

# Property Rights, CSU and Development



Rashed Al Mahmud Titumir  
Unnayan Onneshan, Bangladesh

# Understanding Property rights

Property rights is not mere simple concept of “ownership” of resources; rather they are guiding principles of resource use including rights and responsibilities (Meinzen-Dick and Knox 2001).



Property rights regime is a bundle of entitlements defining owner’s rights and duties in the use of resources, and the rules under which those rights and duties are exercised (Bromley 1991)



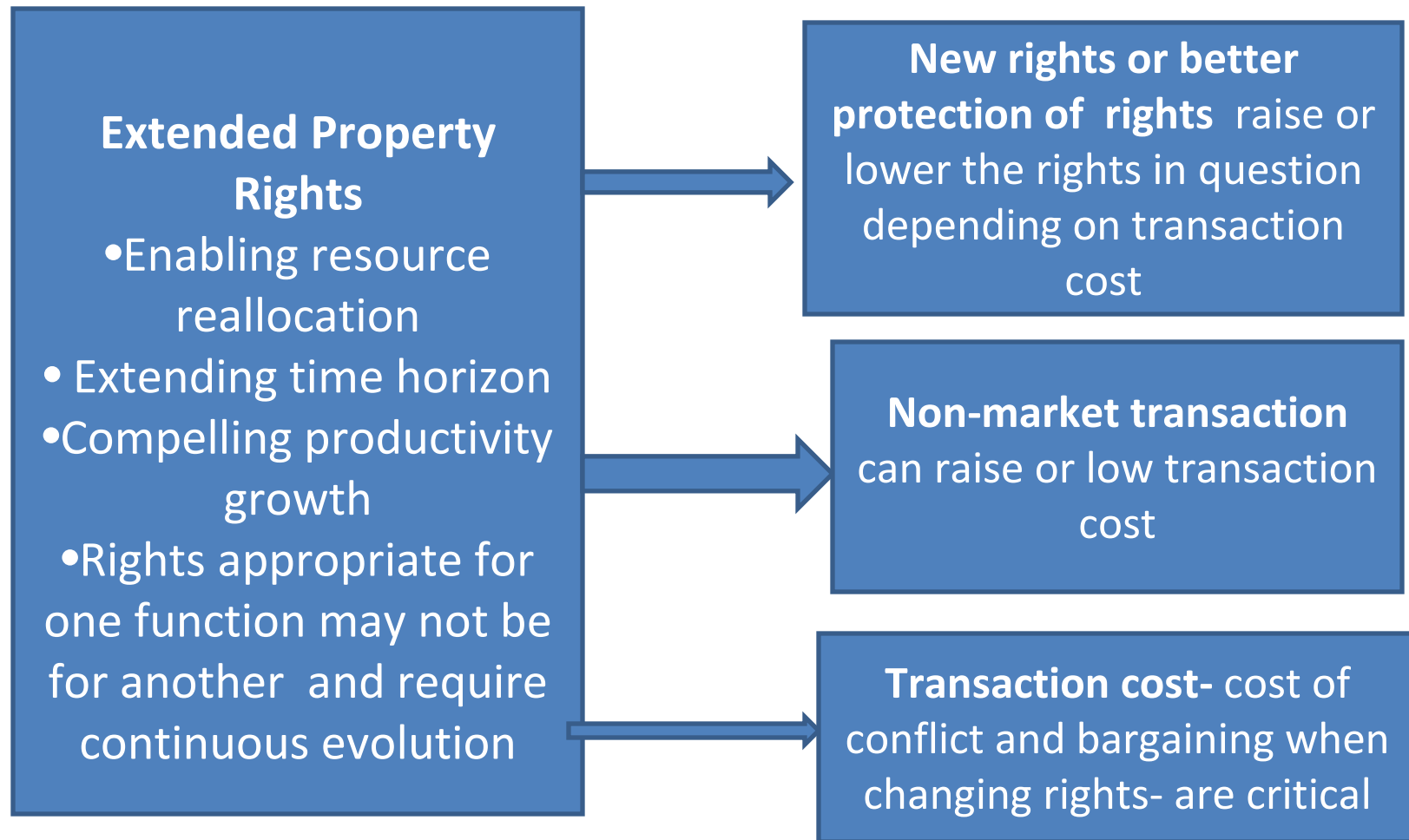
These rights and duties are operational through various legal and customary constraints defining use of resources without hampering others’ benefit (Schlager and Ostrom 1992, Adger et al. 1997, Adger and Lutrell 2000).

# Institutions, power and politics

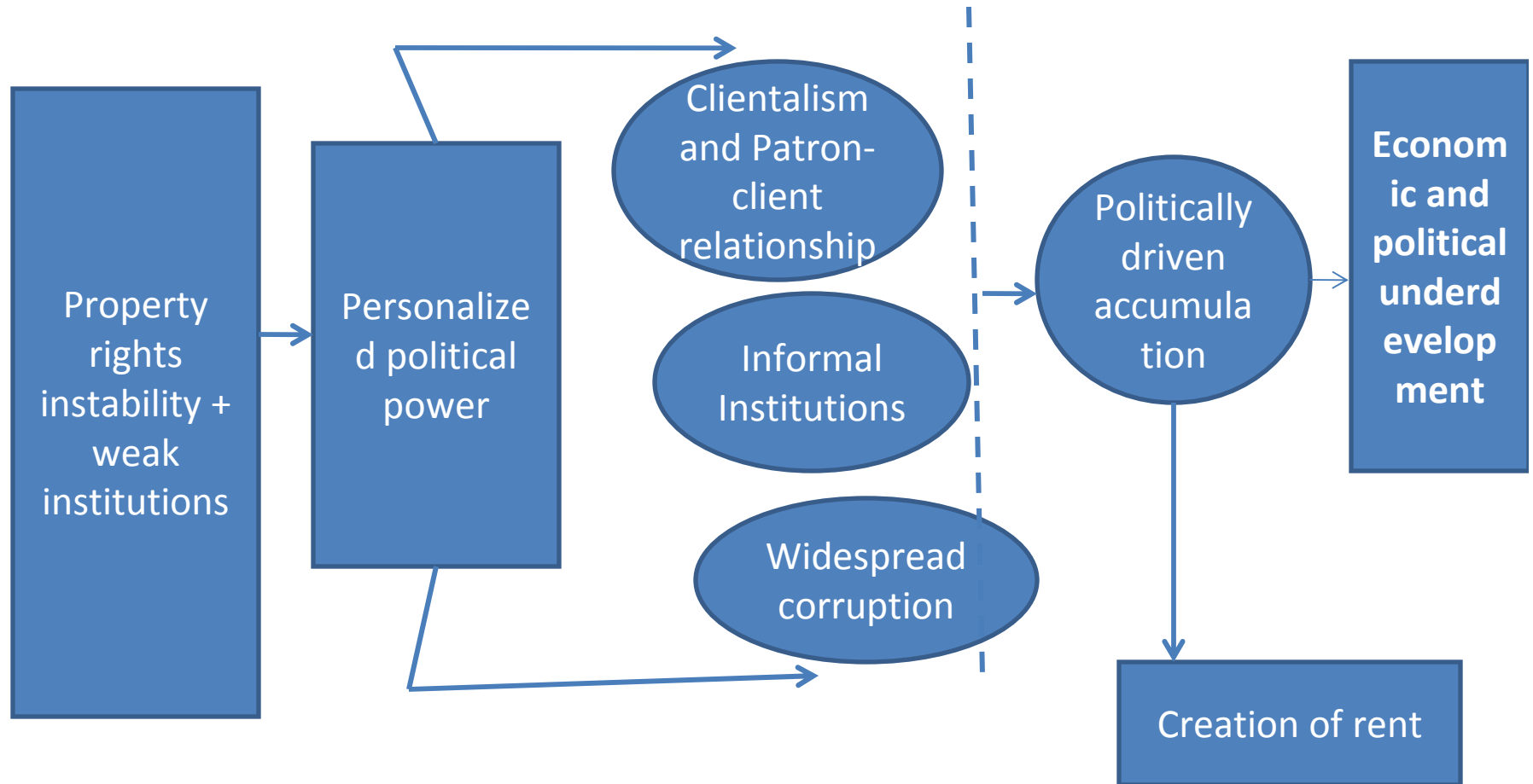
Property rights are a subset of a broader institutional framework that governs human actions in use of resources. It evolves over time through incremental change (North 1990).

Property rights is social institution, determined through the political process, involving either negotiations among immediate group members or the lobbying activities that take place at higher levels of government (Libecap 1989).

# An extended theory of Property Rights



# Property rights instability, economic and political underdevelopment

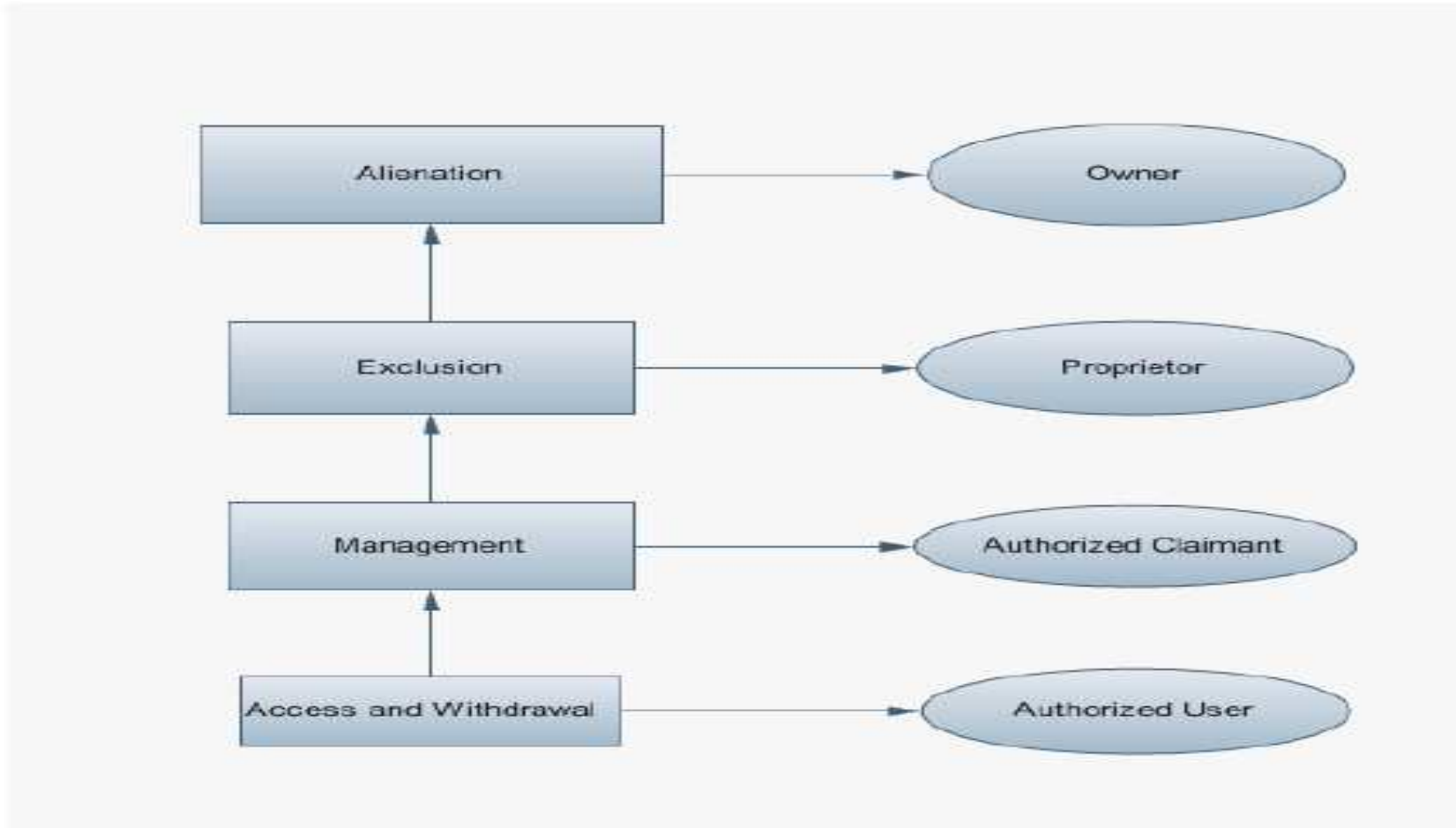


## Property rights regime

Regime Type	Owner	Owner Rights	Owner Duties
Private property	Individual	Socially acceptable uses control of access	Avoidance of socially unacceptable uses
Common property	Collective	Exclusion of non-owners	Maintenance constrain rates of use
State property (Public property)	Citizens	Determine rules	Maintain social objectives
Open Access (Non-property)	None	Capture	None

Source: Hanna (1996)

# Bundles of property rights



Source: Schlager and Ostrom, 1992

## Common property resources



The term common property regime represents a set of institutions, regulations and management practices subject to collective decision-making. In this sense, the term refers to the kind of tenure institutions that exist, not the resources themselves (Dietz et al 2002; Ostrom 2000).



Common property is “a formal or informal property regime that allocates a bundle of rights to a group. Such rights may include ownership, management, use, exclusion, access of a shared resource” (Hess 2006).



# The Sundarbans and property rights

World's largest single tract of mangroves comprising a total area of 10000 square kilometres placed in between Bangladesh and India

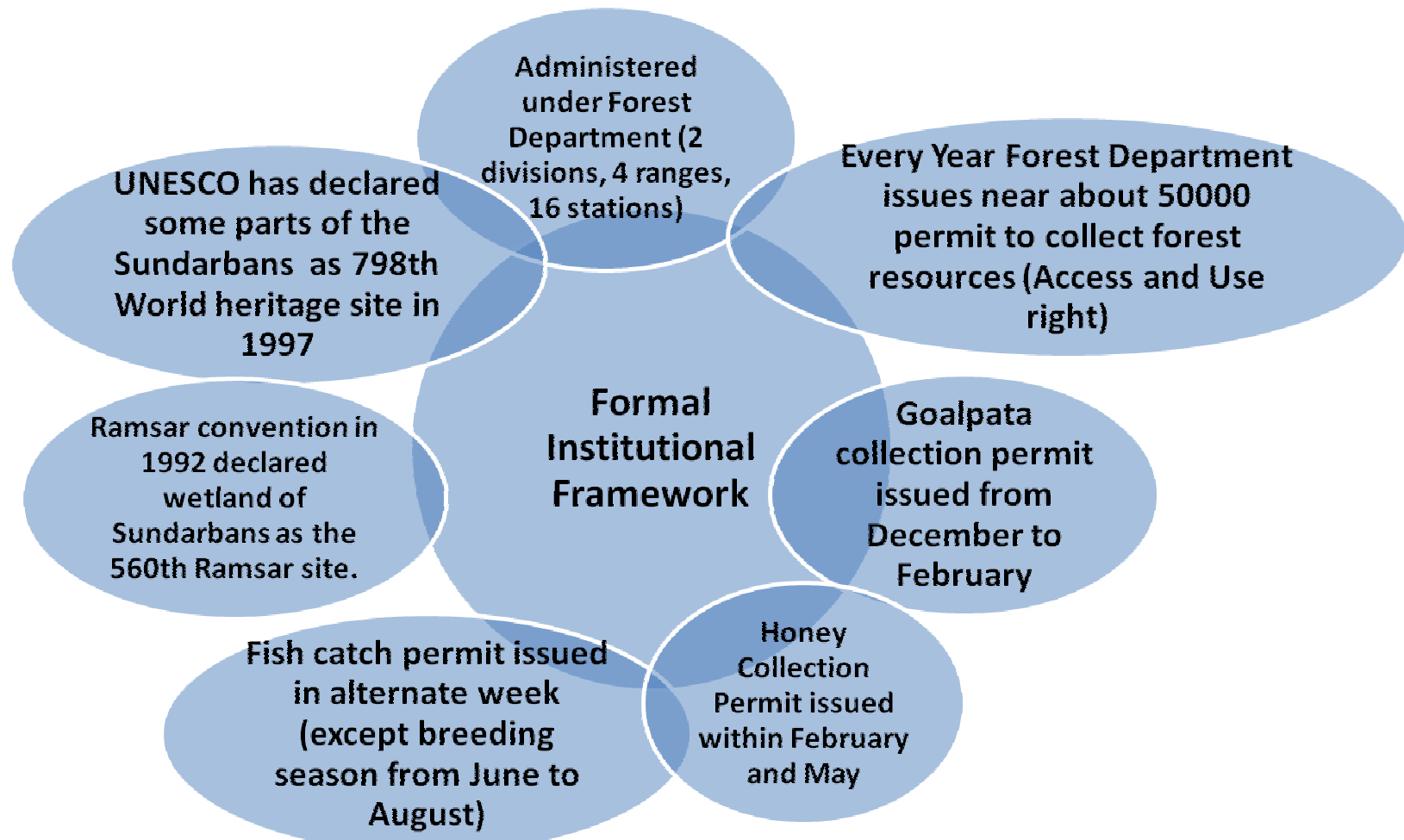
- Is Sundarbans a public property or common property?

- Declared as Reserve Forest (RF) in 1875, where some form of resource extraction is allowed but no one is permitted to settle, cultivate and graze inside the forest
- Provide both aquatic and terrestrial resources
- 3.5 million people directly or indirectly depend on the Sundarbans for livelihood

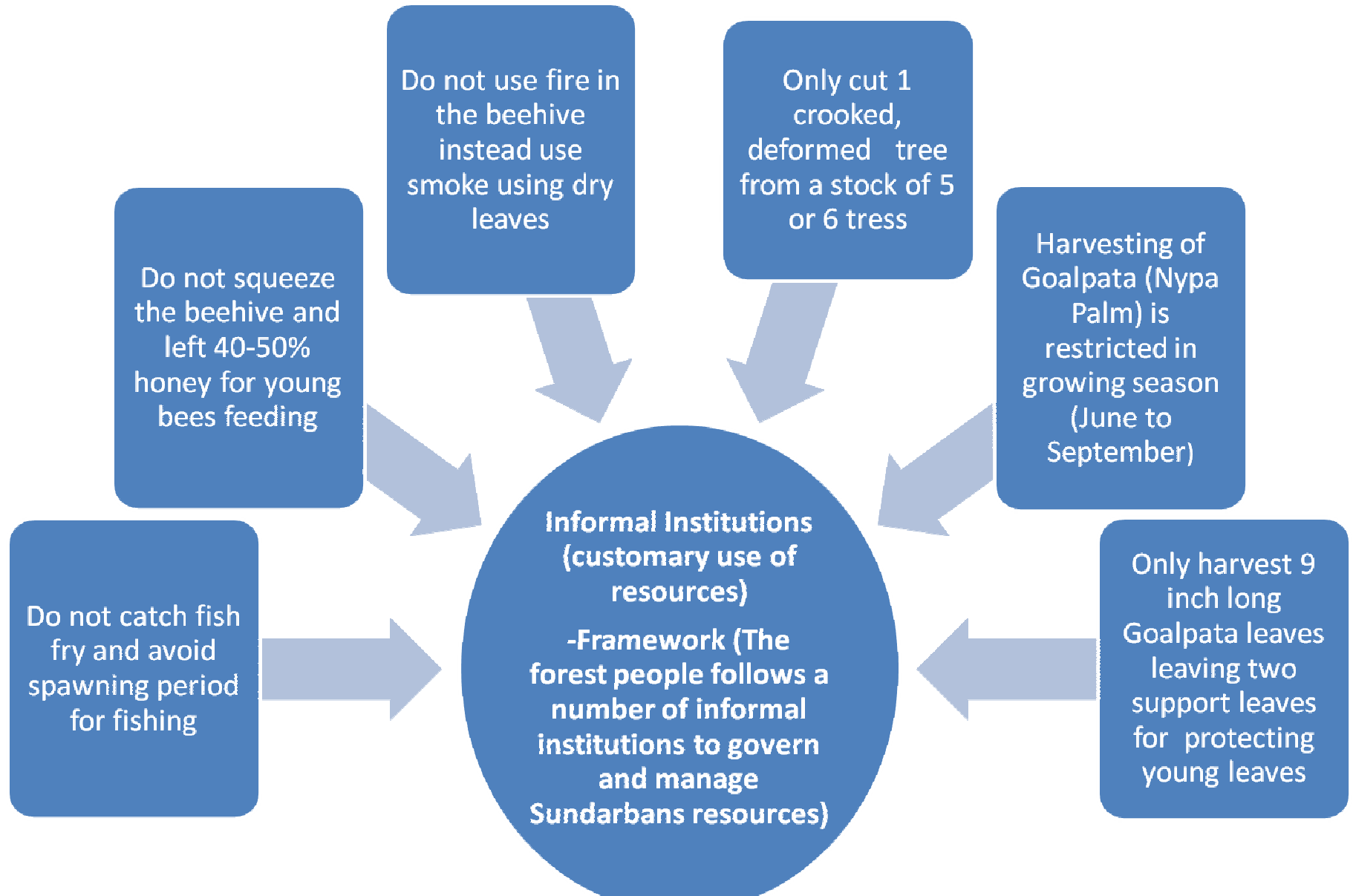


# Institutional Framework for Sundarbans Management

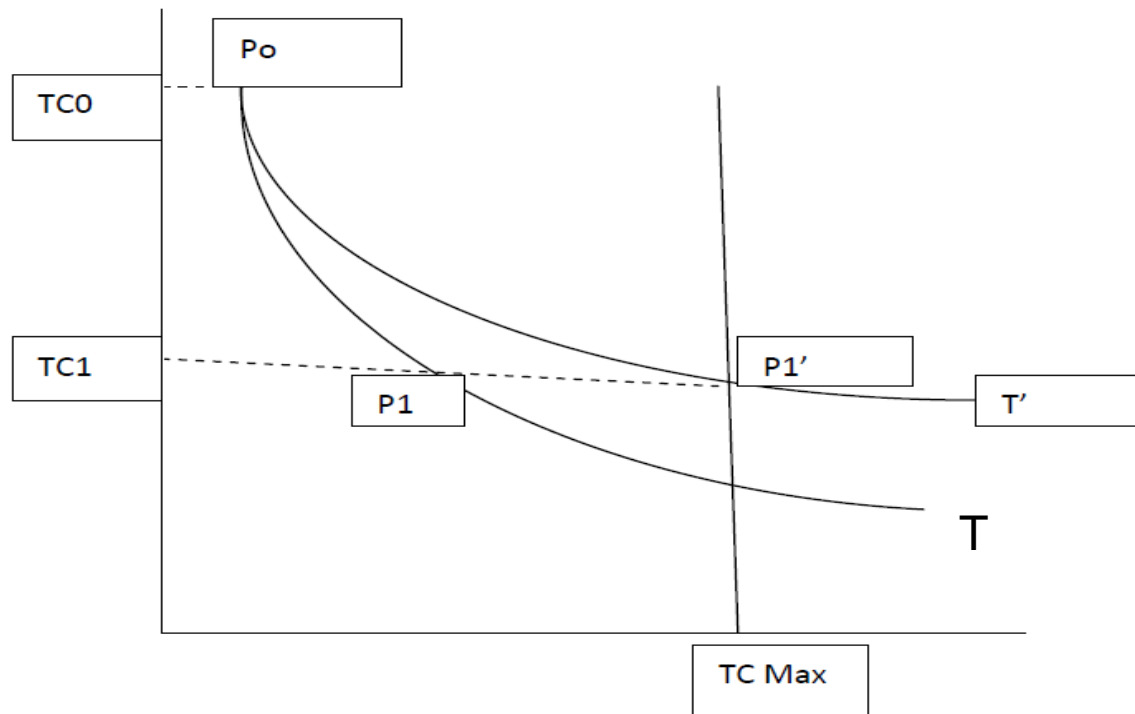
- The government grant *de jure rights of access and withdrawal* (operational-level property rights) to the resource user by issuing boat license; retaining the formal rights of management, exclusion and alienation to itself (collective-choice property rights)



# Informal Institutions

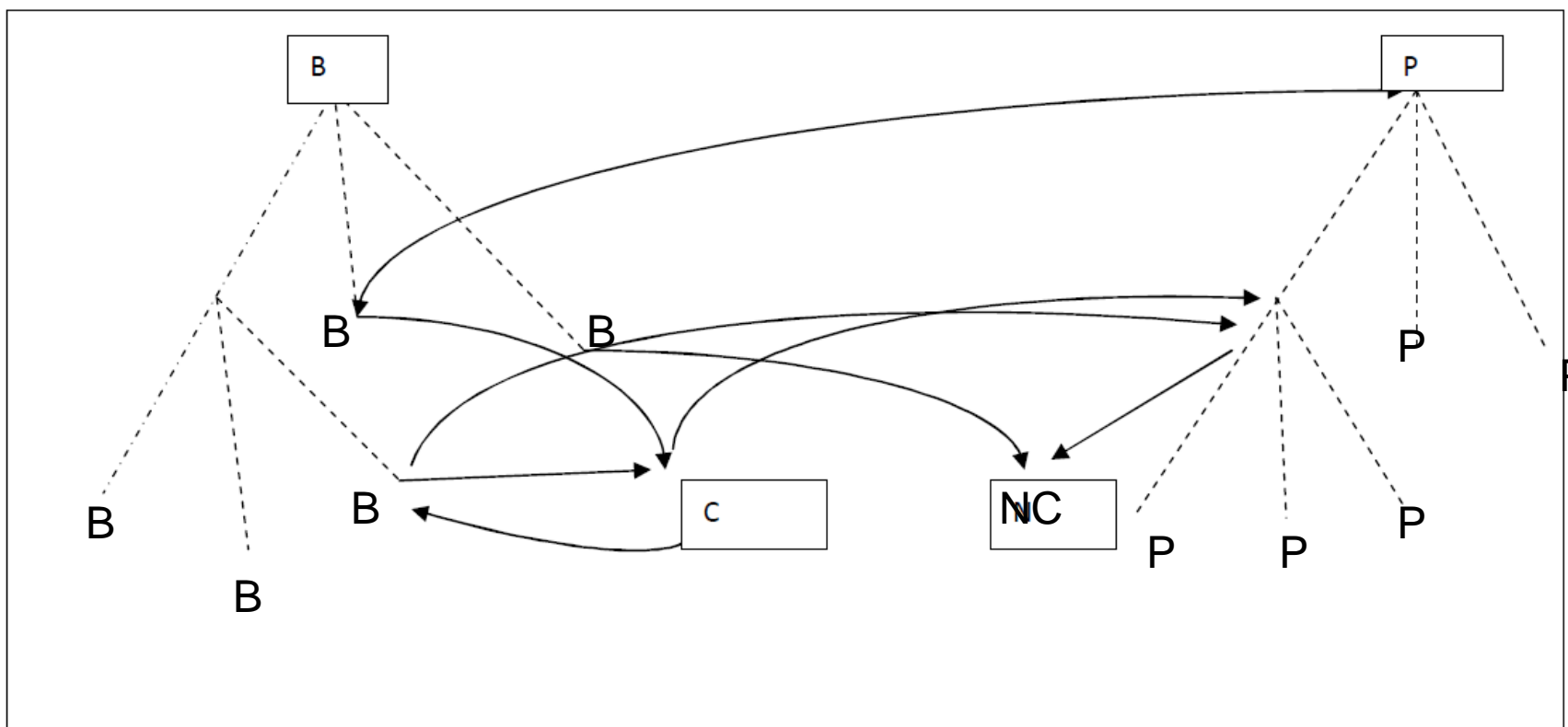


## Transaction cost with external entry

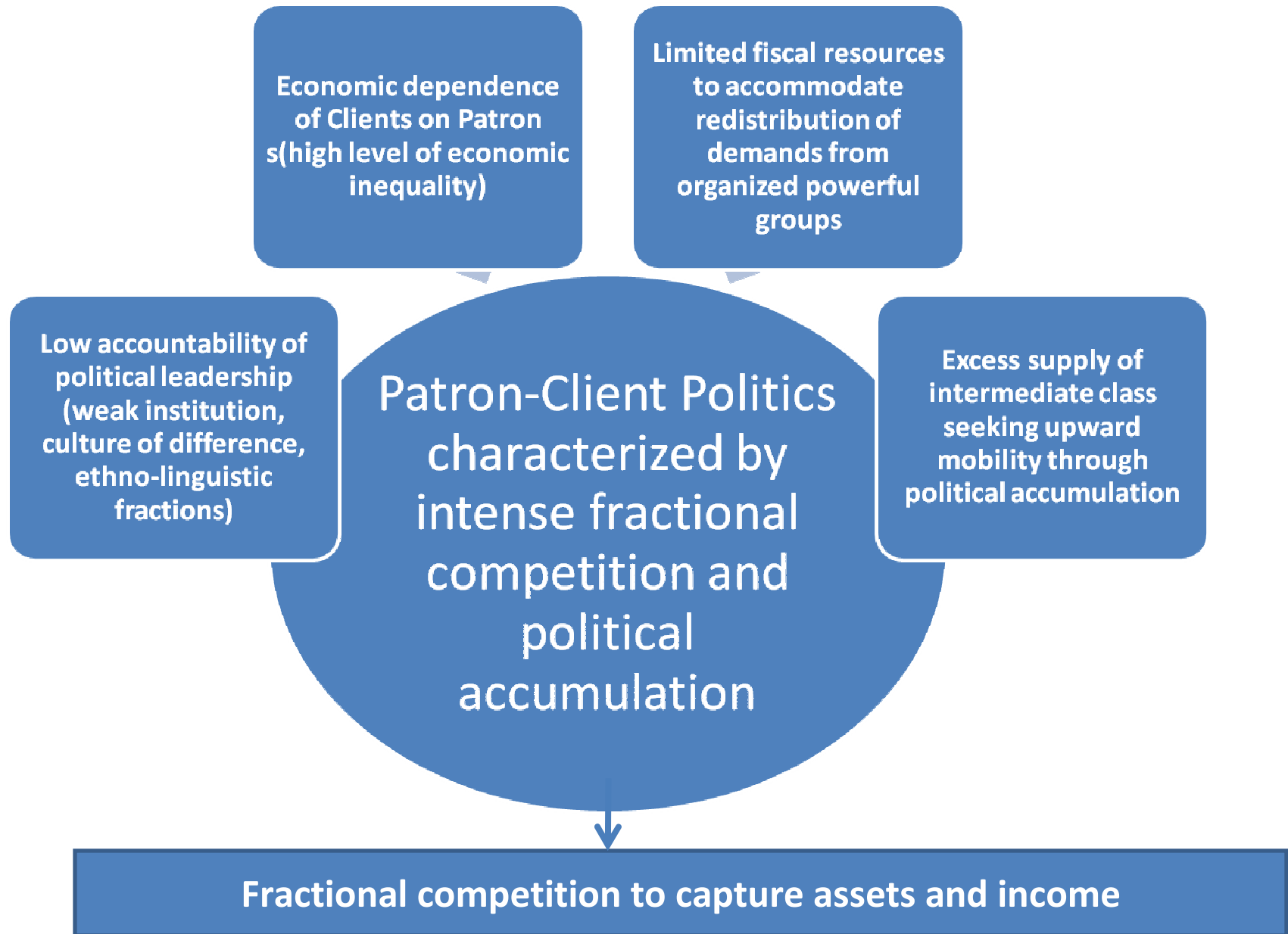


$T'$  = Growth – Stability trade-off worsen with entry of external organiser  
 $T$  = Initial Growth-Stability Trade-off

## Rent flows in non productive sectors



# Property rights instability and rent-seeking

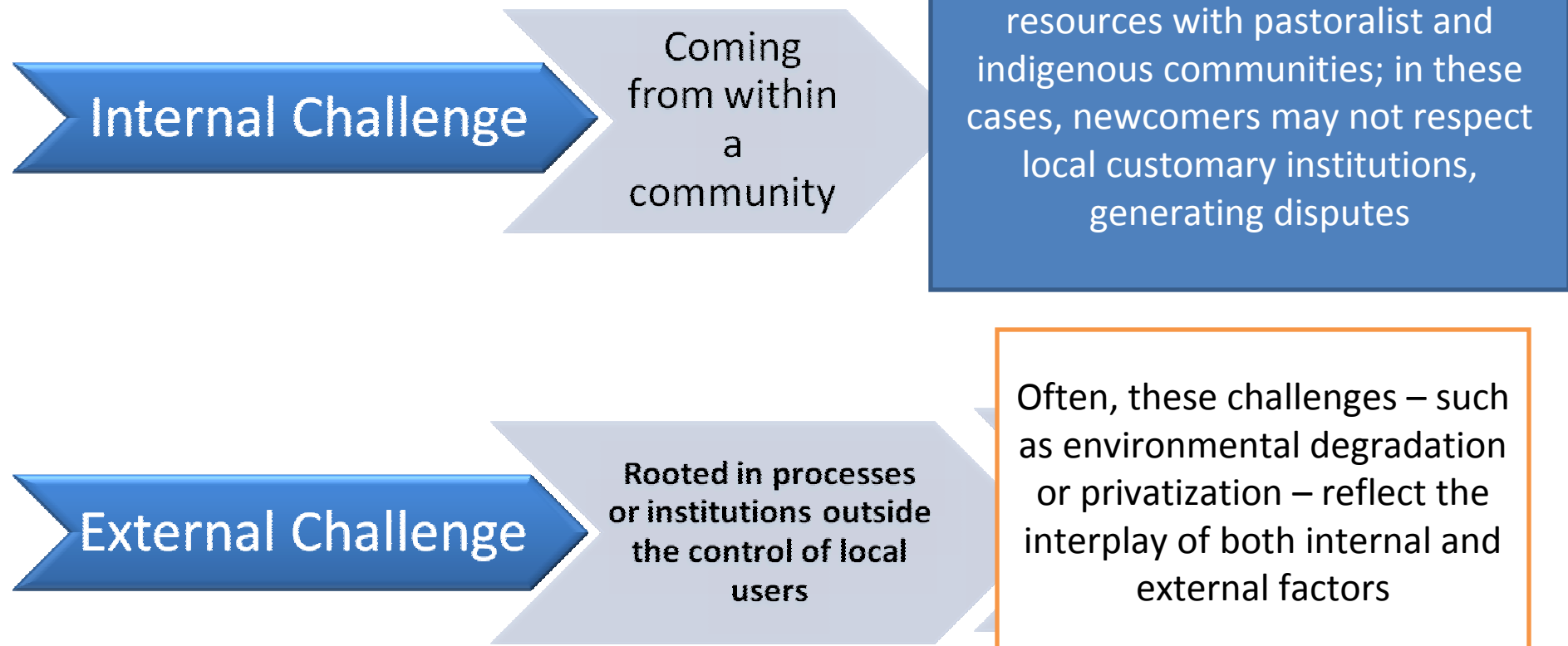


## Inadequate property rights favours primitive accumulation by disposition

- Inadequate property rights create favourable conditions for reclamation and conversion to alternative uses of mangroves without considering the value of goods and services and underlying ecological processes that may be lost (Lal 1990)
  - Shrimp farming in mangrove areas
- Social benefits tend to be undermined by conversion to private or state *de facto property that gives rise to negative externalities* in terms of distribution of wealth and livelihood security (Guha in Adger and Luttrell 2000)
  - Environmental pollution by Mongla sea port or Naval base in Sundarbans

# Tragedy of Commons or Tragedy of Protected Areas?

- There is a range of pressures and challenges facing common property systems.





# Property Rights and Poverty

The distribution of wealth and poverty is a reflection of underlying property rights

Rights over land and resources is a critical asset for the rural poor, which provides a means of livelihood through the consumption and sale of crops and other products, and in many cases it can serve as collateral for credit or be exchanged for capital to start up another income-generating activity.

# Institutional mismatch hinders access and use rights of poor

Government policies that encourage commercialization of natural resources, marginalize indigenous and customary institutions, or simply overlap and create confusion among resource users, are all contributing factors to the pressures on common property regimes

Outside investments, through state arrangement, are competing with local residents for access to the commons. These include capital-intensive investments

When disputes over the commons emerge, often the poor and marginalized are left no or little access to vital resources – such as fishing, water, wood or fruits – thus becoming even more vulnerable. conflict itself generates more insecurity, disputes threaten to create a vicious circle in which pressure on the common property regime itself increases

# Tenure security for equality

- Equality in benefit distribution through common property regimes may be possible so long as tenure is secured
- Tenure security as a function of the breadth of rights, the duration of those rights and whether the rights are assured, i.e., can be exercised without disruption or threats into the future (see Place, Roth, et. al. 1994; Schlager and Ostrom 1992; Wilusz 2006)

Tenure security can be broken and considered from two standpoints:

The ability of a group to exercise its **collective right to resources**, vis-à-vis competing claims from other interests (including the state), and

The ability of **individuals**, households or other sub-units of the group to exercise their rights – particularly access rights – to common property, vis-à-vis other **members of the**

## In search of sustainable resource regime

- **Identification** of the real forest users and issue them with permanent permit
- **Revision of** current laws, policies and regulations over resource use and secure operational level rights to real forest users
  - Convergence of *de facto* and *de Jure* rights strengthening resource use by promoting security and stability
- Promotion of **collective action** through innovation of a variety of forms of forms of institutional arrangements and organisations
  - **Creating regulatory framework for community resource management**
  - **Joint resource investment, production and management**



Thank You



উন্নয়ন অন্বেষণ  
Unnayan Onneshan  
The Innovators

Centre for research and action on development

*Advancing ideas and building constituencies for social transformation*

