

Gender Entrepreneurship Markets



Gender Equal Land Laws: Driving Businesses Forward

Issue - Unequal Property Rights Obstruct Access to Credit

"Although the number of female-headed households has increased to almost a third in developing countries, women have clear ownership of under 5 percent of all land, in their own right."

Yagare, a 38 year old widow in rural Mali has a success story. Two years ago, she was able to borrow money for the first time in her life through a new microcredit scheme set up by a NGO in her village. Yagare used her loan to buy peanuts and make peanut butter. After her first loan cycle, she earned enough money to buy a goat for her family. Now she not only sells peanut butter, but also kadam, a traditional fermented milk drink that she makes with milk from her four goats. Without the microcredit schemes targeting women entrepreneurs, Yagare knew she had no chance of getting a loan. Traditional banks demand collateral. "If you don't have land title, you don't get the loan," she says. As a woman, Yagare was thrown of the land she worked on with her husband when he died and his brothers claimed it. It is almost impossible for women to own land due to customary law not only in Mali but in much of Africa, even though they make up nearly 50 percent of the agricultural labor force in Mali, and contribute greatly to the household's food security.

Around the developing world, rural women own less than 2 percent of all land? This has huge implications not just on the micro-economic

level, but also on the macro front. For example in Kenya, agriculture provides 62 percent of overall employment, and women constitute over 70 percent of all employees in the sector. And yet they hold only one percent of registered land titles in the country. Women's lack of land title bars them from access to formal credit and membership producer groups, as well as needed agricultural inputs and technology, thus keeping this large sector of Kenya's economy weak. Despite the fact women comprise 48 percent of SMEs, they cannot access formal finance because commercial banks require collateral. They remain stuck in the informal economy, thus stifling the growth of SMEs, and associated jobs that might be created³

In the island kingdom of Tonga, a complex system of land rights governs use and ownership of land - but in all cases, women are not allowed by law to own any. Traditionally, all land is owned by the King and 33 noble families - eight acre plots of land are parceled out to each male in the kingdom, on which they are free to grow crops, build houses or run businesses from. When 'Esteta, a 40 year old woman in Tonga, and a group of her friends in the same village decided to grow vegetables to sell, they had to "borrow" land from a male relative to do so. But this land is far away from their village and since it is not theirs, they are not sure how much time and effort to invest into the land. For example, they would also like to grow fruit to sell, but fruit trees take some years to grow and they do not know if they will still have the land when the trees begin to bear fruit. Uncertainty over land ownership and less access to resources creates

suboptimal economic outcomes.

Box I: Gender and Growth: Missed Potential

Kenya: Giving women farmers the same level of agricultural inputs and education as men could increase yields obtained by women by more than 20%.

Tanzania: Reducing time burdens of women could increase household cash incomes for smallholder coffee and banana growers by 10%, labor productivity by 15%, and capital productivity by 44%.

Zambia: If women enjoyed the same overall degree of capital investment in agricultural inputs, including land, as their male counterparts, output could increase by up to 15%.

Source: Blackden & Bhanu, 1999.

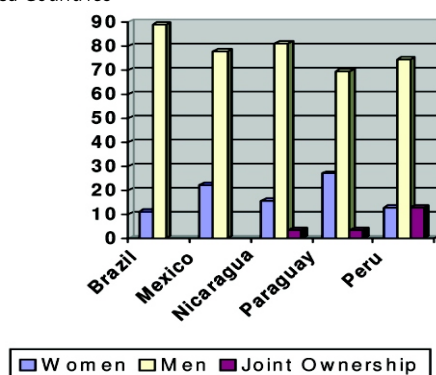
Not having comprehensive rights to land restricts the way in which land can be used as collateral for business borrowing and both hampers credit markets and dampens the business environment in general.

Best Practice Solutions

Removing Legal and Administrative Obstacles to Women's Land Ownership

Women in most Latin American countries have low levels of legal land ownership (Figure 1). Often the customary rights to land favor men, and there are no special considerations for women heads of household. In some countries, since men are considered the household heads and execute all legal contracts, a married woman cannot buy or sell land, including land she might have owned before she was married.⁵ However, it is increasingly recognized by governments in the region that such discriminatory practices impact women's ability to administer land, and access credit. This affects their productivity as agricultural producers in rural areas, and other business owners in urban areas.⁶

Figure 1: Sex Disaggregated Land Ownership in Selected Latin America Countries



Source: "The Gender Asset Gap: Land in Latin America", World Development 31(6): 925-947.

GUATEMALA: Giving Women a Legal Identity

The challenge to give women the right to own land in

Guatemala is being met by a World Bank land titling project in the country. Overall, the project aims to increase the legal security of land tenure for both indigenous and non-indigenous people. But women were found to be unduly marginalized in the process.

In Guatemala, one of the reasons identified for women not owning land is that few women in the country have a full legal identity. Almost no women in the project target area were found to hold identity cards - which are needed to register for land.

So the project team embarked on an awareness raising exercise that educated women on their legal rights - including the right to register for land - and through a grassroots outreach program, helped them to acquire state identification cards.

Additionally, the project wanted to make sure that women can fully and effectively take part in the community land registry committees, that were set up through the project. So the project gave women leadership training which has boosted their confidence and hence their participation.

All this was done in the context of increasing women's access to information, ownership and use of land, and their greater access to credit.

Results

- 45 percent women's land ownership in project areas, as compared to 8 percent in country as a whole.
- Increased women's participation in decision-making mechanisms, including community land registry committees.
- More equitable distribution of land between sexes.

LAO PDR: Awareness Raising of Women's Land Rights

In Lao PDR, it has also been recognized that correct titling contributes to functioning land markets in general, and that for women, land ownership is a key to accessing finance and economic advancement. To that end, a land titling project supported by the World Bank and Australia's aid agency, AusAID, has been in place since 1997 with some promising results so far.

In 1998, a survey conducted by the research arm of the Lao Women's Union together with the Lao National Statistics Center showed the following (Figure 2).

Figure 2: Land Title Findings 1998

	Origin of land (%)	Name on Land Document (%)
Husband	18	58
Wife	40	16
Joint	52	7

Source: GRID/NSC 1998

Obviously there was a big discrepancy between who was considered the customary owner of the land, and what was then reflected in official documents. Only 40 percent of the land acknowledged as belonging to the wife or her family was registered in her name. Instead, men (the husbands) had on paper appropriated 60 percent of their wives' property assets. And only 13 percent of what was considered as common property, was registered as such.

The Lao Women's Union went on to find out that this gap between customary and official ownership had a lot to do with the fact that women (and men) did not understand the implications and advantages of registering their land. On top of that because many women, especially those in rural areas, cannot read or write, they left the task of filling in land titles to either their husbands or to district officials and land allocation authorities - most of whom are men.

The Lao Women's Union began to work hand-in-hand with the World Bank and AusAID's land titling project, launching a campaign to educate women on their land ownership rights. Together, they have raised awareness not only among women, but also among male government land titling officials through meetings, information sharing and training.

The titling exercise is already having a positive impact on women's access to credit, and overall may have a big impact on the growth of women's businesses in the Lao PDR. Women own the majority of micro/small enterprises in Laos - 63 percent. In the project areas, it has been found that among those who mortgaged newly titled land, 49 percent were women and 51 percent, men⁹.

Results

- More women's land ownership reflected in land titles (Phase I Lao Land Titling Project, 1997-2003. Figure 3).

Figure 3: Revised Land Title Findings 2004

Land Ownership	%
Women	28
Men	20
Joint	41
Unknown	11

Source: Lao Land Titling Project, Socio-Economic Baseline Survey. World Bank/AusAID, 2004.

Note: Results from Phase I appear to accurately mirror the fact that land ownership among the Lao Loum ethnic group, is traditionally matrilineal. The first phase of the titling project took place in Lao Loum-dominant urban and peri-urban areas.

- Women are using new land titles to secure credit. Within the project area, 49 percent of mortgaged land belongs to women.

- Greater awareness of women's land ownership rights among both men and women.
- Increased capacity among women to exercise their legal rights to land registration.

VIETNAM: Uncovering Administrative Obstacle

In the 1980s, the government of Vietnam began granting long-term land use rights to households. While the government still owns all the land in the country, it realized that greater land productivity could be better achieved if people were given more control and decision-making power over the land they used.

As a result, over ten million land tenure certificates have been issued to individual households. While from the start the policy has been gender-neutral, that is, either or both husband and wife can own land; an administrative hiccup resulted in many more men than women being issued land use rights. This was simply because on the land tenure certificate, there was only space enough for one name - by default, the name that appeared was that of the name of the male head of household.

In the meantime, while working with the World Bank on its poverty reduction strategy, the Government agreed that gender equality in land use rights was paramount to ensure that resources are used most efficiently. In October 2001, Vietnam's Government Decree No. 70 on the implementation of the Marriage and Family Law, was passed stating that all documents registering family assets and land use rights, must be in the names of both husband and wife.

The World Bank worked on a pilot program with the government to re-issue land tenure certificates with space for two names, i.e. both husband and wife. In the 2002

pilot, 2,600 certificates were re-issued to reflect joint land use rights, and the government's goal is to reissue all certificates by 2005.

Results

- Disparity between gender-neutral policy and implementation removed.
- Both women and men gained access to land, Vietnam's most productive asset.
- A simple, practical solution backed by political will, resolved an administrative obstacle.



Source: Tran THi Hoa, 2002.

Summary - Unequal Property Rights and What Can Be Done

Development Challenge or Business Opportunity?

In many countries, women do not enjoy the same rights to land and property as men. However, selected country case studies show that by increasing women's land use and ownership rights, women's access to credit is significantly increased and hence their ability to invest in income-generating activities enhanced. This has positive implications at both the micro and macro economic levels

Best Practice Solutions.

Legal constraints and discriminatory laws on women's land ownership should be removed. Three broad areas to consider are: the principle of partnership between husband and wife (versus a single head of household); equal legal access to property and inheritance, including access to property after dissolution of marriage; and to address gender inequalities when conducting land reforms. Discrepancies between customary law and statutory law should also be addressed. After legal constraints are removed, act to ensure that land titling is accurate. Reasons for land titling biases may be uncovered through surveys of local communities and participatory field research, which probe for reasons why women own little or no land, even if land laws in the country allow them to. Actions taken to address land-titling biases in some countries are:

- Removal of regulatory impediments to women's land ownership. For example in Guatemala, the law allowed women to own land, but the loophole was that women first needed to have a state identity card to register for land. Women's land ownership significantly increased after a World Bank-led exercise to issue identity cards to women.
- Awareness raising and education of both men and women, of women's right to own and register land. For example in Lao PDR, women (and men) were educated through a grassroots campaign about the advantages of registering land women already customarily owned, in their own names. While customary law gave women rights to use the land, registering land gave them official transfer rights, and hence use of the land as collateral for credit.
- Removal of administrative obstacles to women's land ownership. For example, in Vietnam it was a simple - if initially not obvious - solution of providing enough space for two names in the land title. Before, only one name was registered because of lack of space. This allowed joint titling of land in the names of both husband and wife - a process that has also been mandated by law in Vietnam.

Lessons Learned

- Demonstrate to governments how equal land rights for women and men ensure better functioning credit markets, and hence more economic activity and growth. For example in Kenya, only 1 percent of

land is owned by women and yet they are 70 percent of the agricultural workforce. Increasing women's land ownership will increase their access to credit, as well as to needed agricultural inputs and technology - thus helping this entire economic sector.

- Educate both women and men on the importance of women's land ownership and registration, and encourage women to exercise their ownership rights.
- Women's associations and mass organizations often make good partners in gender-sensitive land titling projects as in Lao PDR. They know the country and can facilitate training and knowledge dissemination.

About IFC GEM

Recognizing that aspiring businesswomen are often prevented from realizing their economic potential because of gender inequality, IFC launched the Gender-Entrepreneurship-Markets (GEM) initiative in December 2004. The program aims to mainstream gender issues into all dimensions of IFC's work, while at the same time helping to better leverage the untapped potential of women as well as men in emerging markets. If you would like more information on IFC GEM's work, please visit our website at: <http://www.ifc.org/GEM> or contact:

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