



# Institutional Arrangement and Land Tenure Development in Sri Lanka

## Introduction

Various social and natural conditions have formed a complex land tenure system in Sri Lanka. This complexity in the land tenure system is creating many social, economic and environmental problems. Accordingly, the research hypothesis are:

- The present land tenure system in Sri Lanka has failed to satisfy the development objectives of the country.
- The main reason for the failure of the land tenure system is the lack of congruence among the land tenure institutions.

## Research Objective

The main objective of the research is to identify a means to develop a land tenure system in Sri Lanka in order to assist the development objectives of the country.

## Methodology

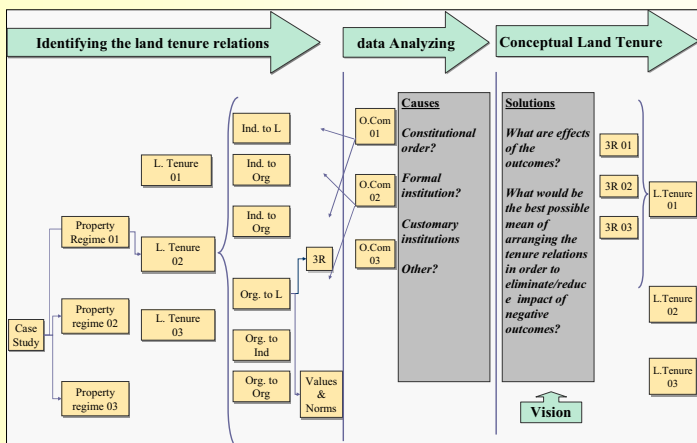
Three types of research approaches were used to answer the research questions and to test the research hypotheses, namely, theoretical approach, case study and expert interviews.

### •Theoretical approach:

- Property rights (Locke, Feeder & Feeny, Bromely, Demsetz, North, Coase, etc)
- Institutions (North, Schotter, Bromely, Kirk, etc.)

### •Expert interviews and Case Study:

A qualitative method was mainly used to collect primary data. The following model was used to analyze the information:



Note : L. – Land, Ind – Individual, Org – Organizations, 3R- Right, Restrictions, Responsibilities, O.Com - Outcome

## Key findings

- The research has found six types of complex relations between Individual-Land-Organizations
- The research has proved that the prevailing land tenure system is supporting neither the development objectives of the individuals nor the ones of the country.

Table 1: Weights for positive and negative outcomes for each property regime according to different combinations of sub-relations -from individuals' side

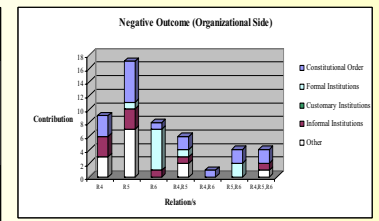
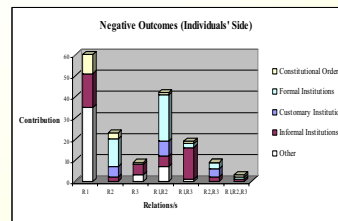
Development Element	R1		R2		R3		R1,R2		R1,R3		R2,R3		R1,R2,R3		Total	
	+	-	+	-	+	-	+	-	+	-	+	-	+	-	+	-
ACQUIRE LANDS RIGHTS	NR	11	NR	5	12	NP	12	15	NR	NP	6	NP	6	NP	36	31
TENURE SECURITY	NR	NP	14	27	NR	NP	NR	28	NR	17	NR	16	15	NP	29	88
SHELTER	NR	17	29	11	6	NP	NR	0	NR	NP	NR	NP	NR	NP	35	29
FOOD	18	83	16	14	NR	3	20	27	5	26	NR	NP	NR	NP	59	153
INCOME GENERATION	4	33	24	20	NR	6	11	53	6	8	NR	NP	NR	NP	45	120
RESOURCE USE	21	31	NR	5	NR	NP	NR	74	NR	13	NR	NP	NR	10	21	133
LABOR SHARING	NR	15	NR	NP	NR	NP	NR	NP	18	NP	NR	5	NR	NP	12	20
OTHER	NR	7	12	12	6	32	6	3	29	26	1	9	NR	6	54	95

Table 2: Positive and negative outcomes for different development objectives according to different combinations of sub-relations -from organizational side

Development Element	R4		R5		R6		R4,R5		R4,R6		R5,R6		R4,R5,R6		Total	
	+	-	+	-	+	-	+	-	+	-	+	-	+	-	+	-
ACQUIRE LANDS RIGHTS	NR	6	NR	6	6	4	6	6	NR	NP	NR	NP	NR	NP	12	22
FOOD & SHELTER	NR	NP	46	30	NR	NP	18	6	4	NP	NR	8	NR	NP	69	44
INCOME GENERATION	NR	NP	6	9	4	4	4	NP	NR	NP	NR	5	NR	NP	14	18
NATURAL RESOURCES P	15	36	6	5	NR	16	6	12	NR	4	NR	5	NR	4	27	81
TENURE SECURITY	NR	NP	17	6	NR	5	NR	NP	NR	NP	6	NP	NR	NP	23	11
INFRASTRUCTURE DEV:	NR	NP	NR	5	13	9	NR	6	NR	NP	NR	NP	NR	17	13	37

Note: NP- No Problem, NR-Not Relevant, R1-individual to land, R2-individual to organization, R3-individual to individual relations, R4-Organization to land, R5-Organization to Individuals, R6-Organization to Organizations relations

- The failure of the land tenure system is partially caused by the lack of congruence among institutions. Other conditions such as population growth, soil conditions, natural hazards, and financial limitations are also contributing to the failure.



## Recommendations

- Provision of individual titles in rural areas needs to be conducted alongside with careful investigations in terms of incentives provided by the surrounding environment and proper cost/benefit analyses, including the social cost/benefit.

- A locally identified and adopted land tenure system, which can be able to highly motivate positive informal institutions through well arranged formal institutional setup, is very much essential to successfully attain the development objectives of constitutional order and formal institutions.

- Structural changes at the local and national levels need to be accomplished in order to sustain the land tenure reforms and land tenure system and to make them part of the whole process of rural development.