



BUILDING A SECURE FUTURE: PERCEPTIONS OF **INDIA** PROPERTY RIGHTS IN **INDIA**



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Unlocking the benefits of secure property rights



Increase investments to improve homes and businesses



Offer property as collateral to unlock value



Generate and store wealth to pass on to next generation



Reduce property transaction costs



Reduce conflict and property-related litigation



Improve management of forests and natural resources



Access government benefits and municipal services



Empower women economically and socially



Invest more in family, health and education



EXECUTIVE SUMMARY

How worried are people, especially in poorer communities, about the risk that they could lose their homes or their land?

The fact is, we don't know. Attempts to systematically gather this kind of user-centered, demand-side data about property rights have been few and far between.

Property rights are the range of legal, traditional and customary rights that people and communities enjoy over their home or land¹. When these rights are secure and upheld by law, they provide the foundation on which to build greater security and prosperity.

If people are worried about losing their home or land, this feeling of insecurity may prevent them from fully utilizing their assets. They may find it difficult to invest in their homes, families, businesses or land, or to plan for their futures. Farmers who worry about losing their land may over-use fertilizers to gain immediate yield improvement, without considering the long-term impact on the soil. Informal slum dwellers facing the risk of being evicted from their homes may pay "protection money" to local agencies - money that could have been used for their children's education or healthcare.

To understand more about people's perceptions of the security of property rights, in India and in the rest of the world, we launched a series of surveys. The first survey was carried out with 14,000 respondents in 14 states across India. We plan to do similar research in other countries, building up to a global survey that will reveal similarities and differences between societies when it comes to people's perceptions of property rights.

The idea behind this initial survey is simple: to find out if people are worried about their existing property rights or lack of them - whether women or men, owners or tenants, in cities or in villages.

The survey results reveal that insecurity of property rights is widespread in India, with about one in four owners and about half of renters expressing worry about losing their home. The primary reason for this insecurity is a lack of documentation, followed by disagreements with family members. Lack of documentation can limit people's access to opportunities. People who do not have legal documents to prove ownership find it difficult to raise credit against their home. Property documents – such as residence proof or land record – are often required to access financial services, food subsidies, fertilizer subsidies, municipal sanitation or a range of other services.

At the same time, the survey results offer cause for optimism about the potential to solve the problem. They reveal that about half of owners have made efforts to update their legal records. This suggests that government efforts to make it easier, and affordable, for people to register or update property documentation at local levels could have a large impact on reducing people's worry about their property rights. This would have benefits for private citizens and the economy as a whole.

The data from this survey provides a baseline against which to measure future progress. It also raises issues that require further research, including exploring the gender gap in security of property rights, tenancy rights, and challenges with obtaining formal documentation.

Similar surveys are currently being carried out in nine additional countries, in an effort to build up a picture of property rights in different parts of the world. Ultimately, the intention is to gather data from every country and produce a truly global property rights index.

¹ Property rights are often defined as a bundle of rights e.g. right to sell, lease, mortgage, occupy, inherit.

Key findings from the survey and their implications for policymakers in India:

| WHAT THE SURVEY REVEALED | IMPLICATIONS FOR INDIAN POLICYMAKERS |
|--|--|
| <ul style="list-style-type: none"> • About one-quarter of homeowners worry about losing their home • Nearly 20% of rural people who own agricultural land worry about losing their land • Lack of documentation is the main cause of concern | <ul style="list-style-type: none"> • Reliable property records and documentation help improve people’s perception of security. • Accelerating the current efforts to computerize and update property records will help alleviate people’s concerns about their property, and bring much-needed efficiency in property transactions. |
| <ul style="list-style-type: none"> • Tenants are twice as likely as owners to worry about losing their home | <ul style="list-style-type: none"> • There is a need to review historical legislation, such as rent control acts, which aim to protect the interests of tenants. Over time, the impact has been to make landlords reluctant to offer their houses for longer term rental, with tenants having to frequently shift homes. • Policy efforts can also focus on encouraging the addition of more rental stock in the housing market to address the needs of the growing urban population, nearly 28% of whom² live in rented homes. |
| <ul style="list-style-type: none"> • Owners are likely to visit government offices to update their records, with about one-half having tried to do so in the past | <ul style="list-style-type: none"> • A more bottom-up, inclusive approach is needed to enable people to update their property records, by easing the process and reducing access costs. • Lessons can be drawn from Aadhaar³: once people understood the benefits linked with the ID and had easy access, they were eager to enroll, enabling the enrollment of 1 billion people in a little over 5 years. |
| <ul style="list-style-type: none"> • Women are less likely than men to own their land or their home | <ul style="list-style-type: none"> • State governments should try to implement policy interventions targeted at improving gender equity in asset ownership, combined with robust tracking and monitoring of this data. |

² 21.7M Households as per Census 2011

³ Unique identification number in India

INTRODUCTION

What if...

- You lose your home because the sale or tenancy document is not valid
- Your tenant refuses to vacate when you want to sell your house
- You are a widow and are thrown out of your house by your in-laws
- You are a farmer who cannot access drought relief because you do not have the documents to prove you own the land



Land and property are important because they provide the basis for livelihoods, wealth accumulation, social status, and security for people in India and around the world.

Secure property rights allow individuals and households to retain the benefits of investments in housing, land or a business and even pass it on to their children. They create the possibility for households to use their land or their home as collateral for bank loans. They reduce transaction costs in property markets by limiting uncertainty and the need for expensive verifications. They create the long-term incentives needed to manage natural resources such as forests in a sustainable manner.

Secure property rights empower women economically and socially and protect them during family transitions such as the death of a spouse. Studies in Argentina⁴ and Peru⁵, for example, indicate that households with secure rights to their home show increased participation in the labor market, invest in improving their housing conditions and realize educational benefits for their children.

Conversely, insecurity of property rights can have the opposite effect and foster conflict. When people worry about losing their property, they find it more difficult to plan for their future. They may under-invest in improving the property, because they are afraid of losing it; or they may use additional, often scarce, resources to try to secure their property (such as paying 'protection money'). Financial institutions may be unwilling to extend credit to homeowners or businesses if they are worried about losing the property offered as collateral.

India is changing rapidly, with the urban population expected to grow from 377M in 2011⁶ to nearly 600M by 2030⁷. Insecure property rights can threaten to undermine the benefits of urbanization. In urban India, security of tenure⁸, especially when backed by formal documentation that protects against forced eviction, has implications not only for the housing market, but also for access to basic services such as sanitation, water and electricity. This, in turn, affects both health and educational opportunities.

⁴ Property Rights for the Poor: Effects of Land Titling, Galiani S. and Scharfgrösky E., 2005

⁵ Entitled to Work: Urban Property Rights and Labor Supply in Peru, Field E., 2003

⁶ Census 2011

⁷ McKinsey Global Institute Report "India's Urban Awakening", 2010

⁸ Security of tenure refers to a person's right to effective protection against forced eviction from their home or land. (United Nations Human Settlement Program, *Enhancing Urban Safety and Security: Global Report on Human Settlements* 2007, abridged ed., 9)



A study in Bangalore⁹, for example, contrasted residents living in “first-generation slums”, the majority of whom had migrated to the city less than ten years ago, and residents of a “notified slum.”¹⁰ The study found that the former group, who lacked formal documents to establish identity or residence in the city, lived in ramshackle houses, with no access to clean drinking water or sanitation. In comparison, the residents of the “notified slum” enjoyed a far higher degree of security, with many of them owning their own homes. They had higher incomes, and were able to invest far more in their children’s education.

In rural India, land continues to be an important asset for rural livelihoods. Nearly 90M agricultural households in rural India depend upon land¹¹. The Reserve Bank of India’s Committee on Medium-term Path on Financial Inclusion stated in its December 2015 report *“In agriculture, millions of small farmers live on the precipice, starved of credit. In the absence of bold structural reforms of land (record) digitization and tenancy certification to enable credit to the tiller, the problem is likely to persist”*.

⁹ Slum Types and Adaptation Strategies: Identifying Policy-Relevant Differences in Bangalore., Krishna A. et al, 2014

¹⁰ Census 2011 defined all areas in a town or city that were notified as a “Slum” by State, Union Territory or Local Government under any Act including a ‘Slum Act’ as “notified slums”.

¹¹ Key Indicators of Situation of Agricultural Households in India, NSS 70th round Jan-Dec 2013

This is the objective situation. However, little is known about how people in India or elsewhere feel about the security of their property. Are people worried about their property rights or not? How do these perceptions affect citizens’ decision-making and future planning? How can government and other actors focus on strengthening property rights? To begin answering questions like these, Land Alliance, with support from Omidyar Network, initiated a multi-state survey with Gallup in India in early 2016.

The interviewers spoke to 14,000 respondents across India. The objective of the survey was to gauge how secure people feel about their property. Do people worry that they may forcibly lose their land or their home? What drives feelings of security and insecurity? Are women more worried than men about their property rights? The results of this survey are the beginning of a multi-year journey designed to better understand how secure people feel about their property and how this sense of security or insecurity affects the decisions they make about their future.

The results of this survey and our follow-on efforts will contribute to more informed policy decisions, better business models, and more effective development assistance. We encourage researchers and other interested stakeholders to join us in building more evidence around this important topic.

KEY FINDINGS



1

About one-quarter of homeowners worry about losing their home

Despite a high incidence of home ownership (over 90%), more than a quarter of respondents were worried that they may lose their home in the next five years.



2

Tenants are twice as likely as owners to be worried about losing their home

Nearly 50% of tenants were worried about losing their home, which may, in part, reflect underlying structural challenges in the rental property market. (Such as restrictive rent control laws)



3

Nearly one in five rural persons having a separate plot of agricultural land are worried about losing the land

About 40% of rural respondents said they used land for agricultural purposes, either on the same plot as their home (34%) or on a separate plot (65%). Of those who owned a separate plot of land, around 20% were worried about losing this land.





Lack of documentation is the main cause of concern for owners and tenants

Owners who expressed worry about losing their home or agricultural land pointed to a lack of documentation as a major source of concern. Similarly, renters without documentation proving their rental status were more likely to be worried about losing their home than those who had documentation.



Owners are likely to visit government offices to update their records, with about one-half having tried to do so in the past

About half of landowners indicated they had tried to update their land records with the government to show their ownership. In addition, about 43% said that they would be very likely to visit government offices to update their land records if they *inherited* land. About 32% indicated they would be very likely to do so if they *purchased* land.



Women are less likely than men to own their land or their home

Women were less likely than men to own their own home (52% vs. 68%) and far more likely to live in a home owned by a male family member. In spite of these gender disparities, the study found little difference between men and women when it comes to worry about forcibly losing their home or their land.



WHO WE SPOKE WITH

SAMPLE

14,000



We spoke with a representative sample of 14,000 people across and within fourteen states in India

ORIGIN

70%



of respondents were rural

INCOME

Rs 14,400



was the median monthly household income

INTERNET ACCESS AND USAGE

15%



had Internet access (16% of men/13% of woman), while 10% had used the Internet in the past week

EDUCATION

32%

illiterate

37%

primary school

21%

secondary school

9%

college



GENDER

51%



of respondents were male

AGE

51%



of respondents were under the age of 35

MOBILE PHONE

72%



had a mobile phone (77% of men/68% of woman)

ILLITERACY

40%

women



25%

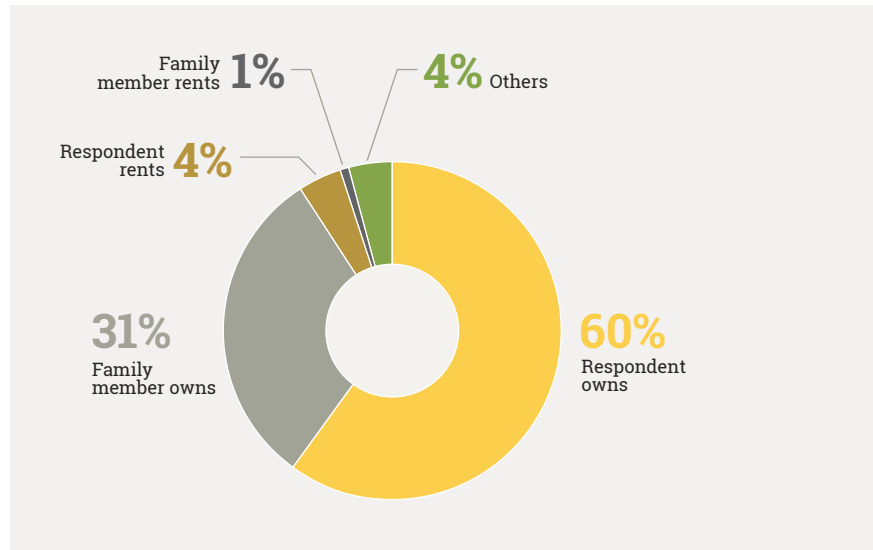
men

More than nine in ten respondents (91%) had lived in their current home for more than five years. Six in ten respondents indicated they owned their home, while 31% said they lived in a home owned by a family member.

While the total percentage of respondents who rented their home was low (and lower than 2011 Census figures indicate), as expected we found a higher incidence of rental homes within urban respondents compared to rural respondents (13% vs. 2%).

Of the rural respondents, four in ten said they used land for agricultural purposes. One-third (34%) of these respondents use the plot their home is on for agriculture purposes, while about two-thirds (65%) use a plot that is separate from their home. Most of this latter group (94%) said that either they or a family member owned the land.

Figure 1. Residential living status



Base – all: n=14,000

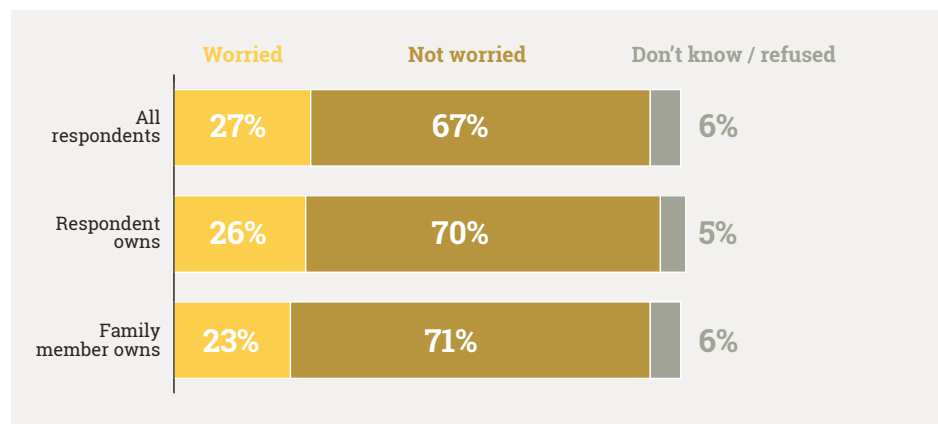


DETAILED FINDINGS

Despite a high incidence of home ownership, more than a quarter of respondents were worried that they may lose their home in the next five years.

Though about nine in ten respondents lived in a home owned by themselves or a family member and had been living in their current home for more than five years, nearly 27% of respondents said they were very or somewhat worried that they may lose their home in the next five years. Those who owned their home were slightly more likely to express worry than those who lived in a home owned by a family member.

Figure 2. Owners: worry about losing home

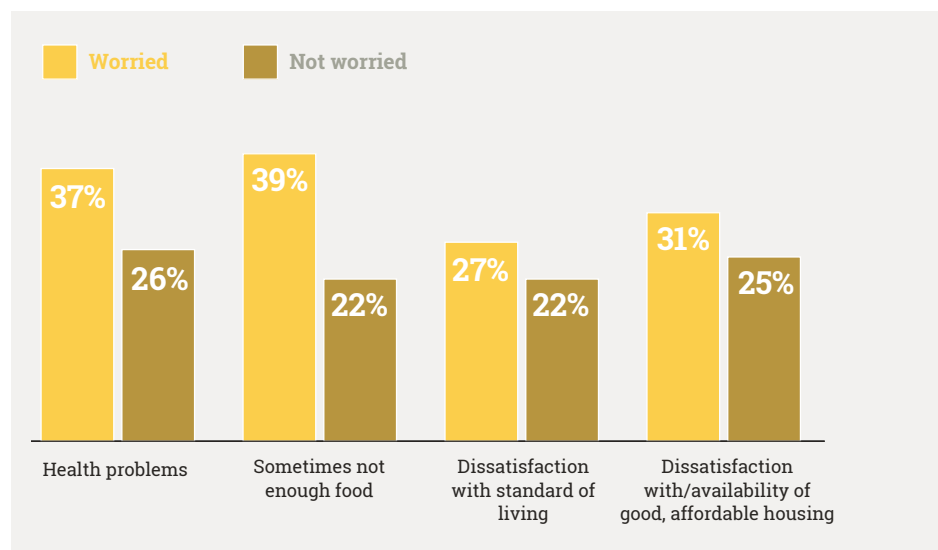


Base - All: n=14,000;
Respondent owns: n=8,463; Family member owns: n=4,322

Urban respondents (30%), in general, expressed a bit more insecurity than rural ones (26%), and the above difference between the worry levels of people who owned their own home and those who lived in a home owned by a family member was almost entirely concentrated among urban respondents.

We similarly saw a potential relationship between worry about residential status and expressions of health issues and/or a general pessimism, although we cannot say that this relationship is causal. For example, Fig 3 shows that urban owners who expressed worry also reported higher incidence of health problems, said they sometimes did not have enough food and were dissatisfied with their standard of living and the availability of good, affordable housing.

Figure 3. Urban owners: worried vs. not worried

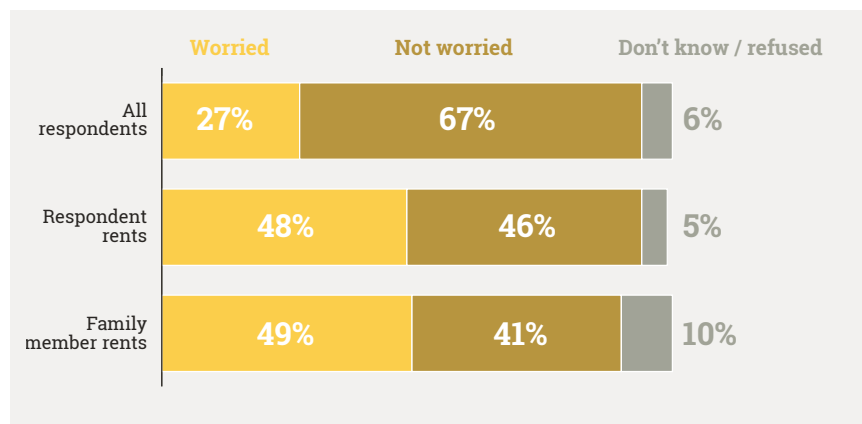


Base - Urban owners worried: n=3,144;
Urban owners not worried: n=8,870

Tenants expressed a significantly higher degree of worry than owners, which is partly a reflection of the underlying structural challenges in the rental property market.

Those who rent their home are significantly more likely to express worry, with nearly half of these respondents worried about not being able to continue to live in the same home in the next five years. This may be reflective of the underlying characteristics of the Indian rental property market where landlords are often afraid of permanently losing possession of their homes and prefer to enter into short-term contracts.

Figure 4. Tenants: worry about losing home



Base - All: n=14,000;
 Respondent rents: n=598;
 Family member rents: n=112



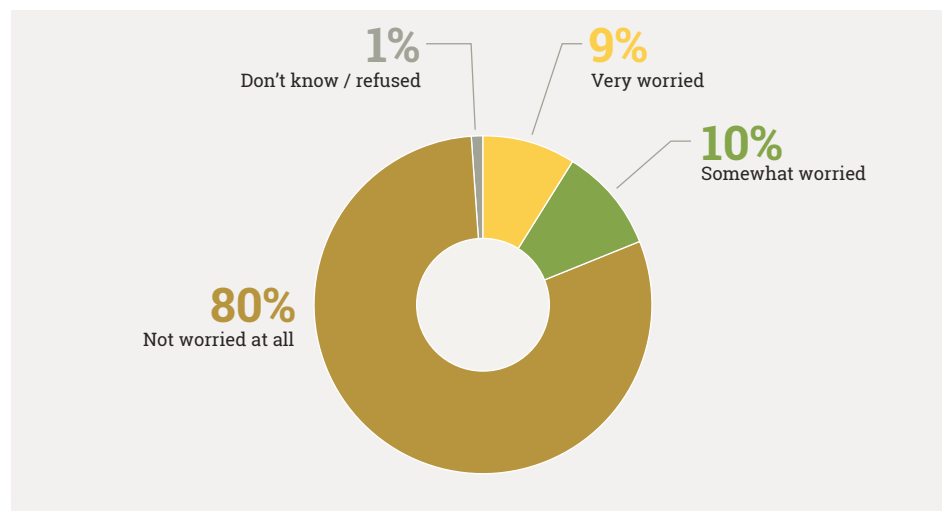
DETAILED FINDINGS

Nearly one in five rural persons having a separate plot of agricultural land are worried about losing the land.

Around 40% of rural respondents said they used land for agricultural purposes. Nearly two-thirds of them said they or their family member owned a separate plot of land, while the rest used the same plot of land on which their home stood. Of those who had a separate plot of agricultural land, nearly 20% expressed some degree of worry about losing this land.

As with residential property, we again found that worry is higher among those who own the agricultural land they use (20%) than among those who use land owned by a family member (12%).

Figure 5. Worry about losing agricultural land



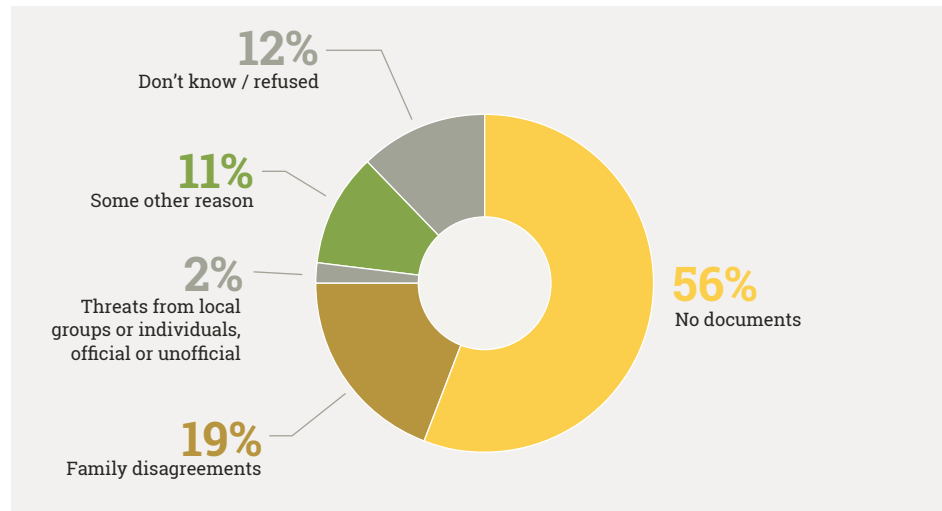
Base - Rural respondents who use agricultural land someplace other than the land home is on: n=2,558

People tend to be more worried about their home or their agricultural land when they know they don't have adequate documentation to prove their ownership or rental status.

When asked about the primary source of worry about losing their land or their home, a majority of the respondents cited a lack of documents, followed by potential family disagreements.

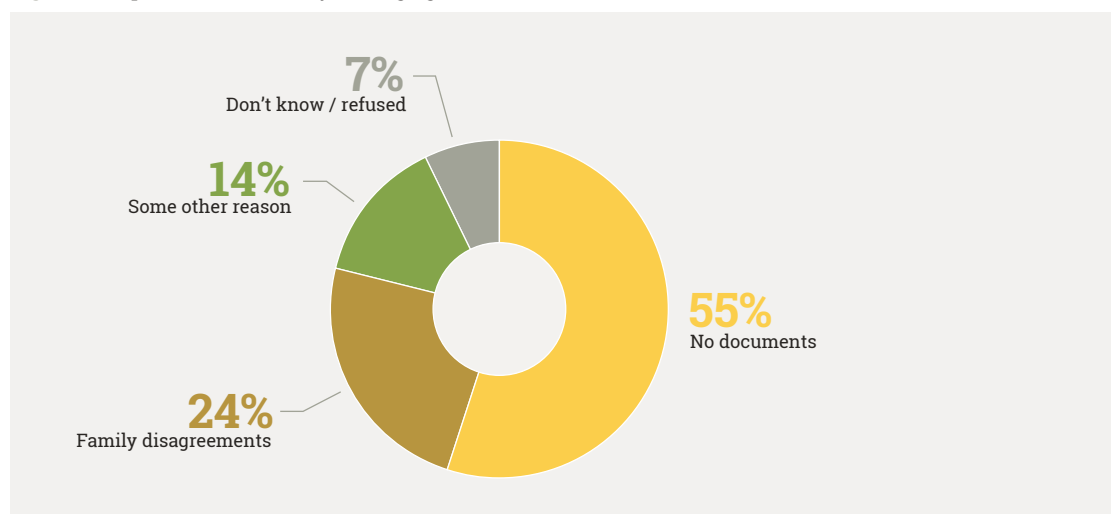
Among renters, worry about losing one's home was far greater among those without a rental agreement than among those with a rental agreement.

Figure 6. Top reasons for worry among homeowners



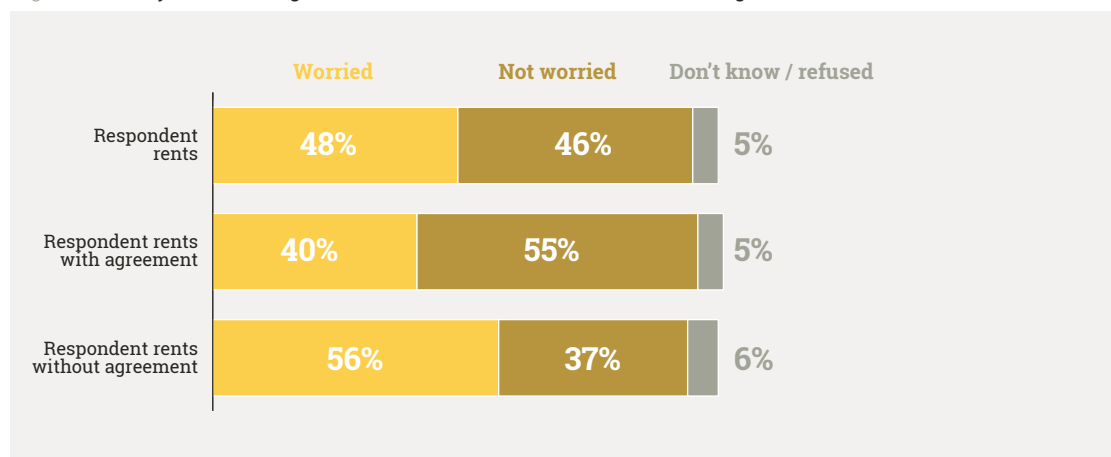
Base - Residential Owners worried about losing their home: n=3,144

Figure 7. Top reasons for worry among agricultural landowners



Base - Rural respondents worried about losing their agricultural land: n=427

Figure 8. Worry about losing home: renters with and without a rental agreement



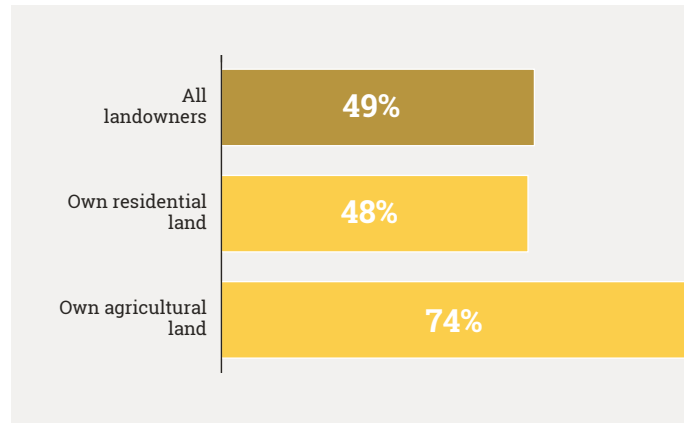
Base - Respondent rents: n=598;
 Rents w/agreement: n=309;
 Rents w/o agreement: n=289

DETAILED FINDINGS

Owners are likely to visit government offices to update their records, with about 49% having ever tried to do so to record their ownership. Almost half (43%) said they would be very likely to do so if they *inherited* land, and about one-third indicated they would be very likely to do so if they *purchased* land.

Respondents who owned agricultural land were far more likely to have ever tried to update their land records than those who owned residential land.

Figure 9 Ever tried to update land records



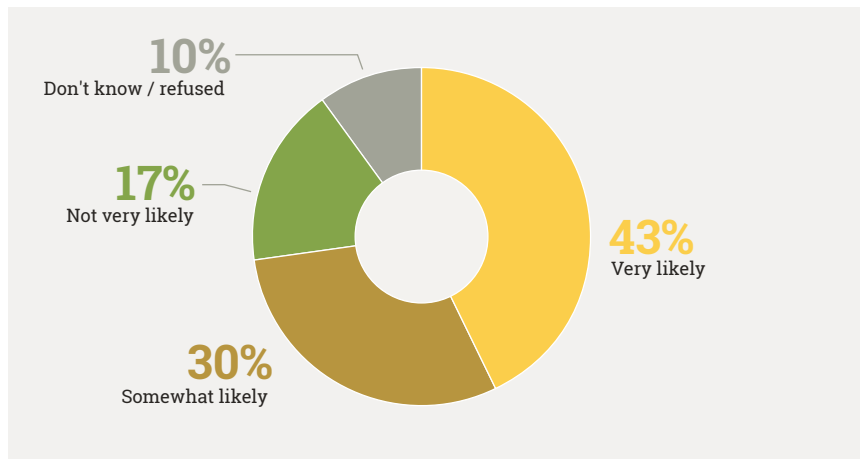
Base - All Landowners: n=8,358;
Residential Landowners: n = 1,923;
Agricultural Landowners: n=1,761



Of those who had tried to update their land records, about two-thirds (68%) said that the process was easy. Of those who had not tried, the top reasons given for not doing so were that the records were already in the respondent's name (23%), the respondent didn't feel he/she needed to (22%), or they felt the cost was high/they couldn't afford it (20%).

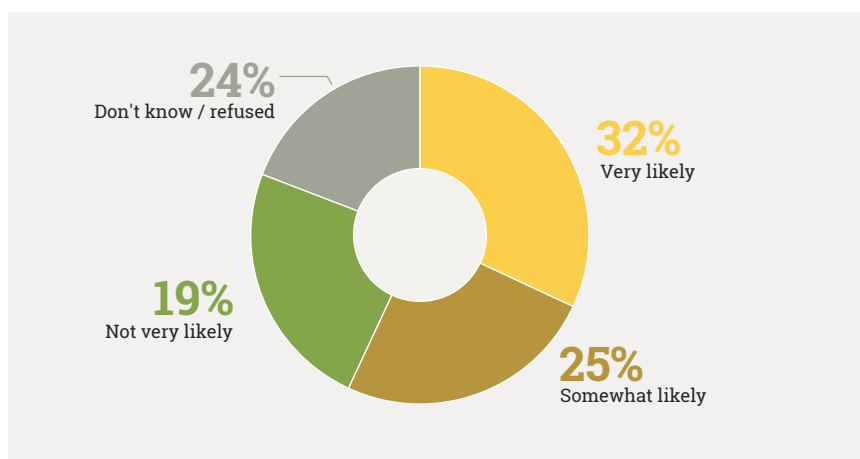
More than four in ten landowners (43%) stated that they were very likely to try to update their records if they inherited land, while 32% said they would be very likely to do so if they bought a plot of land.

Figure 10 Likelihood of updating records if land inherited



Base - Landowners (respondent- or family-owned): n=6,213

Figure 11 Likelihood of updating records if land bought



Base - Landowners (respondent- or family-owned): n=6,213

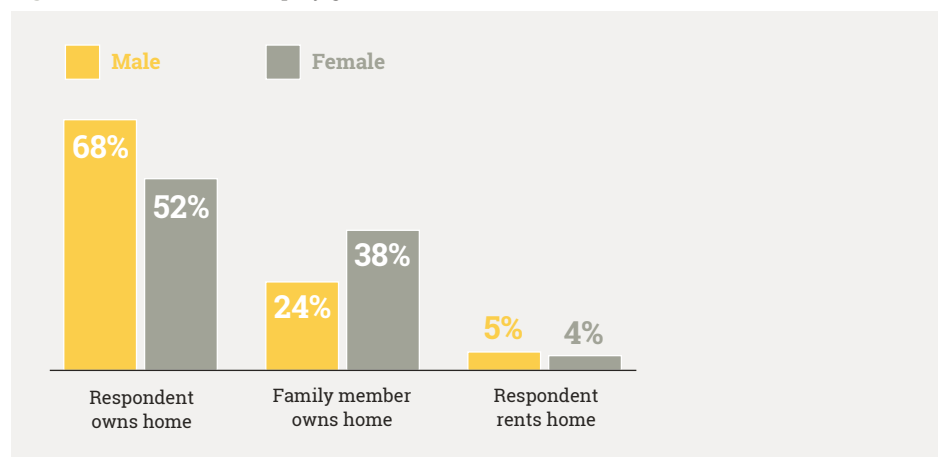
DETAILED FINDINGS

Women are less likely than men to *own* a house or land, showing an evident gender gap; however, we found men and women were equally likely to be worried about losing their home or land.

Researchers and practitioners have pointed to the gender gap in secure access to land and housing. Within our survey sample, we did not find any sharp differences in the proportion of men and women who were worried about losing their land or their home. However, we did note a significant difference in the asset ownership as reported by the survey respondents.

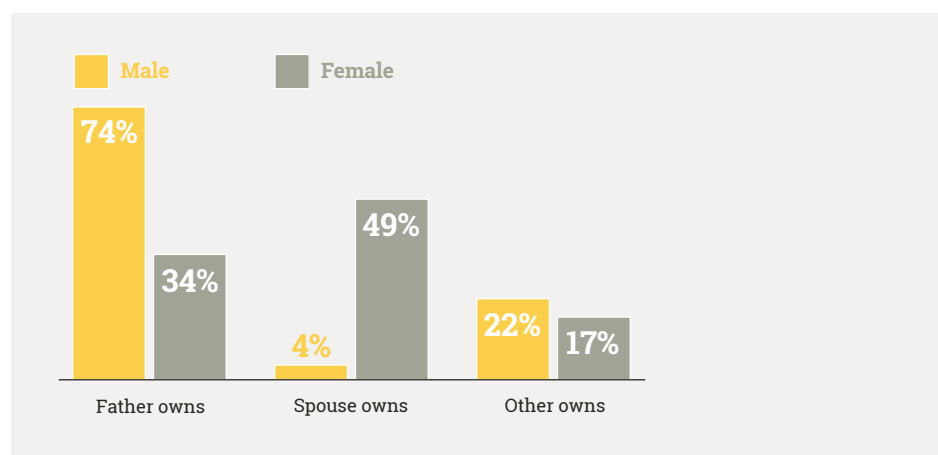
We found that men were more likely than women to own their home, as well as to own the land their home is on. While 52% of the women respondents said they owned their own home, 38% said they lived in a home owned by a family member who was usually their spouse or their father.

Figure 12 Home ownership by gender



Base - Male: n=7,155; Female: n=6,845

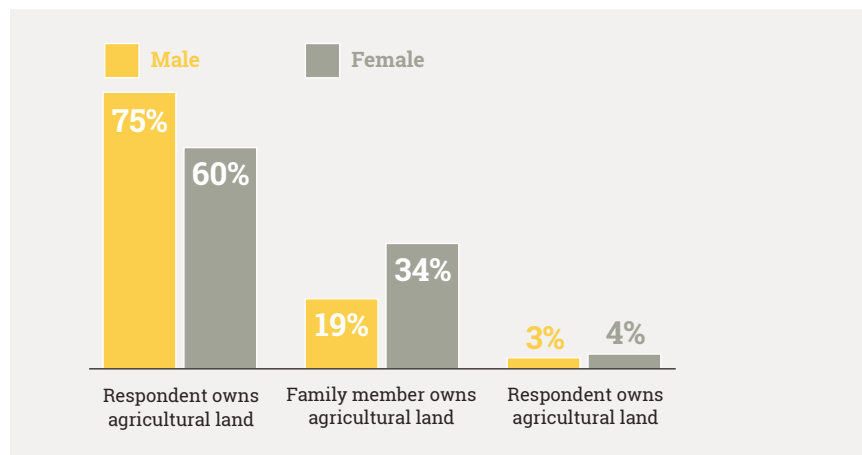
Figure 13 Family member who owns the home



Base - Respondents whose family member owns the home.
Male: n=1,460; Female: n=2,379

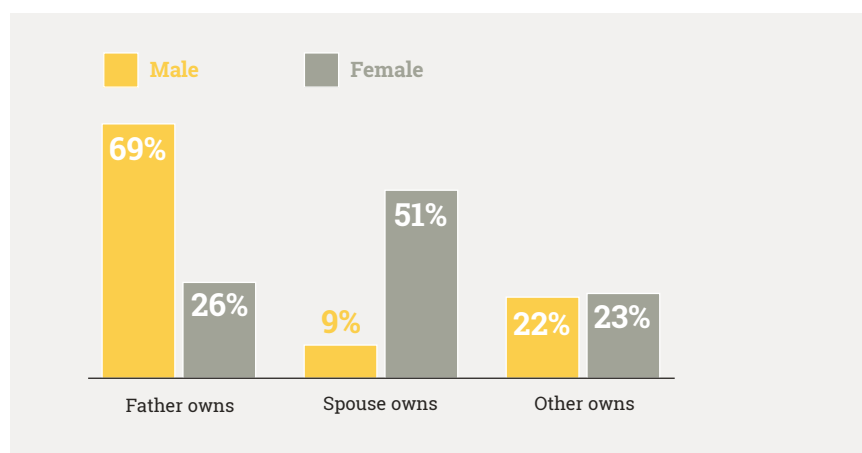
Among rural respondents who use a separate plot of land for agricultural purposes, men were more likely than women to own the land they use.

Figure 14 Agricultural land ownership by gender



Base: Use separate plot from home for agricultural purposes. Male: n=1,464; Female: n=1,094

Figure 15 Family member who owns agricultural land (Among those using agricultural land owned by a family member)



Base - Respondents whose family member owns separate plot of agricultural land. Male: n=257; Female: n=326



OPEN QUESTIONS AND NEXT STEPS

The above research on perceptions of property rights represents a first step in studying demand-side perceptions, attitudes, and behaviors. As such, the findings are necessarily preliminary; in some cases they raise even more questions than we began with, and we do not profess to

have done more than scratch the surface. We welcome others to join us on this journey to build a stronger evidence base on the importance and current status of the security of property rights. Some of the important issues that deserve additional research include:

Documentation required to show ownership.

- Are people's perceptions of their ownership of property backed by legally valid documentation?
- Do they know what documentation they need to possess?
- How easy is it for someone to obtain this documentation from government offices?

The gender gap around property ownership, as well as how women perceive security. Areas for further research include:

- Do women respond based upon their individual perceptions, or does the spouse play an important role?
- Do married women feel more secure than widows or single women?
- Have state-specific policies such as Punjab and Odisha's lower stamp-duty for women helped encourage women's ownership of property?

Decisions about investment and planning.

- How does worry about losing their home or their land impact people's decisions and ability to plan for their future?

Land leasing in rural India, which was remarkably low among our survey sample.

- In the light of recent government efforts on tenancy reforms, how do we establish a baseline of current status and track the impact of government policies?

Demographic profile and segmentation.

- Are certain segments of the population more worried about their property rights?
- What is the demographic profile of these segments, where are they located, and why are they more worried?
- Does this differ across countries and within each country?

Appropriate sampling for future research.

- Is a targeted sampling approach, with greater representation of specific segments of society based upon income or other demographics, more appropriate than random sampling?

We look ahead to early 2017 to assess our progress on this exciting journey. Alongside a larger ten-country pilot on similar lines, we are also testing a number of rapid cycle research methodologies (supplements to the in-person

face-to-face methodology used for this study) that we hope will permit us to collect larger sample sizes, at lower cost, and perhaps with even improved results in terms of data quality.



METHODOLOGY

Land Alliance commissioned Gallup to conduct a survey in India as part of the Gallup World Poll to test perceptions of how secure people feel about their home and land. The survey was intended to inform a more comprehensive global survey on people's perceptions of their property status. It was aimed at understanding how to best collect and analyze data on what is an inherently complex and sensitive subject.

Gallup conducted an in-person, face-to-face survey with 14,000 people in India. Stratification of the sample was done at ward level in urban areas and at village level in rural areas. Wards and villages were selected in each state based on probability proportional to their population size in the 2011 census, with 100 wards and villages selected in each state (Andhra Pradesh and Telangana combined was treated as one state). Households within the selected wards and villages were sampled using a quasi-random procedure in the field, and then within each household one individual respondent from household members aged 15 and older.



The survey was attempted in 16,067 households in order to obtain the 14,000 completed interviews—the response rate was 87.1%. The dataset uses survey weights to take into account state size. It also uses weights to account for household size to adjust for the probability of larger households being selected into the survey. Additionally, the post-stratification weights correct for age, gender, education, caste and urban/rural bias in representation due to non-response. The states that were part of the survey were: Andhra Pradesh / Telangana, Bihar, Chhatisgarh, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Uttar Pradesh and West Bengal.

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Concept & design

Mike Harrison / Deep International

LAND ALLIANCE

FOR PROSPERITY OF PEOPLE & PLACES



Land Alliance is a not-for-profit organization dedicated to enabling the prosperity of people and places through the application of learning and innovation in land tenure and property rights. It is leading the pilot project to develop the Global Property Rights Index (PRIndex). To learn more, visit www.thelandalliance.org

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