

Summary of Ph.D. dissertation “Struggles for land and security in Nicaragua: Moulding the slope of the playing field” by Rikke Brandt Broegaard, International Development Studies, Institute for Society and Globalization, Roskilde University and Danish Institute for International Studies, Copenhagen.

Poverty is widespread in Latin America, which also is the continent with the highest degree of inequality in the world. Therefore, Latin America presents an important opportunity to study the relationship between tenure security, land titling and the land market within the context of inequality. I argue that Nicaragua is an interesting country to analyse, because it is characterized by some of the highest levels of poverty in the western hemisphere, and while the level of inequality is very high in Nicaragua, it is in no way extreme in a Latin American context. The ‘land question’ dates far back in history, and in recent decades, Nicaragua has experienced revolution, civil war and different land reform policies, followed by structural adjustment programmes and market liberalization. According to the World Bank and other observers, land tenure insecurity is “high to extreme” in the northern part of the country where I have studied. At the time that I started my PhD research, the implementation of a government land administration project, PRODEP, was about to begin, mainly financed by a World Bank loan. The project targets cadastral surveys, land titling, modernization of the registry system and reforms of land administration and the legal framework, as these elements are expected to facilitate pro-poor growth. According to my analysis, the project is strongly influenced by what I call the ‘neo-liberal policy package’, which argues that a well-functioning market will lead to a better distribution of productive assets, as well as create strong incentives for investments and growth. The land market, through the ‘inverse relationship’ between area productivity and farm size, is expected to create a levelling of the playing field over time. Based on this analysis, neo-liberal policy proposals for poverty reduction and pro-poor growth focus on market liberalization, land titles and land tenure security. This approach is contrasted by the neo-structural approach which argues that poverty is caused by structural inequalities and the inherent power structures, which produce and reproduce poverty for some people and affluence for others.

I use a neo-structural approach, extended with findings from legal pluralism, to analyse the situation of land tenure security and insecurity as well as the functioning of the land market and its implications for the distribution of land in a rural municipality in the northern part of Nicaragua. The conceptual framework focuses on the concept of perceived tenure security, explored through qualitative methods and then subsequently analysed using quantitative methods. I find through both qualitative and quantitative analysis that while formal land tenure documents are important for perceived land tenure security, it is only one among several elements that create perceived tenure security. These elements include access mechanisms to land, duration of ownership, and economic wealth, which are also linked to structural inequalities. These comprise both inequalities in distribution (or outcome, such as inequality in wealth, including land ownership) and inequalities in opportunities (for example, poor access to institutions, few social contacts etc.). My qualitative analysis show that female landowners face more challenges to their property rights than men and have even less favourable access to government institutions for protection of their rights. In itself, possession of a formal land tenure document is not a good indicator for perceived tenure security.

While formal land titles are considered important by most rural landowners, few people have them and even fewer actually go through the trouble of inscribing them in the public property registry. This is because the existing system is not only uneven; registration also requires extremely cumbersome,

lengthy and expensive procedures, and at least among the small-scale farmers, there is little conviction that the state land administration institutions are 'worthwhile'. Only a quarter of rural landowners (26%) have inscribed and updated land tenure documents, and it is predominantly the better-off landowners who have updated land titles. This situation undermines the economic sustainability of public investments in land titling. While the new titles and their registry and cadastral data become outdated with new land transactions, the public debt remains intact.

Through my qualitative and quantitative analysis I find that the land market is best described as an uneven playing field, where wealthier landowners take advantage of the high levels of poverty inherent in the rural population and the frequently resulting distress sales (counting for half (49%) of all sales of land by rural landowners). Furthermore, pressures and threats are used if the seller is not sufficiently 'willing' (accounting for an additional 13% of the land sales in the rural sample). The judicial system is often complicit in applying these pressures, and it is not much help that even large-scale landowners have great difficulty having court sentences enforced. I show that land is concentrated by the wealthy through land market transactions. It is clear that the land market functions in a way that is far from what is expected by the proponents of the market-oriented policy, and that outcomes of the market transactions therefore also strongly deviate from what can be called pro-poor.

Access to formal credit is extremely limited with only 6% of households in the rural sample having obtained credit from banks or credit cooperatives during the past five years, and no significant increase in credit access for households with formal titles to their land is found in my data. Social and economic costs related to foreclosures also limit the supply of credit. High levels of poverty, as well as vulnerability due to dependence on rain-fed agriculture, further restrict the demand for credit.

Investments in land improvements are mostly (in sixty percent of the cases) carried out from the moment an owner takes possession of land. The qualitative data puts even more emphasis on investments not being delayed until a formal legal tenure document is obtained. Thus, in Condega, the lack of formal title does not hinder a landowner from making land improvements. A vast majority of landowners in the case study area (94%) agree that investing in land improvements actually increases the level of tenure security. This demonstrates that a relationship exists between investments and perceived tenure security. Especially when legal tenure documents are less than ideal, the owners are most likely to carry out land improvements. Statistical analysis shows that it is on plots of land with medium level of tenure security, or semi- and para-formal documents, as well as plots with outdated registry inscriptions, where the highest number of average land improvements are carried out. This may mean that environmental impacts of titling projects will probably not be as positive as expected.

In summary: Based on the analysis of empirical data from Condega, Nicaragua, I question the adequacy of the assumptions on which the neo-liberal policy package are based, mainly because it fails to take into account the influence of inequality (in outcomes and in opportunities) on the workings of the land market and on the effect of formal land titles on the level of perceived land tenure security. Because of the way in which the liberalized land market works in a setting of extreme inequality, the titling efforts and liberalization of the land market, which were supposed to lead to pro-poor growth, seem more likely to lead to a further concentration of land in the hands of the rich and a polarization of the wealth/poverty divide. Thus, in settings that feature high levels of poverty and inequality, the assumptions of the neo-liberal policy package about the effect of the market in 'levelling the playing field' and leading to pro-poor growth are not fulfilled. This not only has implications for the increasing

number of landless or nearly landless in the rural areas, but also for decreasing opportunities of land rental, share-cropping and wage labour, since much of the concentrated area is used extensively, for example for cattle. Furthermore, with little confidence in state institutions and unequal access to the legal system, titling alone does not help level the playing field profoundly, and does not increase the level of perceived tenure security equally for rich and poor landowners. As long as the high levels of corruption and limited confidence in government institutions and in equal access to justice are sustained, few incentives exist to update land tenure documents and registry data, especially for the poor. This seriously challenges the economic sustainability of the current large-scale public investment in cadastral surveys, registry updates and titling.