

## SOCIO-ECONOMIC IMPACTS OF STATE LAND OWNERSHIP

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### Abstract

Non-ownership of land can lead to various problems, including difficulties in generating income and sustaining livelihoods, as well as challenges related to economic security and personal identity. To address this issue in the Manmunai North Divisional Secretariat Division of Batticaloa District, a study was conducted to identify the socio-economic impacts of state land ownership in the area. The study utilised various variables, such as education and healthcare facilities, security, infrastructure, livelihood assistance, job opportunities, residential investment, and property value, to assess the impacts of state land ownership on the local community. Descriptive data analysis, based on mean and standard deviation, was employed to analyze the data. The study's key findings indicate that state land ownership has a moderate impact on healthcare and infrastructure facilities, while having a more significant impact on education facilities, security, livelihood assistance, job opportunities, residential investment, and property value. To address these issues, the study recommends that state land households be granted secure land ownership, and that they are made aware of existing land regularisation programs to obtain proper ownership. Additionally, it suggests that fully inclusive Land Information Systems be implemented to identify priority areas for secure land rights. The study's findings are valuable not only for individuals and professionals, but also for government and non-government organisations working in the area.

**Keywords:** Land ownership, Socio-economic impacts, property value, Manmunai North Divisional Secretariat

### 1. Introduction

Land is an essential factor in the economic development of any country, playing a critical role in the growth of people, communities, societies, and nations. However, the value and importance of land can also lead to conflict and disputes among individuals, communities, and even nations. Sri Lanka is no exception to this phenomenon. As an important natural resource, land is scarce and provides a place for people to live on, as well as opportunities for livelihoods. In Sri Lanka, approximately 82% of the land is owned by the state, with only 18% being privately owned (Fonseka and Raheem in 2010). The land ownership practices in Sri Lanka are closely linked to the settlement patterns of the country, emphasizing the significance of land to the people of Sri Lanka.

Property rights, which encompass both user and ownership rights, are critical in the context of land ownership, and can be broadly classified into formal and informal rights. Well-defined and secure land rights are essential for households to own assets, promote productive development, enable functioning factor markets, and ensure protection from discretionary intervention by bureaucrats (Deninger, 2003). In Sri Lanka, successive governments have implemented various programs to grant land rights to encroached individuals, as per the State Land Ordinance (SLO) of 1949 and Land Development Ordinance (LDO) of 1982. Land grants were variously named Swarnabhoomi (1982-1994), Jayabhoomi (1995-2002), Isurubhoomi (2002-2004), and Jayabhoomi again in 2004-2005, and Bimsaviya (Dharmasiri, 2009).

Land holds significant value in the lives of people in Sri Lanka, not only economically but also socially and culturally. Due to its importance and sensitivity, any initiative related to land is approached with caution. In this regard, the Bim Saviya or Land Title Registration Programme was launched by the Ministry of Land and Land Development in 2007, as part of the Mahinda Chintana. The main objective of the program is to strengthen land ownership by providing secure titles to individuals who possess or utilize a parcel of land, thereby enhancing their sense of security and reducing the likelihood of disputes (Thirunavukarasu, et al., 2017).

The lack of land ownership can lead to numerous challenges, including those related to income generation, livelihoods, economic security, and identity. While the Sri Lankan government's efforts to address landlessness and provide state land to those in need are commendable, questions persist about the current process of state land distribution. Secure land rights are critical for economic security, providing assurance for loans and facilitating income generation and improved livelihoods (Thirunavukarasu et al., 2017). The Manmunai North Divisional Secretariat division, located in the central part of the eastern belt of the Batticaloa district, primarily focuses on issuing outright titles for the lands alienated under the State Land Ordinance. Of the 11,872 households residing on state land in this division, only 47 have received outright titles, which represents a mere 0.4% of householders residing on state land who have obtained full state land ownership. Others are in different stages of the regularizing process, with 2,963 approved leaseholders, 6,785 regularized encroachers, 1,076 encroachers who received approval to conduct land kachcheri, and 1,001 non-regularized encroachers (Manmunai North Divisional Secretariat, 2021). Thus, the objective of this study is to examine the socio-economic impacts of state land ownership in the Manmunai North Divisional Secretariat division.

## **2. Literature Review**

Previous researches have indicated that enhancing land ownership can be a crucial measure to improve food security, enhance the efficiency of rice cultivation, and promote economic sustainability in rice farming (Feder & Onchan, 1987). A clear property rights framework allows individuals to use their resources more effectively, as they will experience a personal loss if the resource's value decreases (Schlager & Ostrom, 1992).

In Butare, Rwanda, Ngotho and Kangu (2016) conducted a study to explore the impact of land fragmentation on economic efficiency. The findings indicated that net farm income per hectare, a measure of economic efficiency, was positively influenced by the size of land holdings, use of farm information, extension staff visits, formal education of farmers, and land consolidation. The study recommended consolidating land and allocating it to proficient farmers to promote economic efficiency.

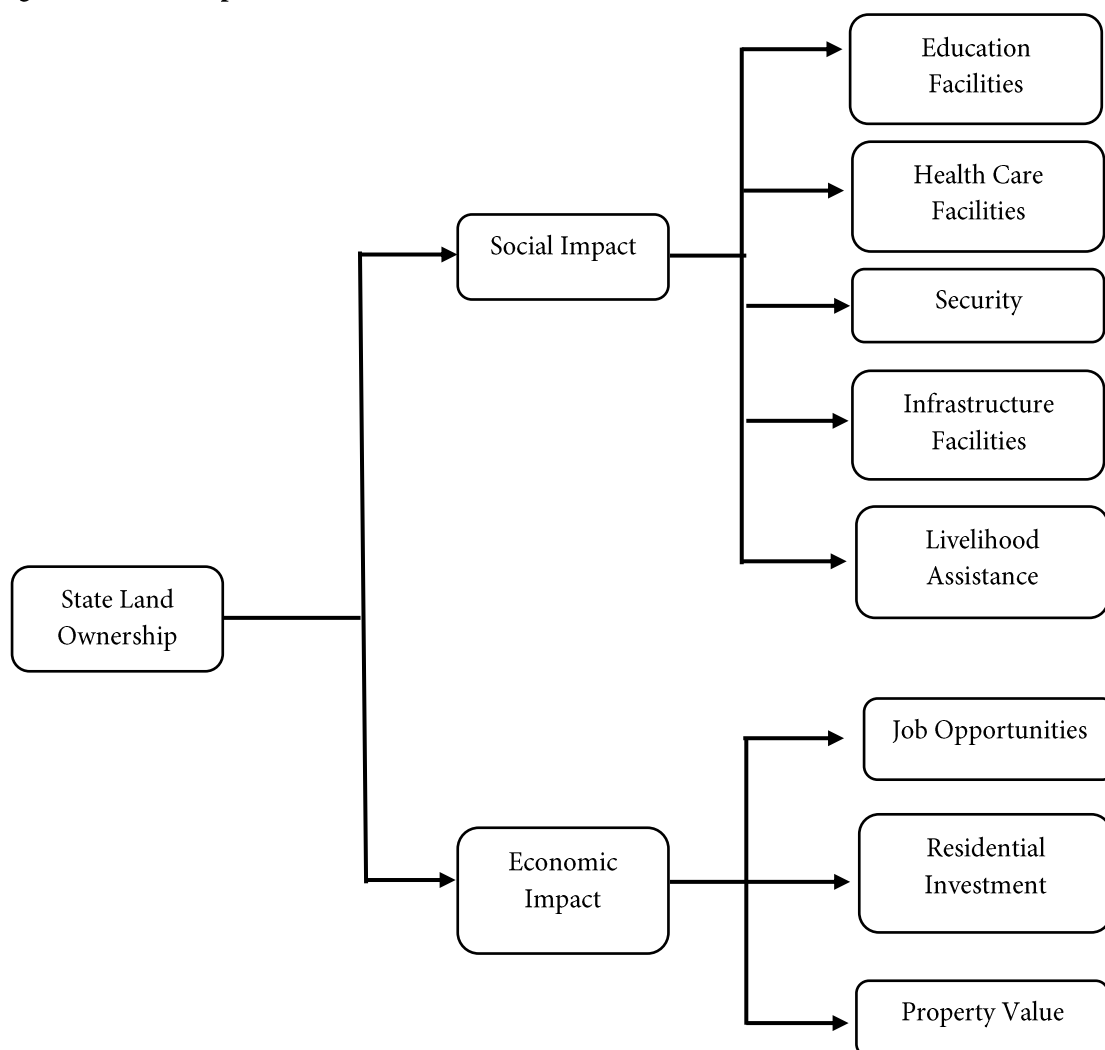
In a study conducted by Mule (2010) in Kimana Group Ranch, Loitokitok District, the socio-economic impacts of land subdivision on pastoral households were examined. The results showed that despite the land subdivision, land use remained predominantly pastoral, with lease as the most preferred tenure arrangement. However, the study also found that household incomes had decreased with the onset of land subdivision. To mitigate these negative impacts, the study recommended new land use planning and management styles to retain grasslands for sustainable development.

## **3. Conceptual Framework**

The conceptual framework presented in Figure 1 serves as a guide for comprehending the research problem at hand. The study aims to investigate the socio-economic impacts of state land ownership, which will be examined through the analysis of various dependent variables, including social impacts such as education facilities, health care facilities, security, infrastructure facilities, and livelihood assistance, as well as economic impacts such as job opportunities, residential investment, and property value. The framework provides a structure for understanding how these variables are related and how they contribute to the overall understanding of the research problem. By

utilizing this framework, the study can effectively assess the various impacts of state land ownership and draw meaningful conclusions based on the data analyzed.

**Figure 1: The Conceptual framework**



#### 4. Research Methodology

To investigate the research problem, the study utilized primary data collected through structured questionnaires. The unit of analysis for this study was individual state landowners, with each owner considered as a respondent. The population of interest consisted of 11,872 households who owned state land, residing in 38 GN divisions within the Manmunai North Divisional Secretariat division. To ensure representation of the population, the population was divided into four strata based on geographic location. Ten GN divisions were randomly selected as sub-samples from each stratum, and 100 state land-owned households were randomly selected from each sub-sample using the simple random sampling method. The study exclusively collected data from state land-owned households in the Manmunai North Divisional Secretariat division. The distribution of the samples is given in table 1.

The objective of data analysis is to get a feel for the data (descriptive analysis) and test the goodness of the data (scale measurement). 100 sets of questionnaires were distributed to the respondents. After the data were collected from the field, they were used in statistical software called Stata for the analysis. The decision attribute of univariate analysis is given in table 2. It looks at the range of values and the central tendency of the values, including mean and standard deviation.

**Table 1: Sample distribution**

GN Division	State land-owned households	Sample
Navatkudah East	765	14
Thiruchchenthloor	535	10
Kallady Velloor	479	9
Sinna Urani	1067	19
Thiraimadu	426	8
Panichchayadi	348	6
Puthunagar	514	9
Thirupperunthurai	503	9
Iruthayapura West	669	12
Mamangam	241	4
Total	5547	100

(Source: Manmunai North Divisional Secretariat Records, 2022)

**Table 2: Decision Rule for Univariate Analysis**

Range	Decision Attributes
$1 \leq X_i \leq 2.5$	Impact of state land ownership is in Low level.
$2.5 < X_i \leq 3.5$	Impact of state land ownership is in Moderate level.
$3.5 < X_i \leq 5.0$	Impact of state land ownership is in High level.

## 5. Results and Discussion

Demographic characteristic of 100 state land-owned households in Manmunai North Divisional Secretariat division. Such as GN division, age, gender, number of family members, civil status, educational qualification, occupation, annual income, and type of state land ownership for the households.

Table 3 shows that among the group of respondents, the majority of them have three to five members in their family, and fewer respondents have more than five members in their family. The education qualification of the respondents is also presented in Table 3. Most of the survey respondents had GCE O/L (39%), while only 4% of respondents had degrees and were involved in the study. It is also evident that most survey respondents are daily wages and self-employed. Hence, most of the respondent's annual income fits around Rs 100001.00 to Rs 200000.00. according to the land ownership type, most of them are approved leaseholders. A quarter of the respondents are encroachers not regularised under the state land regularisation programme.

**Table 3: Demographic characteristics of the state landowners**

Demographic characteristic		Percentage (%)
Family Members	Single Member	7
	2 Members	21
	3-5 Members	71
	More than 5 Members	1
Educational Qualification	Single Member	7
	Primary (Grade 1-5)	17
	Secondary (Grade 6-10)	19
	O/L (Grade 11)	39
	A/L (Grade 12-13)	21
Occupation	Degree	4
	Government Employee	9
	Private Company	4
	Agriculture	5
	Fishing	17
	Daily wages	41
	Self-Employment	24
Annual Income	Below Rs 100000.00	28
	Rs 100001.00 – Rs 200000.00	42
	Rs 200001.00 –Rs 300000.00	18
	Rs 300001.00 -Rs 400000.00	7
	Rs 400001.00 -Rs 500000.00	3
Type of ownership	Above Rs 500000.00	2
	Non Ownership	20
	Applied for getting Ownership	6
	PLC Approved Final List (Regularized)	33
	LCG Approved Leaseholder	41

Source: Field Survey, 2022

This study focused on analysing the socio-economic impacts across eight dimensions. Specifically, the social impact was examined through five dimensions, including education facilities, healthcare facilities, security, infrastructure facilities, and livelihood assistance. Meanwhile, the economic impact was evaluated through job opportunities, residential investment, and property value.

Univariate analysis was used to measure the level of all variables and dimensions to analyse the research objectives. Table 4 shows the overall mean value of each variable and dimension. The overall mean value of social impacts is 3.59, and the standard deviation is 1.2566 while the overall mean value of economic impacts is 3.96, and the standard deviation is from 1.1608. The overall findings reveal that state land ownership has a moderate impact on health care facilities and infrastructure facilities while it has a more significant impact on education facilities, security, livelihood assistance, job opportunities, residential investment and property value.

One of the social factors examined in this study is education facilities, which were measured using three indicators. The mean value obtained for education facilities was 3.84. The findings suggest that state land ownership significantly affects education facilities for households that own state land. This can be attributed to several reasons, including land ownership enables children to engage in teaching and learning activities at school more

effectively and creates a positive learning environment at home. Additionally, owning land may increase the likelihood of accessing good schools during grade 1 school admission, as certification of land ownership is a determining factor in this regard. Overall, these findings highlight the importance of state land ownership as a critical factor influencing the availability and quality of education facilities, particularly for households that own state land.

**Table 4: Overall Mean Values for Social Impacts and Economic Impacts**

<b>Variables &amp; Dimensions</b>	<b>Mean</b>	<b>Standard Deviation</b>
Education Facilities	3.84	1.2032
Health Care Facilities	3.22	1.31
Security	4.04	1.15
Infrastructure Facilities	3.13	1.31
Livelihood Assistance	3.73	1.31
<b>Overall Mean for Social Impacts</b>	<b>3.59</b>	<b>1.2566</b>
Job Opportunity	3.74	1.033
Residential Investment	4.13	1.2
Property Value	4.02	1.2493
<b>Overall Mean for Economic Impacts</b>	<b>3.96</b>	<b>1.1608</b>

Source: Field Survey, 2022

The second dimension of social factors examined in this study is healthcare facilities, which was measured using two indicators. The mean value obtained for healthcare facilities was 3.22. The findings suggest that state land ownership moderately impacts healthcare facilities for households with state land. Specifically, certification of land ownership increases the likelihood, to a certain extent, of accessing drinking water and receiving financial assistance from the government or NGOs for constructing toilets. These findings underscore the importance of land ownership in promoting access to basic healthcare facilities, particularly for households that own state land.

The third dimension of social factors examined in this study is security, which was measured using three indicators. The mean value obtained for security was 4.04, which suggests that state land ownership significantly impacts the security of households that own state land. This can be attributed to several factors, including that documents certifying state land ownership provide clear and exclusive boundaries for land lots, reducing boundary disputes. Additionally, certification of land ownership facilitates property transfer in an open and efficient land market, further enhancing the security of state land-owned households. These findings underscore the importance of state land ownership in promoting security and reducing disputes, particularly for households that own state land.

The fourth dimension of social factors examined in this study is infrastructure facilities, which was measured using two indicators. The mean value obtained for infrastructure facilities was 3.13. The findings suggest that state land ownership has a moderate impact on infrastructure facilities for households that own state land. Specifically, certification of land ownership increases the likelihood, to some extent, of receiving a house through the housing scheme of the National Housing Development Authority (NHDA) and becoming eligible to obtain electricity

connections from the Ceylon Electricity Board (CEB). These findings highlight the role of state land ownership in promoting access to basic infrastructure facilities, particularly for households that own state land.

The fifth dimension of social factors examined in this study is livelihood assistance, which was measured using two indicators. The mean value obtained for livelihood assistance was 3.73, with a standard deviation of 1.31. The findings suggest that state land ownership significantly impacts livelihood assistance for households that own state land. Specifically, certification of land ownership increases the likelihood of obtaining livelihood assistance and earning a satisfactory income, thus enhancing the overall livelihood of state land-owned households. These findings underscore the importance of state land ownership in promoting access to livelihood opportunities, particularly for households that own state land.

Job opportunities are one of the dimensions of economic factors examined in this study, and it was measured using four indicators. The mean value obtained for job opportunities was 3.74, with a standard deviation of 1.033. The findings suggest that state land ownership has a significant impact on job opportunities for households that own state land. Specifically, owning land motivates self-employment, which leads to satisfactory income and generates savings, thus creating small-scale investors. These findings underscore the importance of state land ownership in promoting access to job opportunities and encouraging entrepreneurship, particularly for households that own state land.

Residential investment is the second dimension of economic factors examined in this study, and it was measured using two indicators. The mean value obtained for residential investment was 4.13, with a deviation of 1.2. The findings suggest that state land ownership has a significant impact on residential investment made by households that own state land. Specifically, owning land stimulates investment in housing and land development, and certification of land ownership promotes legal constructions, thus contributing to the growth of the housing sector. These findings highlight the role of state land ownership in promoting residential investment and supporting the development of the housing market, particularly for households that own state land.

Property value is the third dimension of economic factors. The overall mean value of property value is 4.02. It shows a state land ownership has a more significant impact on property value. The main reasons for this were titled properties have more land value than untitled ones and certification of land ownership increases access to housing and business loan. The overall findings of the study reveal that state land ownership has a moderate level of impact on healthcare facilities and infrastructure facilities while it has a more significant impact on education facilities, security, livelihood assistance, job opportunities, residential investment and property value.

## **6. Conclusion and Policy Recommendation**

This research examines the socio-economic impacts of state land ownership in Manmunai North Divisional Secretariat Division, located in Batticaloa District. The study demonstrates that land ownership has a significant effect on the socio-economic conditions of households that own state land. In order to enhance the socio-economic conditions of state land-owned households, it is imperative that they possess secure land ownership and possess an awareness of existing land regularisation programs to obtain proper ownership.

The policy implications of this study are that the government should implement an awareness program for households residing in state land concerning the regularisation process of state land for encroachers. Additionally, policymakers should promote awareness of the procedures required to obtain land ownership for their land lots. In the absence of such awareness, individuals may encounter difficulties when attempting to access services such as school admission for their children, housing schemes, water and electricity supply, building approval for housing, bank loans, land-based livelihood assistance, and environment clearance certificates for self-employment activities.



Policy-makers and planners must critically review regulatory frameworks and remove or relax constraints on access to housing and other services such as school admissions. Furthermore, individuals residing in state land not covered by the regularisation program must be informed of the regularisation process to enable them to take advantage of the benefits offered. Individuals who lack knowledge regarding the state land regularisation process are most impacted by issues related to the non-ownership of land lots. To enhance security of land and property rights for those residing in informal settlements and rural poor, policy-makers should adopt long-term, incremental approaches that provide a range of tenure options. Effective, accessible, transparent, and accountable land administration agencies are crucial to any effective governance framework. Such agencies must prioritise social justice and sustainable economic development. Overall, this study underscores the need for improved land ownership processes and a focus on the socio-economic conditions of households owning state land.

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