

Association between Property Rights and Tenure Security of Irrigated Lands in Sri Lanka

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Abstract

Property rights to land have been long identified as prerequisites to economic development. The rights need to be secure; hence the risk of any loss that might arise through legal context or the possible expropriation is minimized. Formalizing property rights through the issuance of state guaranteed titles is widely debated in recent literature. Scholars discussed that guaranteed property rights to land increase the security in tenure and positively acts on land productivity. Non-secured land rights due to non-availability of valid legal title to land holdings is a rising issue in the low lands of irrigated settlements in Sri Lanka. Irrigated agriculture is considered as one of the principal beneficiaries of public sector investments in agriculture in the country. Absence of secured rights leads to insecurity in land tenure. This study focuses to identify the associated difference between the property rights and the tenure security of irrigated lands in selected settlements in Anuradhapura District of Sri Lanka. The perceptions on property rights were gathered using a structured questionnaire from 935 farmers operating 1230 plots of low lands in Anuradhapura district. The rights were identified under two main categories and the two types of tenure groups were considered. The results reveal that the majority of farmers do not enjoy the full property rights. The chi-square value represents that there is a significant difference between the aggregated property rights and the two types of tenure groups. Measures to ensure property rights in irrigated settlements are required to secure the tenure in irrigated lands.

Keywords: Property Rights, Land Tenure, Land Title, Low Lands, Land Settlements

Introduction

In the recent policy arena, securing property rights is a 'hot issue' especially in the field of social sciences. Economic advisors emphasize the existence of property rights as a solution to confer ownership over a resource (Perkins, 2001). Property rights are defined as 'a set of activities and behaviors that the possessor may not be preventing undertaking, in relation to a benefit stream' (Bromley, 1991). The power to exercise over a land resource is assigned by rules and regulations and is governed by set of policies. Rights to land shape the security of tenure and security of tenure is the certainty that a person's rights to land will be recognized by others and protected in challenges. Secured tenure in turn induces the farmers' decision on investment and influence on productivity. Therefore, property rights to land act as a crucial factor in promoting productivity in agrarian societies.

The non-secured land rights due to non-availability of valid legal title to land holdings is a rising phenomenon in the irrigated settlements in Sri Lanka. Initiation of the irrigated settlement in the Dry Zone of Sri Lanka is a land alienation strategy introduced by the government during the period of 1930's with a view to protect the landless peasantry in the country. Farmers were granted with equal sized low lands and the security was provided with unitary land rights prescribed over the use and succession through the Land Development Ordinance (LDO) No 19 of 1935. Subsequently, the initial allocation was distributed informally among the second and third generation farmers whereas the property rights to land are varied. There is inadequate evidence on the farmers' perceptions of property rights and the associated influence on security of tenure in irrigated settlements in Sri Lanka. This paper focuses on the association of the perceptions on property rights on tenure security.

Literature review

There is a vast amount of literature that developed on property rights and the effects of tenure security on economic development. The following findings indicate that how strong the rights. Besly (1995) identified lack of titles to land limit the transferability of the land parcel in Ghana. The associated protected property rights in China affect the production behavior of the farmer (Li et.al.,1998). The paper emphasize that the right to use the land for long periods of time encourages the use of savings on land investments. Similar thoughts discusses Fabusoro et.al., (2007), that the householders in Fulnai in Nigeria require secured rights to pave the access to land that guarantees the sustainable livelihoods. Hogas, (2012) presents the same view in Mozambique, that the household's perception of tenure security as per the rights they held contributed to enhance long-term related investment in soil conservation. Simbizi et al. (2014) pointed that insecurity may arise because of the non-recognitions of land rights by a formal institute in a country.

Methods

Data gathered from 935 farmers operating on 1230 plots in three selected irrigated settlements in Anuradhapura district. Perception of farmers were separately collected in relation to the two types of property rights derived as 'use rights' and 'transfer rights' discussed in the literature as the sticks attach to the bundle of rights (Bromley,1991; Besly ,1995; Brasselle et.al., 2002; Markussen et.al., 2010). A self-administered questionnaire was utilized to collect data and aggregated as total property rights for the purpose of data analysis. Two main types of tenure groups as secure and insecure were identified using an objective indicator. Those who had a legal document to prove the tenure was treated as the secured group while others were categorized as insecure. The following hypothesis was tested in order to identify the existence of any differences between tenure arrangements, and perceived property rights.

H₀: There are no differences of the perceptions on total rights among the tenure groups

H₁: there are differences of the perceptions on total rights among the tenure groups

Results and discussions

The descriptive statistics shows that only 35% of the plots have a valid legal document and the balance operate their lands without any document. The most widespread perception is that almost 70% of the farmers believe they can enjoy the use rights which is considered in the literature as weak rights and only 30% perceived that they enjoy the transfer rights which is considered as superior rights.

The Kruskal-Wallis Test results reveal the chi-square value is 576.88 and is significant at 1% level. Thus the null hypothesis is rejected and there is a significant difference in the perceptions between the tenure groups. The Mean Rank results indicate that only the secured tenure group perceives they are enjoying the superior rights.

Conclusion

The results proves that farmers with a state guaranteed title to land only perceives positively on property rights while others do not. The significant difference between the two groups shows the weakness inherent in the policy.

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