongly encouraged smallholders to invest sustainably in their land, practise terracing and irrigation, and mitigate the effects of climate change.

Parliament 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, had secure rights over land and assets, and were fully protected against vested interests that could seize their property. It strongly condemned the practice of **land-grabbing** which, in particular, illegally dispossesses the rural poor and traditional Nomad populations of land without adequate compensation.

It stressed that the removal of public incentives for the production of crop-based biofuels and subsidies was one way to combat land-grabbing.

Parliament emphasised that investment agreements on large-scale land acquisitions or leases should duly **take into account the right of current land-users**, as well as the rights of workers employed on farms. It considered that all land deals should also include a legal obligation whereby a certain minimum percentage of crops produced should be sold on the **local market**.

Roadmap to secure land rights, including property rights, and sustainable land governance in the developing world: Parliament 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. It warned against applying a one-size-fits-all approach in order to achieve land security. It stated that the decentralisation of land administration empowered 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. Tenure security could 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 was 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;
- 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 was 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: Parliament commended the EU's participation in global land initiatives. It highlighted the fact that, as the world's leading development actor, the EU had the capacity to enhance its currently limited approach in terms of both scope and visibility with a view to addressing land tenure. It underlined that EU aid should contribute to building the institutional capability required for the granting of secure land rights, so as to tackle rent-seeking and bureaucratic inertia, as well as corrupt and unaccountable practices;

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. However, the **Plenary rejected the committee's recommendation that an update be made to the 2004 EU Land Policy Guidelines** as well as rejecting assistance for new low-cost technologies in land mapping and administration.

The Commission was 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.

It should be noted that an alternative resolution replacing this one, presented by the ECR group, was rejected in plenary.