Title: Public-Private Partnership in Land Administration: A pathway for minimising corruption in land sector to individual land acquirers

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ABSTRACT

The concept of Private-Public Partnership was used to provide infrastructure in developed countries for long time where government was unable to undertake these projects alone. Then, the arrangement was applied by other countries due to its effectiveness and efficiency in terms of success. For that, this paper tried to explore how PPP also is efficient and effective in minimising corruption cases in land administration provided that this sector is considered to be among corrupted sectors in many developing countries. A mixed research approach has been used to collect primary and secondary data. Project implemented in PPP arrangement has been the unit of analysis for this study. The findings are based on desk review and key informants’ information selected purposively. The study revealed that PPP is an arrangement that minimises corruption cases in land administration where information dissemination to all parties involved in the project is effective; during land acquisition, no compensation implicated, but parties shared the surveyed and serviced plots in proportion of 40% for cooperative which provided technique, financial, administrative services, and 60% for landowners. In addition to that, land allocation is guided by market system whereas titles are provided within one month by cooperatives for more than 50 applicants. All corruption gaps that may be used by land officers and others are filled. However, there is a need to investigate the motivation behind the land officers to assist cooperatives to get titles within one month whereas individuals may take 6 months.

Key words: Corruption, Land Administration, Public-Private-Partnership, Land acquirers, cooperatives
1. Introduction and background information

The use of Public-Private-Partnership (PPP) arrangements to meet a wide variety of public needs dates back to centuries in developed countries like United States of America. Different infrastructures and public buildings have been constructed under this arrangement since the government could not afford to build each and everything alone. The concept of PPP is a cooperative arrangement between two or more public and private sectors, typically of a long-term nature in handling issues that one side could not afford. The PPP describes a range of possible relationships among public and private entities in the context of infrastructure and other service provision (Asian Development Bank, 2010; & UNSCAP, 2011). This is the practice that has been assessed and found effective in most of infrastructure provision. Private companies have technical, financial and human resources that governments sometimes are not having. It is the same for land administration. The government in developing countries found unable to handle the issue land administration especially in urban areas to provide surveyed and serviced plots due to rapid urbanisation.

Burnes and Dalrymple (2008) state that the rapid urbanisation that is observed in developing countries is the results of poor land administration that made governments to fail in supplying surveyed and serviced plots of land for all demands. Therefore, the involvement of private companies to provide surveyed and serviced land in partnership with the government was the only alternative to address the issue. Rajack (2009) has a standing point that this partnership came to respond to the failure of existing public systems to provide required land for housing and other economic activities in urban areas. The system that is pointed finger is the land administration that was poorly performing because it was not supported by government due to negligence or left to laymen. This happens whereas this sector needs qualified people who are equipped with tools and new technologies.

UNECE (1996) cited in UN-GGIM (2015) defines land administration as “processes of determining, recording and disseminating information about the tenure, value and use of land when implementing land management policies”. In addition to that, land administration system is a basic foundation for the spatial enablement of a society that includes land registration, cadastral surveying and mapping, fiscal, legal and multi-purpose cadastres and land information systems. Suffice to say that land administration plays key role in urbanisation process by providing planned, surveyed and serviced land for municipalities and local authorities in urban areas.

Guttenberg (1984) and Platt (2014) recognise land as one of the key constituents of life on Planet Earth. It was highlighted that land provides all fundamental needs of human being such as food, clothes and shelter. In addition, land is considered as a capital asset and an essential source of wealth. It was emphasised on that land facilitates and motivates the flow of economic or other benefits from owning it over the foreseeable future for individuals, groups and organisations systems through generating income and taxes collection. In the same perspective, McAuslan (1987) had advised researchers and practitioners in land to view land in multidimensional way (economy, social, political, and development). Land harnesses social relations between people and society, economic relations between persons and persons. Summing up the assertions from Platt and McAuslan, we can conclude that land

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susceptible corruption environments are investigated. Secondary data were gathered through desk review of different published papers and books on land administration and corruption themes and PPP projects; whereas primary data were collected by using checklist question administered to key informants in land administration sector, cooperatives’ managers and selected individual land acquirers. A sample size of 20 key informants was used and participants in all categories were selected purposively. Limitation of this paper is on data triangulation and lack of adequate quantitative data as planned due to time and cost constraint. However, the findings represent the real situation of corruption on individual land acquirer in Burundi.

3. Findings
3.1 Land administration before PPP arrangements

As it was and or it is in most African countries, land services are not easily accessed. Land Offices are geographically located in three regions of the country and charges are not affordable for the majority of service seekers. For the case of Burundi, Kohlhagen (2011, p. 4) states that:

...registration procedure in Burundi is not only complicated, long and expensive; it is also disconnected from social reality. Land registration offices (services des titres fonciers) only exist in three cities – the capital Bujumbura, Gitega and Ngozi. Before submitting their demand to one of these offices, applicants have to hire a geodetic surveyor from Bujumbura, report the precise land limits to the national cadastral services and demarcate the land boundaries with stones made of imported concrete... In addition, for most of them, the price they would have to pay for the concrete is already higher than the market price of their land plots, not to mention the cost of the surveyor and the taxes for cadastral services.

This is the situation that existed before the involvement of private actors to shorten the processes and simplify some costs that applicants were incurring. Therefore, due to these challenges that many land seekers faced, private actors came to intervention under the umbrella of cooperatives in land administration and worked together with the government on administrative part whereas these cooperatives are providing technical, financial and management part. These cooperatives negotiate with landholders and agree on shares after all activities required on land are complete (40% of plots for cooperatives and 60% for landholders if the site is fair and 45% against 55% if otherwise). The government allows any cooperative that fulfil the technical, financial and managerial requirements to be granted a permission to involve in land administration. Then, these cooperative starts to involve in the processes of land administration directly or indirectly but making sure that they do not go astray with national policies and other legal frameworks that are related to land and urban planning requirements. The cooperatives have to observe and use Master Plans and other existing planning tools used in Burundi where there exist. The challenge is where there is no Master Plan or planning tools. These cooperatives do not prepare Master Plan but they deal
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3.2 Information dissemination

Before initiating any project, the cooperative managerial board consults landholders and agree on some terms and sign a contract. According to the information collected from one of the cooperative manager, she said that ‘before the project is initiated, the landholders are explained the purpose of the project, the overall objective, specific objectives and the profit that each land holder will gain from the project. The process to be undertaken are informed and explained. Participants are identified and everyone is aware about the project. She added that they use participatory approach and land holders became shareholders in the project. Every landholder has right to withdraw from the project; that is why we need the free consent of each land holder’. Negotiations are taken between cooperative and landholders until consensus is reached on. Then land is consolidated and surveying activities start. Also, clients who will buy the land are informed about ongoing project and can prepare themselves for purchasing the land whereas for the government projects, the information was kept secret to the public, and disclosed to few people.

3.3 Land acquisition arrangement

As mentioned in previous discussion, land acquisition does not follow any legal framework. It is done through negotiations between landholders and cooperatives. The compensation issues are not present given that land holders and cooperatives agree on how they will share the surveyed and serviced plots after all technical and administrative procedures are completed. Cooperatives do all required procedures and activities to their own cost. At the end, the cooperatives will have 40% of the surveyed and serviced land; whereas landholders will remain with 60% of the plots which he/she can sell at the market price. Here, the practice of corruption is minimised if not eradicated since the landholders will not have any contact face to face with any land officer. It has to be noted that corruption in land may manifest during land acquisition or expropriation by the government at the land valuation processes by land valuers from the municipalities.

3.4 Land allocation

In government-led projects, land allocation was subjective to nepotism and corruption due to information asymmetry and political interference. Also, the price was too low since it was considered for public land. For example, according to data from the Land Office in Bujumbura, 400 sqm obtained through expropriation by compensating the landholder 6000000, was sold on 5 million in 2012 whereas in informal settlement, the same plot in nearby neighbourhood was between 12-15 million Burundi Franc (BIF). On another hand, a plot of 300 sqm is sold on 18 million BIF during the PPP arrangement. Also, plots are sold by the owner at his/her time and to a market price. There was a gain of 30 times to the landholders. Also, land seekers are all free to access any land according to financial capacity. Results show that the percentage of people who accessed to surveyed and serviced increased to 25 percent in 2016, 30 percent in 2017. To access these plots, there was no intermediary
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persons (broker) needed to liaise with the seller. Therefore, the environment of corruption is degraded and discouraged since everyone has same chance to access to land through market price.

3.5 Processes in title application

The cooperatives that are involved in land administration are composed by various technicians of different education background and profession. Among them, there are Architects and urban planners who are aware about processes for title application. Therefore, after surveying and servicing the plots, the cooperatives assist the buyer in applying for titles. Because these people know requirement, rules and regulations for land title or certificate application, concerned offices, required documents, needed charges, and other bureaucratic procedures; the period to get titles is shortened and may takes one months to have titles for more than 50 plots whereas it was take 6 months for one plot. According to landowner consulted, he disclosed that the cost to be incurred was lowered at 40% when he compares to cost his neighbour incurred when he followed the process himself. He detailed that this 40% is counted even to money that was used for transport and ‘easements’ given to land office to get information on processes and pushing files from one office to another.

4. Discussion and conclusion

This paper was centred on answering two main questions that are (i) how PPP arrangement in land administration was done in Burundi; (ii) at what extend the PPP minimised corruption in land administration during implementation.

This paper has tried to document on situation before the involvement of private actors in land administration and found that situation was not only complicated, long and expensive; but it was disconnected from social reality. For social reality, the meaning is that the charges by land officers and the price of land were not correlated and somehow unreasonable and unbearable by the services seekers. Land services were not affordable and were not even cost effective. Cost for accessing the land was higher than the value of the property to be secured. Land administration processes were obscure and opaque dominated by nepotism, and corruption.

When PPP arrangement came, land information at all stages and stakeholders was provided. This made land officers not to use the gap of information asymmetry to ask for corruption to land service applicants. Transparency International and FAO (2011) were in view that hiding information to public was one of the strategies used by land officers so that they can make applicants to come to them and ask for assistance which they gave condition of giving something. The land acquisition was done in transparent and participative way in such way there was no lamentation and complains from land owners. Land owners considered a Cost Benefit Analysis before accepting the offer from the cooperatives to give their land. Land now has contributed at over 90% to landholders to uplift from low income earners up to medium high income earners than it was before when the government was the sole land administrator. For them land became a source of wealth as considered by Kenjiro and Baird
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In addition to that, land seekers (buyers) have been able to communicate immediately with landholders (sellers) which abolished the intermediary people in accessing surveyed and serviced land. This minimised the corruption to buyers as it was observed in government-led projects. Land allocation has been among one stage where all types of corruption were observed from petty to grand corruption, political, bureaucratic, private, collective, redistributive and extractive corruption as mentioned by Amundsen (1999, pp. 2-6). Getting land in PPP arrangement was not complicated or manipulated by anyone, only land market system regulated the accessibility. The nepotism and political interference was no longer observed and there was equal chance to all who have financial capacity to access land in planned areas.

Finally, the process of title application for the plots was undertaken by private actors (cooperative officers) who knew the processes, offices and other required documents. The results show that time was shorten up to 1 month for 50 plots whereas for individual may take 6 months for 1 plot. Van der Molen and Tuladhar (2014, p1), Jaitner, Caldeira, & Koynova (2017) and TI (2014) pointed out that this process was long and make applicant be forced to pay corruption so that he/she can be served on time. Also, the money that should be incurred by individuals has been lowered at 40% since no easement money was paid for push the file from different offices.

The paper concludes that the PPP is effective and efficient if well applied in land administration and minimise the corruption cases to individual land acquirers. During PPP, processes are clear and information is provided to landowners and land seekers. All stakeholders who are involved in land administration are all informed about what is going on and get prepared accordingly. No gap left by processes that may encourage land officers to ask for illicit money from land service seeker. It is time and cost saving. It provides win-win situation to landholders, lander seeker and cooperatives. This arrangement is recommended to be applied and initiated in other provinces of the country and the EAC region where it is not in place. Also, it has to be included in land policy and other legal framework so that it can be applied within supported legal institutions. However, this paper closes the discussion in doubtful situation on corruption practice that may occur between cooperatives officers and the land officers given that, services in these offices are provided in less time to cooperatives and more time to individuals. Therefore, further research to reveal the motivation behind faster assistance given by land officers to cooperatives is needed.
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References


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