

THE LIMIT OF LAND REGULARISATION AS POVERTY ALLEVIATION STRATEGY IN INFORMAL SETTLEMENTS: EMPIRICAL EVIDENCE FROM LAGOS, NIGERIA

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ABSTRACT

Some studies have linked land titling to economic growth and poverty alleviation through access to credit facilities, housing improvement and security against eviction. However, many other studies have equally argued otherwise. It remains an ongoing debate. This paper, contributes to the ongoing debate on the nexus between land titles and poverty alleviation in informal settlements. It demonstrates that land titling, on its own, will not necessarily leads to poverty alleviation, as the intended beneficiaries are largely not interested in the programme. In addition, empirical evidence from Lagos and some other developing regions of the world suggests that land tiling has not and may not achieve many of the benefits appropriated to it by its proponents. Where it seems to have achieved some of its benefits, it has largely not been to the advantage of the poor. This paper, therefore, concludes that the policymaker must exercise caution on the issue of land titling as a solution to the endemic poverty in informal settlements. They should also explore the option of land tenure continuum. It recommends that an effective poverty alleviation strategy must incorporate the range of assets required to build a sustainable livelihood. It must also take into considerations the complexity of vulnerabilities the urban poor encounter as they pursue their livelihoods objectives.

Keywords: Eviction, housing, informal settlement, land regularisation, poverty alleviation

1. INTRODUCTION

In the cities of most developing country, particularly sub-Saharan Africa, empirical observation shows that the map of informal settlements coincides with that of urban poverty (Arimah, 2010; Durand-Lasserre, Fernandes, Payne, & Smolka, 2002; UN-HABITAT, 2006; United Nations, 2009).

Informal settlement, though often described by different names such as squatter, slum, low-income and unplanned settlement (Srinivas, 2005; UN-HABITAT, 2003), is a spatial manifestation of certain living conditions, which do not conform to formal planning and legal rules, standards and institutional arrangements, and are often characterised by lack or limited access to one or more of the following five conditions: water, sanitation, durable housing sufficient living area and security of tenure (Palmer et al., 2009; UN-HABITAT, 2003). The situations are often dynamic, complex and vary from context to context. Poverty is a complex and multidimensional phenomenon which results from various dimensions of exclusions and deprivations.

Continuous rapid urbanisation and corresponding increase in the proportion of the urban poor living in informal settlements have brought urban poverty and informal settlements issues on the agenda of many international and national development organisations. There is a general consensus that the dual phenomena of poverty and informal settlements must be appropriately addressed, if the global agenda for sustainable development is to be realised (Barry & Ruther, 2001; UNECE, 2009). Land titling has been largely promoted as an effective strategy to economic development and poverty alleviation. Many international development organization and national governments have, over the years, considerably promoted land titling as an effective means of intervention to increasing tenure security, improving access to formal credit, encouraging economic growth and, ultimately, reduce poverty (Field, 2004; Payne, Durand-Lasserre, & Rakodi, 2007). This is based on the assumption that the residents of informal settlement are poor because they do not have formal title to the land they occupy (de Soto, 2000).

There is an ongoing debate about whether lack of formal property titles is the cause of poverty and whether provision of land titles is the only and best solution to poverty in informal settlements. Several authors, as will be subsequently discussed in the second section of this paper, have followed the line of de Soto's argument and have equally argued for land titling as the only means to achieve poverty alleviation in informal settlements. Conversely, many other authors have equally demystified de Soto's arguments. They have argued, with empirical evidence, that titling may not necessarily achieve tenure security and other range of benefits arrogated to it by its supporters. Against this background, this research aims to contribute to the ongoing debate on the link between land titles and poverty alleviation from a developing country's city – Lagos – perspective. It, however, challenges the overrated beneficiary links between land titling and poverty alleviation in informal settlements. It concludes that land titling will not necessarily achieve many of the benefits ascribed to it by its proponents or leads to poverty alleviation in informal settlements.

This paper advances its arguments based on the empirical data from a larger research project, which seeks to understand the complexity of factors which influence livelihoods of the urban poor in Lagos' informal settlements. The empirical evidence was triangulated with relevant existing literature. This paper begins with various debates relating to land titles, poverty and development in general. It then presents the research approach and Lagos in relation to the incidence of urban poverty, informal settlements and desire of government to promote land regularisation as means to poverty alleviation in informal settlements. To highlight the limits of land regularisation as poverty alleviation strategy in Lagos' informal settlements, this paper focuses on willingness to get land titles, nexus between land titles, and forced eviction, compensation, access to formal credit facilities, housing improvement and land value. The final section summarises the various arguments presented in this paper.

2. LITERATURE REVIEW

2.1 Land Titles, Poverty Alleviation and Development Debate

There are opposing views on the benefits of land titling. Some publications, including de Soto (2000) and Deininger (2004), have linked land titling to economic growth and poverty alleviation through various channels including access to credit facilities, housing improvement and security against eviction. However, many other publications (Durand-Lasserve & Selod, 2007; Easterly, 2008; Ho & Spoor, 2006; Jacoby & Bart, 2007; Migot-Adholla, Hazell, Blarel, & Place, 1991; Mooya & Cloete, 2008; Payne et al., 2007; Pinckney & Kimuyu, 1994; World Bank, 2003a) have equally argued otherwise. It remains an ongoing debate which requires more empirical studies with focus on local context (Payne, Durand-Lasserve, & Rakodi, 2009; Place, 2009).

The assumptions of the proponents of land titling, as noted by Ward (2003:4), are that, it:

- Provides security against eviction;
- Brings people into the market from which they can benefit by free sale at full price;
- Raises land values;
- Provides incentives that stimulate investment in home improvements and consolidation;
- Makes possible the introduction of basic services such as electricity and water;
- Generates greater access to credit by using the home as collateral on loans;
- Incorporates residents into the property-owning democracy and citizenry; and
- Integrates settlements and property into the tax and regulatory base of the city.

These assumptions became more prominent on the international development discourse as a result of de Soto's book – *The Mystery of Capital*. As noted by Payne et al. (2007) and Mooya and Cloete (2008), de Soto's ideas have provided renewed focus on the link between land titling and poverty alleviation in development policy and practice. de Soto emphasises the link between lack of land titles and poverty in developing countries. He argues that the poor lack titles to their properties, which they could use to invest in businesses and liberate themselves from poverty. Payne et al. (2007) note that de Soto's argument is based on the assumption that the provision of individual property title can bring about a 'triple transformation', where property can be transformed into collateral, collateral into credit and credit into income.

The above argument represents a conventional way of thinking about poverty. Conventionally, poverty is conceptualized as having low or inadequate income. As such, poverty is often blamed on poor economic growth. From this perspective, poverty alleviation strategies are based on economic growth. One of such strategies is market-based approach. This approach draws on economic neo-liberalism and western ideas of self-empowerment and entrepreneurship (Gifford, 2010). Lombard (2012) notes that since the 1980s market-based approaches have been promoted as a solution to development related issues, including land, housing and poverty alleviation. The market-based approaches are rooted in the ideology of making markets work for the poor, who are mostly marginalised. Hammond, Kramer, Katz, Tran, and Walker (2007) note that the market-based approach is premised on the recognition that market is central to development and poverty alleviation. Therefore, it advocates for strategies that can make markets more efficient, competitive, and inclusive, particularly for the poor. One of such strategies, as relates to informal settlements and poverty, is the land rights which focuses on land titling.

Land titling is expected to promote economic liberalization, and privatization of land allocation processes through commercial land markets (Payne and Durand-Lasserve, 2012). This approach promotes privatization of land and individual private land ownership, based on land titles, over other tenure arrangements, which are equally popular in many societies.

Land is recognized as central to development (McAuslan, 1982), while tenure is central to land (Lombard, 2012). Land titling emphasises the formality and individuality of land rights. In the Africa context, land titling involves taking land claims out of the realm of informal lineage or community land ownership and making them fully legal, formal and individual, and recording claims in a state administered land record system (Atwood, 1990). This approach has been widely adopted in many African countries (Atwood, 1990; Ensminger, 1997; Miceli, Sirmans, & Kieyah, 2001). Bromley (2005:2) observes that land titling is being promoted over other tenure arrangements based on the assumption that:

“...titles are also said to permit individuals to gain access to official sources of credit – banks, credit unions, lending societies – using their new title as collateral for loans to accomplish several desirable outcomes: start a business; upgrade a dwelling; or undertake investments so that agricultural production will be augmented..”

Reflecting on above assumed benefits, though it will be apparent that many of these outcomes would potentially have the effect of reducing poverty, they reflect conventional way of thinking about poverty. It is observed that there is not enough explicit empirical evidence to support these acclaimed benefits of property titling. For example, Ho and Spoor (2006), based on the review of several studies, including Atwood (1990); Pinckney and Kimuyu (1994) and World Bank (2003b), observe that land titling has had little or no impact on development and poverty alleviation in Africa. Similar results have also been reported in Latin America and Asia countries. Payne et al. (2007), based on the review of seventeen titling programmes across Africa, Asia and Latin America, conclude that there is no adequate evidence to link titling to social and economic development, urban poverty reduction, or increasing social equity and inclusion. Corroborating this viewpoint, Payne and Durand-Lasserve (2012) assert that, in the real sense, land titling may result in the creation of a large under-class which is denied access to any form of affordable or acceptable housing.

In this regard, the market-based approach to property rights may reinforce inequality in access to land. Durand-Lasserve (2003), for instance, noted that privatization of land tenure in South Africa resulted in inequality and landlessness for the poor. Evidence from Asia, Africa and Latin America indicates that the process of land titling has led to landlessness and inequalities in land for the poor and most marginal groups (Payne & Tehrani, 2005). Durand-Lasserve (2007) also pointed out that land titling programmes carried out in the name of economic development and poverty reduction often result in increased market pressure on urban informal settlements through increase in land values.

de Soto (1989), based on his studies in Peru, had earlier argued that land's values appreciate as informal settlements become formalised. He concluded that land values in legally secure settlements were 12 times greater than in those classified unsecured. Citing studies by Lanjouw and Levy (2002) in urban Ecuador; Kim (2004) in Vietnam and Deininger and Chamorro (2004) in Nicaragua, Mooya and Cloete (2008, pp. 5-6) report that land titling increased land values by almost 24 per cent, between 3-10 per cent and 30 per cent respectively.

Durand-Lasserve and Payne (2006, p. 7) also came to a similar conclusion as they noted that formal land tenure does increase land value by at least 20 to 60 per cent. Furthermore, Payne et al. (2007) reported an increase in land values of between 25 to 73 per cent on titled land in Indonesia, the Philippines, Cambodia and Brazil. Citing Dowall (1998), Payne and Durand-Lasserve (2012) reported that in Manila the risk of eviction was considered to lower the value of housing units by 25 per cent, while residential plots in Jakarta with clear title sold for a 45 per cent premium over comparable plots without clear title.

However, widespread insecurity of tenure and forced evictions in many developing countries can also be linked to increase in land values. Werlin (1999); Payne et al. (2007); Payne and Durand-Lasserve (2012) and Lombard (2012) observe that rising land values often lead to gentrification, and land speculation by property developers, who seek to maximize profit. The outcomes have negative effects on the urban poor and low-income groups, particularly tenants who constitute the majority in many informal settlements, just like the case of Lagos where over three-quarters of the population are tenants. Palmer et al. (2009, p. 43), observe similar trends in Kenya. For example, they noted that about 80 per cent of the residents of Kibera in Nairobi are tenants, while a significant proportion of the structures are owned by absentee landlords, with some of them having multiple structures.

The effects of rising land values are transmitted to the tenants through increase in rents, which often go beyond their affordability (Dey, Sharma, & Barman, 2006), and through evictions (Payne and Durand-Lasserve, 2012). In the case of evictions, tenants often end up losing their advance rents. This situation was observed in the case of Lagos where tenants, who are forced to pay advance rent of between one and two years, lost their unspent rents and livelihood assets owing to forced evictions.

From a livelihood perspective, poverty is a complex and multidimensional phenomenon. Poverty is defined as a lack of essential resources, including economic, human, political, socio-cultural and physical, and conditions required for adequate standard of living (OECD, 2001). Poverty is beyond low income, which is the focus of land titling, but encompasses low human, social, physical, natural and financial capital (Baker & Schuler, 2004; DFID, 1999). Individuals or households may be considered poor when they have inadequate or poor livelihood outcomes. This may be a result of many factors including inadequate access to assets, vulnerability and institutions that hinder people's ability to accumulate assets (DFID, 1999; Moser, 2007). To overcome poverty, those living in poverty must pursue their livelihood objectives within a supportive institutional context that enables them to reduce their numerous vulnerabilities and accumulate assets.

From a sustainable livelihood approach, land titling, a component of physical assets, is just one of the assets required to build a sustainable livelihood while tenure insecurity is just one of the numerous vulnerabilities of those living in informal settlements. Therefore, land titling as an approach to poverty alleviation in informal settlements represents a narrow and unidimensional way of understanding poverty and way out of it. An effective poverty alleviation strategy must take into consideration the various vulnerabilities and livelihood assets of the poor. The aim of this paper is not to examine the assets and multiple vulnerabilities of the poor, but to show the limit of land titling as a poverty alleviation strategy in informal settlements. To achieve this, the paper draws on existing related literature and empirical evidence from Lagos, Nigeria.

3. RESEARCH METHODOLOGY

The materials presented in this article are based on data from a larger research project which seeks to understand the complexity of factors influencing the livelihoods of the urban poor in Lagos’ informal settlements (Olajide, 2014). The study adopts the Sustainable Livelihood Framework, as a methodological and an analytical framework, to understanding poverty in informal settlements. The need to focus on livelihoods is based on the realisation that poverty is multi-dimensional. Sustainable Livelihoods Approach (SLA) provides a framework which integrates various dimensions of poverty. This framework enables a broad range of quantitative and qualitative research design and data collection methods. Specifically, in the larger research, the approach is used to examine livelihood assets of the urban poor (land title, which is the focus of this paper, is identified as one of the assets), vulnerability context within which the residents of informal settlements in Lagos pursue their livelihoods and factors which mediate assets and vulnerability.

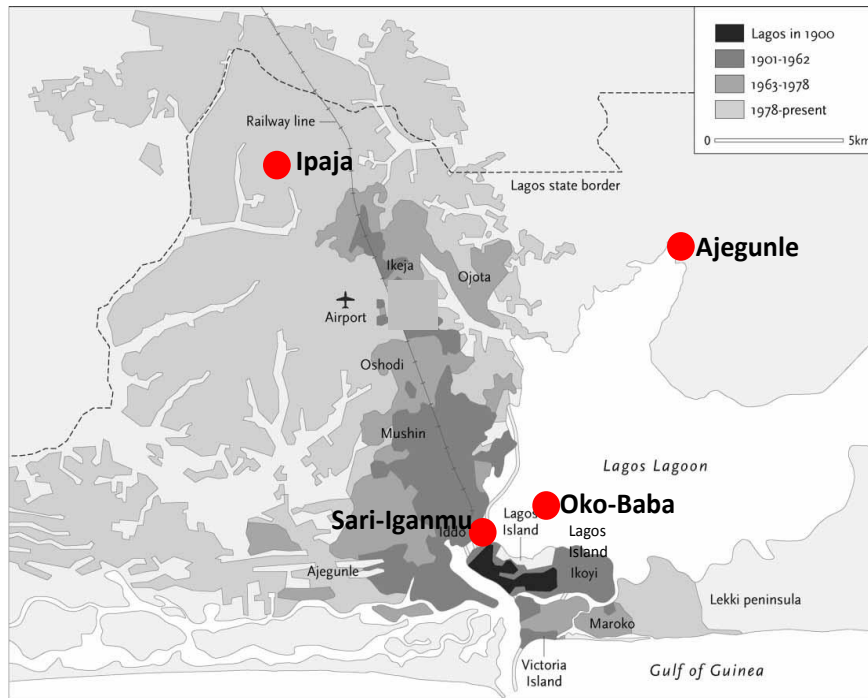


Figure 1: Spatial Location of Case Study Settlements

Source: Gandy (2006, p. 373)

The choice of Lagos, as the study context, is influenced by several factors. First, Lagos is the most heterogeneous urban area, in terms of economic, social and cultural activities, in Nigeria. Second, it is one of the fastest growing mega cities in the world with the corresponding high incidence of slum formation resulting in evictions. Spatial locations (core area and periphery) and typology of the informal settlements (slum, squatter settlements and illegal sub-divisions) were considered in settlements selection for in-depth study. This research uses multiple case studies – Ajegunle, Ipaja, Oko-Baba and Sari-Iganmu.

These cases were selected to exemplify contrasting experiences of urban poor in different locations and typology of informal settlements across Lagos metropolis. The four settlements were purposively selected, within these categories, based on information rich, easy accessibility and settlements which one can learn a great deal about issues of central importance to this research. In term of geographical location, Oko-Baba and Sari-Iganmu are located in the core (very close to the Lagos main Central Business District – Lagos Island) of Lagos metropolis, while Ajegunle and Ipaja are located in the periphery of the metropolis (figure 1). Oko-Baba and Sari-Iganmu were classified as squatter settlements, while Ipaja was classified as slum (SNC Lavalin, 1995) and Ajegunle as illegal sub-division by the Lagos State government.

A combination of quantitative and qualitative data collection tools, including household survey and interviews were used. A total of 400 household surveys and 29 interviews were conducted. The research adopts non-probability sampling because there was no reliable sampling frame, either from census figures or communities' records, to support selection of sample size based on probability sampling. In addition, the settlements are haphazardly developed which makes adoption of probability sampling techniques, such as systematic sampling and random sampling, practically inappropriate. Each settlement was divided into 100 clusters. From each cluster, one building was selected. Although the majority of the buildings are occupied by multiple households, only one household was sampled in each selected building. The actual household sampled was selected using the convenience sampling technique. Convenience sample involves participants who are readily available and easy to contact (Higginbottom, 2004, p. 15). In each building, the first household to be contacted and which showed willingness and enthusiasm to participate was sampled.

The household survey largely provided information on the assets component (human capital, physical capital, social capital and financial capital) of the Sustainable Livelihood Framework. The questionnaire was designed to obtain relevant information on the key indicators of livelihood assets. For example, as related to the data presented in this paper, analysis of human asset provided information on the socio-economic characteristics of the respondents. Physical asset provided information on home ownership, land tenure and whether or not the respondents have carried out any improvement in their dwellings. Financial asset provided information on access to credit and sources of credit, as well as if the respondents have gotten bank loan in the past, and if yes, what the money was used for. In addition it provided information on the willingness or otherwise of the respondents to use their landed properties as collateral in order to get bank loan.

Interviews, as presented in this paper, provided information on the reason why the poor are always not willing to get formal land titles and bank loan, as well as use their landed property as collateral for bank loan.

The empirical evidence was equally triangulated with the existing literature on the links between land titling, poverty alleviation and development in general. This, on the one hand, strengthens the various arguments presented in this paper. On the other hand, it allows the findings and the subsequent conclusion to be articulated within the existing body of knowledge on the subject matter. This paper does not claim to be exhaustive, particularly in its empirical evidence. The empirical evidence limits itself to legal title and the willingness of the residents of the case study settlements to get land titles, nexus between land titles, and forced eviction, compensation, access to formal credit facilities, housing improvement and land value, being the major channels by which the proponents of land titling have linked it to poverty alleviation and economic growth.

4. THE STUDY AREA - LAGOS IN CONTEXT

Lagos is geographically located on the west coast of Africa in the south-western part of Nigeria. It is the economic and commercial hub of Nigeria. It is equally one of the major economic and commercial hubs in Africa region. Lagos, one of the fastest growing cities and urban agglomerations in Africa and the seventh fastest growing in the world (Hove, 2010; UN-HABITAT, 2007) is characterized by a significant presence of the urban poor who are mostly accommodated in informal settlements. The proliferation of informal settlements is one of the most enduring spatial manifestations of poverty and urbanisation in Lagos (Morakinyo, Ogunrayewa, Koleosho, & Adenubi, 2012).

The population of Lagos and the number of informal settlements are increasing at a faster pace. In the early 1980s, 42 of such settlements were identified by UNDP (SNC-Lavalin, 1995) (Figure 2). Although, currently, there is no accurate data on the exact number of informal settlements, there are indications that large proportion of Lagos population live in informal settlements. Nubi and Omirin (2006) note that over 70% of the built-up area of the Lagos metropolis is blighted. According to World Bank (2006) and Morka (2007), over two-thirds of the population of Lagos lives in informal settlements.

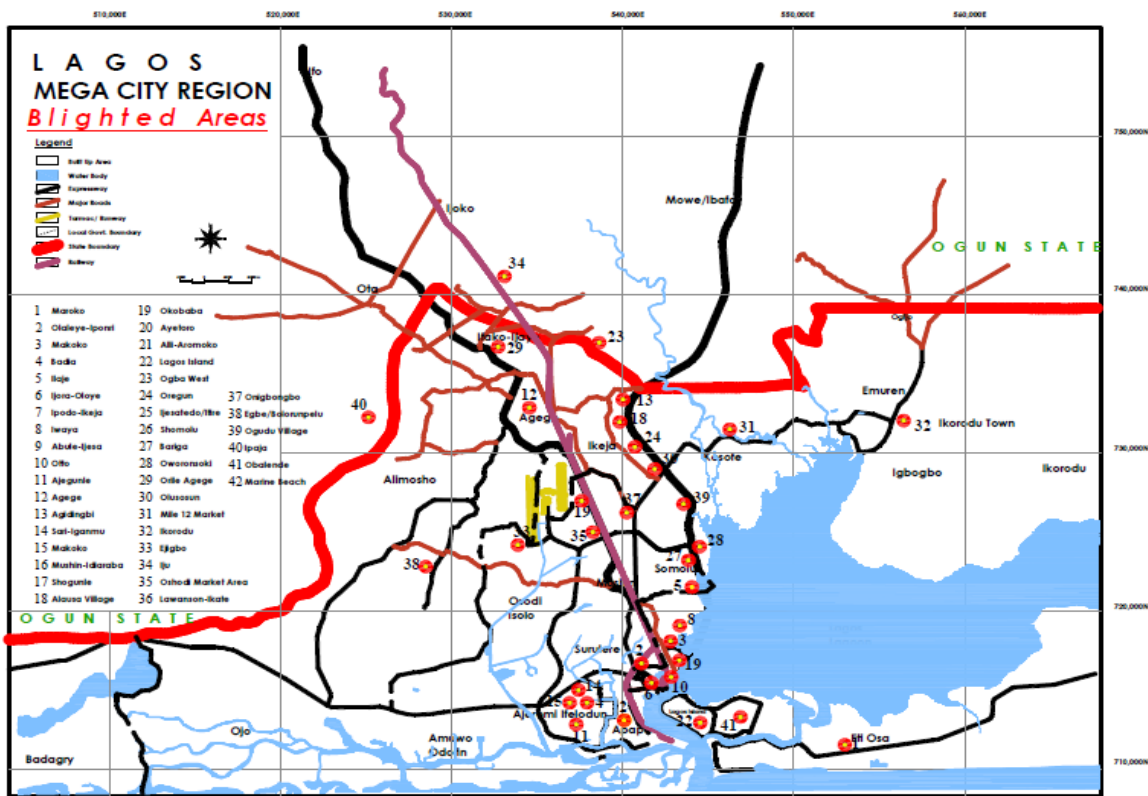


Figure 2: Locations of Documented Informal Settlements in Lagos

Source: SNC-Lavalin Report (1995) cited in Agbola and Agunbiade (2009, p. 86)

The dual phenomena of urban poverty and informal settlements are major challenges in Lagos. The state government has made efforts to address these challenges. In recent times, one of such efforts is land regularization.

It is assumed that this will encourage the use of 'dead capital' as well as attract external investment thereby leading to economic growth. Other assumptions are that, it will: reduce transaction costs for property transfers; promote more efficient land and property markets; and help properties realize their full market value. In addition, it is assumed that it will increase government revenues [through improved taxation systems] to fund public services and facilities; and that by designing and implementing pro-poor land policies will ensure sustainable development, and help realize the Millennium Development Goals.

However, what appears to be the primary motivation of government to pursue this line of strategy is to reduce slum by bringing more land to the formal sector. This is thought to facilitate better planning which is expected to increase land value over time and subsequently increase revenue to government and the residents (Agunbiade, 2013). To a slum resident, the primary motivation for regularizing land title is security of tenure, but not necessarily poverty alleviation as being promoted by government. Residents' motivation for secured tenure are driven by, among other things, the right: to occupy, enjoy and use; restrict or exclude others; transfer, sell, purchase, grant or loan; inherit or bequeath; develop or improve; rent and sublet land.

With the prevailing land tenure laws (Land Use Act of 1978) and practice in Lagos, the expectations of slum residents and government are at cross-purposes. The realization of this by the residents, coupled with the long processes and the overall cost have tended to discourage residents' participation in land regularization policy of government. In addition, the process of land transfer, through governor's consent, is equally as tedious as securing land titles. Presently it is difficult to secure any interest or investment in land without the certificate of occupancy (the equivalent of land title in Lagos).

As a consequence of the above and as exemplified by the study of Oshodi (2010), which appraises the land regularisation policy of the Lagos State government, it has been revealed that the response rate of the intended beneficiaries has been very low. Also, Olajide (2013) observes that the policy does not take into consideration the complexity of livelihood realities and vulnerability context of the urban poor as well as factors which perpetuate poverty among the residents of informal settlements.

It is important to state that this paper is not intended to explore the complexity of livelihood realities and factors which perpetuate poverty in informal settlements. It rather focuses on contributing to the ongoing debate, from the Lagos context, on the nexuses between land titling and poverty alleviation.

5. FINDINGS AND DISCUSSION

5.1 Socio-economic Characteristics and General Description of the Case Study Settlements

The study uses four case studies – Ajegunle, Ipaja, Oko-Baba and Sari-Iganmu – within Lagos metropolis. Ajegunle and Ipaja are located sub-urban area of Lagos State while Oko-Baba and Sari-Iganmu are located in the core area of the metropolis. These locational factors have implications on the livelihood opportunities and livelihood vulnerabilities of the residents, and how government relates with the settlements in terms of urban development policies (Olajide, 2014). There are strong relationships between the case study settlements, the residents and their socio-economic situation. They are all informal settlements and predominately low income communities. The mean monthly income per household is N24,900.

The majority, however, earn between N7,500 and N17,000 which is lower than the national minimum wage of N18,000. The majority of the respondents work in the informal sector. The average household size is 6 person, with one habitable room. The vast majority of houses are in poor condition and lack access to adequate facilities.

5.2 Legal Title and Willingness to get Titles

This section discuss the tenure status of the residents, as well as tenure or legal status of the buildings and plots from both legal (formal land title) and planning (building approval) perspectives. As show in tables 1 and 2 respectively, it is difficult to ascertain the actual number of plots with formal land title and the actual number of buildings with planning approval, as a majority of the respondents claim not to know. The reason can be attributed to the fact that a majority of the residents are tenants.

Table 1: Legal Title (Percentage)

Responses	Names of Settlements			
	Ipaja	Ajgunle	Oko-Oba	Sari-Iganmu
Yes	12	7	5	4
No	14	20	12	15
Don't Know	74	73	83	81

(Source: Field Survey by Authors, 2012)

Table 2: Building Plan Approval (Percentage)

Responses	Names of Settlements			
	Ipaja	Ajgunle	Oko-Oba	Sari-Iganmu
Yes	6	15	4	8
No	14	20	5	17
Don't Know	80	65	91	85

Source: Field Survey by Authors, 2012

The Lagos State government has equally joined other proponents of land titling. The state government has renewed its efforts at reducing poverty in informal settlements through land regularization by granting land titles to land owners in informal settlements. Consequently, one would expect that the supposed beneficiaries would have taken the opportunity to apply for formal titles. That is not the case. Though Table 1 does not give enough evidence to support this claim, results of the interviews indicate that a majority of the plots, if not all, do not have formal titles. This can be attributed to various factors considering the responses of some of the respondents:

“The land holding system in this community has made it difficult for landlord to process any form of formal land title or to even get building plan approval. Not so many people are even interested” (key informant, Sari-Iganmu).

“I am a developer, if anybody claims to have certificate of occupancy (C of O) in this community, I doubt if such claim is true. The process is too cumbersome and expensive” (interview respondent, Ajgunle).

“That (land title) is the least of my problems. There are better things to do with my money than to give government” (interview respondent, Oko-Baba).

“...is it (land title) for free? Who will pay for it?” ... (Interview respondent, Ipaja).

There is a general lack of interest, from the supposed beneficiaries, to obtain formal land titles owing to the nature of land tenure system and cost. The cost is generally out of the reach of the urban poor. Payne et al. (2009) note that the willingness to acquire formal land titles will only be popular among the poor if it is free or inexpensive. The tenants generally observed that if landlords are forced to obtain land titles, it will put additional burden on them, as the cost will be borne by them through rent increase. The landlords opined that the perceived benefits are not in any way commensurate to the cost. They generally believed that it is just an avenue for government to make money from them and not necessarily to protect them from forced eviction.

5.3 Land Title, Forced Eviction and Compensation

One of the most important justifications for formal land title is that it promotes tenure security (Payne et al., 2009). Lack of formal land title has been the reason used by the Lagos State government to justify demolition and forced eviction. However, evidence suggests that there are other underlining factors, largely associated with location such as land values and settlements occupying prime locations, behind the current forced eviction of informal settlements in Lagos. Even if lack of formal titles is the only reason why government instigates demolition and forced eviction of informal settlements, this study contends that this is not necessarily a tenable justification. Forced eviction contradicts government responsibilities of ensuring adequate housing and high quality standard of living. It amounts to a violation of human rights.

This study, however, recognises that government has a right to acquire land for developmental purposes or for overriding public interest, through power of eminent domain, as recognised by the Land Use Decree of 1978. However, the same Land Use Decree equally recognises payment of compensation in the case of compulsory acquisition of land. Also, the International Declaration on Forced Eviction, which the Nigerian government is a signatory to, recognises due process and payment of compensation or, at least, alternative accommodation if eviction became inevitable. In essence, it is the responsibility of the government to ensure individual's tenure security and adequate housing. Possession of formal land title is, however, the basis of government compensation or relocation in the case of eviction. This was emphasised by several government officials of the Lagos State government after the demolition of part of Badia community in 2013:

“...the structures demolished by the government were shanties without legal titles and their value cannot be ascertained. The government can only compensate the affected residents on compassionate ground” (The Lagos State Commissioner for Housing, 2013).

“...government does not have the resources to guarantee payment to any person that puts up an un-approved building on land to which he or she is not entitled” (The Lagos State Governor, 2013).

“Two things will restrain the government from clearing or removing a building. One is prove of a right to that land and two is permit to put up structure. Except we encourage illegality” (The Lagos State Commissioner for Physical Planning and Urban Development, 2013).

However, one of the major concerns is that it remains uncertain if government would fulfil its promise of compensation or relocation. Based on the antecedents of the state government, on similar issues in the past, it could be argued that the hope of compensation or relocation might be for a long time more a dream than a reality for many victims of forced evictions. The study of Agbola and Jinadu (1997), in the case of Maroko forced eviction, supports this argument. They noted that a majority of the residents of the then Maroko were not squatters. Some of them were actually relocated to Maroko by the Lagos Executive Development Board (LEDB), while others bought their plots from Oniru and Elegushi chieftaincy families, long before government's land acquisition. They also noted that the residents had land titles, but this did not stop government from carrying out forced eviction. Despite the overwhelming evidence that the residents were not squatters, only 2,933 out of the estimated 41,776 evicted landlords were considered for relocation (Agbola and Jinadu, 1997). Unfortunately, many of them and host of other tenants who constitute a majority did not get allocation in the government relocation sites.

The case of demolition along Orile-Badagry Expressway in 2009 further supports this argument, as aptly put by one of the key informants in Sari-Iganmu:

“Why will I want to apply for C of O? What exactly will I use it for? Okay, for government not to demolish my building? Government will if it chooses to and nothing will happen. Some of the houses demolished along Orile-Badagry Expressway in 2009, for the on-going road expansion, have titles, but the owners are yet to be compensated up till now.”

In this case, even though some of the properties have formal titles, nobody has been compensated (as at 2012), as noted by a key informant in Sari-Iganmu, who was affected by the demolition exercise. It was also noted that by 2013 (four years after the demolition) nobody has been compensated. The state government claimed that the names of those who are to be compensated are still being compiled. For a government that is a signatory to the International Declarations on Forced Eviction and other human rights declarations, one would have thought that, before it physically takes over the site, those that will be affected and those who deserve to be compensated should have been evaluated and adequately compensated. So, if government really wanted to compensate, this should have come before the demolition exercise. This suggests that land titles do not necessarily guarantee tenure security or adequate compensation, for the residents of informal settlements in Lagos, in the case that eviction becomes inevitable. This support the argument of Payne et al. (2009), who concluded that other forms of tenure including those in many informal settlements also provide tenure security.

They, however, noted that the ability to defend claims or, at least, negotiate relocation is based upon the strength and dynamics of social networks. This reflects the case of Oko-Baba community, one of the case study settlements. In Oko-Baba, there are two categories of stakeholders – sawmillers (they do not reside in the community but have businesses there) and residents (mostly tenants). The sawmillers were able to negotiate relocation through their association, which is known to be an influential organisation, with connection to the state government. However, the actual people who reside in the settlement (tenants) are under threat of forced eviction.

5.4 Tenure and Credit Facilities

One of the justifications for promoting land titling has been the assumption that it can be used as collateral in accessing formal credits and by extension it can lead to economic growth and poverty alleviation. Undoubtedly, land title is commonly used as collateral for obtaining loans from formal financial institutions. However, two important points to note will be: the willingness of the poor in accessing credit from formal financial institutions and their readiness to use their landed properties as collateral for bank loans. It was observed that almost all the respondents do not access credit from formal sources. They prefer to obtain credit from informal sources, such as friends and relatives, which are easy to access and do not attract interest. The challenges associated with formal sources of credit may not necessarily only be because they lack land titles. Their lack of interest in formal credit is associated with the fact that most of them do not have bank account – which is equally a prerequisite for accessing a bank loan – and they do not want to have to pay the high interest rate. More importantly, fear of debt which they considered will further complicate their already precarious conditions.

To further establish the relationship between land title and access to formal credit among the poor, this study builds an ex-ante scenario that if the respondents owned land in their respective communities or somewhere else, will they be willing to use it as collateral for loan. The result, as presented in figure 2, shows that a majority of the respondents will not use their lands, even if they have title, as collateral.

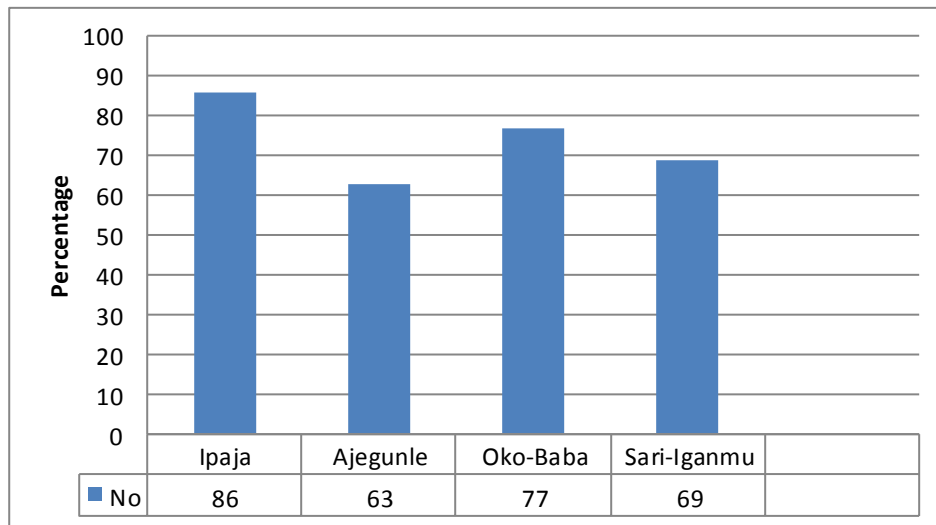


Figure 2: Non Willingness to use land as collateral

5.5 Tenure and Investment

The promoters of land titling have argued that if the poor were able to access credit from formal financial institutions, such money can be invested on business and housing improvement and, by extension, they can improve their living conditions. Contrary to this view, a majority of the respondents are not even willing to access credit from formal financial institutions for any purpose, not even for housing or business investment. As put by one of the respondents in Ajegunle:

“What kind of business do I want to do that will make me borrow money from bank. If I cannot raise the money through friends, relatives and my co-operative society, I will rather forget about the business. It doesn't worth it. ”

This supports the conclusion of Payne et al. (2009) that low-income households who obtain titles are usually reluctant to take a loan from a bank. In addition to the fear of debt, the reason is equally attributed to the fear of losing their properties in the event of inability to repay the loan. For a majority, a landed property is seen as an inheritance, which must be protected and handed over to the children after the demise of the parents. The idea of using properties as collateral for a loan or selling properties is generally seen as a curse and, therefore, not encouraged. However, considering the view of one of the respondents, there is an indication that a few people will use their properties as collateral to access a loan for the purpose of business investment:

“Why not, if the business makes sense and I am sure that it will be successful and it will bring good returns. It will be a good idea, but the problem is that it is very risky. How am I sure that the business will grow? What if the business failed, what will happen to the property? Bank will take over the property, right? That is the challenge”.

This respondent raises more fundamental questions than answers. The challenge here is that it is difficult to predict success or profitability of a business, particularly in Nigeria where there are no adequate infrastructure to support business operations. Also, the Nigerian business environment is volatile and hostile, particularly to small and medium scale enterprises and informal sector. Agboli and Ukaegbu (2006), describe Nigeria's business environment, in terms of infrastructure, access to credit, bureaucratic practices and regulatory policy, as unfriendly and obstacles for business to thrive. Though starting up a business from the scratch is challenging anywhere, it is more challenging in Nigeria than a lot of other countries (World Bank & International Finance Corporation, 2013). Inadequate infrastructure, particularly electricity, has forced many people out of business.

On the issue of credit and home improvement, it was found that a majority of the respondents are not willing to access credit from formal financial institutions for housing investment. Though not so many landlords have carried out improvement on their buildings and not so many tenants have carried out improvement on their dwelling units, a few people who have carried out any form of improvement have done so largely from personal savings, and gifts from friends, relatives and children. There is no evidence that any of the respondents have used a bank loan for housing investment, including renovations, extensions and new constructions. Boleat (2005) observes that less than five per cent of housing development in developing countries is financed by formal financial institutions.

Even though the majority of the poor are often not willing to take credit facility from the formal financial institutions, their conditions and the worth of their properties (those who are willing) also put them at a disadvantage of being profitable borrowers to the lenders, in this case formal financial institutions. As noted by NUCHS (2002), formal financial institutions do not provide credits to members of the low income groups and poor communities. There is a general belief that poor people do not have the capacity to repay, as a result of their irregular flow of income and lack of credit history.

In addition, the worth and the locations of their properties often discourage financial institutions to grant them a loan.

6. CONCLUSION

This paper has contributed to the ongoing debate on the nexus between land titling and poverty alleviation. Land titling is generally considered to be an effective poverty alleviating strategy in informal settlements. This is expected to occur through various channels including access to credit facilities, housing improvement, increase in land values and security against eviction. This is based on the assumption that informal settlement dwellers are poor because they do not have formal titles to the land they occupy. The Lagos State government has also embraced this strategy.

Empirical evidence, from Lagos informal settlements, however, shows that the residents are generally not interested in formal land titles because the perceived benefits are not in any way commensurate to the cost. Also, the cost is out of reach of the supposed beneficiaries. Land title is said to promote tenure security and compensation. Contrary to this assumption, evidence suggests that land title does not necessarily guarantee tenure security or compensation in the face of forced eviction. Contrary to the assumption that land titles can be used as collateral in accessing formal credits, it was observed that a majority of the residents of the case study settlements are not willing to access credit from formal financial institutions and are not ready to use their landed properties as collateral. The main reasons attributed to this are fear of debt and fear of losing their properties in the event of inability to repay the loan. Also, formal financial institutions believe that people living in poverty have low capabilities to repay. Therefore, they are often not willing to give the poor a loan. One of the common arguments of the proponents and critics of land titling is that it increases land value. Evidence, as discussed in section 2, however, shows that such increase does not often benefit the poor. Rather, it worsens their conditions through gentrification, market forces, forced evictions and increase in house rent.

The point to be emphasised here is that why it might be necessary to advocate for land regularization, it is evident that it is not sufficient to alleviate poverty or guarantee tenure security. To a curious mind, therefore, it could be asked, what is the benefit of promoting a policy which exacerbates an already precarious condition? The various empirical and theoretical arguments presented in this paper, on the one hand, call for a rethink of the promotion of land regularization through land titling as a solution to poverty and tenure insecurity in informal settlements. On the other hand, they suggest that caution must be exercised on the issue of land titling as a solution to the endemic poverty in informal settlements. Consistent with the views of literature, alternative to formal land titling will be community land trusts as it is being practised in a number of communities in Kenya; the certificate of rights in Botswana; communal land rental in Thailand; the adaptations of customary tenure in parts of sub-Saharan Africa (especially in Mozambique and Ghana); the concession of the real right to use land in Brazil's favelas; and the certificate of comfort available to squatters on public land in Trinidad, which protects large numbers of squatters from eviction. These are also consistent with the strategies of World Bank that advocated land tenure continuum. This is a good theme to pick up in any further study.

On the issue of poverty alleviation, an effective strategy will need to take into consideration the range of assets required to build a sustainable livelihood, and the complexity of vulnerabilities and institutional constraints which the urban poor encounter as they pursue their livelihoods objectives.

The authors acknowledge that this is beyond the scope of this paper and, therefore, recommend further study to focus on this. This will be the starting point for developing an effective approach to address the issue of poverty in informal settlements.

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