

# Transparency as a Solution for Uncertainty in Land Privatization: A Pilot Study for Mongolia

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## Outline

- Theoretical background
  - Uncertainty
  - Transparency is a tool to respond to uncertainty
  - Transparency in land administration
- A pilot study results
- Discussion
- Conclusion



## Theoretical background

### “Uncertainty”

- Uncertainty as a well known concept in many disciplines (Arun and Hindi 2000; Asselt 2000; Refsgaard, van der Sluijs et al. 2007)
- There is neither a commonly shared terminology nor agreement on a generic typology of uncertainties (Walker, Harremoes et al. 2003; Refsgaard, van der Sluijs et al. 2007);
- An important feature of the nature of uncertainty is the distinction between two extremes (Walker, Harremoes et al. 2003; Cooney and Lang 2007; Refsgaard, van der Sluijs et al. 2007).



## Theoretical background

### “Uncertainty”

#### *Nature of uncertainty:*

- *Epistemic uncertainty*
- *Variability (stochastic) uncertainty*



## Theoretical background "Uncertainty"

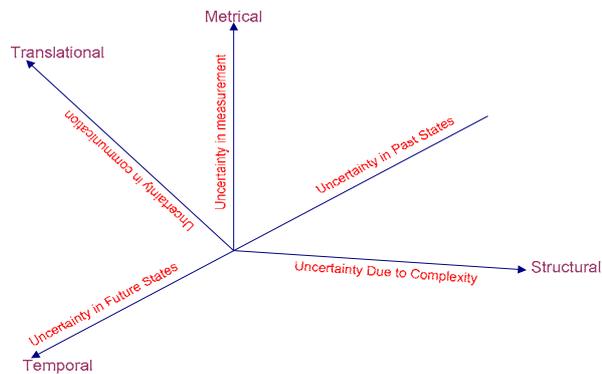


Figure 1; Dimensions of uncertainty (Rowe 2006)



## Theoretical background "Uncertainty"

Uncertainty class	Unknown information	Discriminator parameter	Valuation parameter	methods
Temporal	Future	Probability	Luck	Prediction
Temporal	Past	Historical data	Correctness	Retro diction
Structural	Complexity	Usefulness	Confidence	Models
Metrical	Measurement	Precision	Accuracy	Statistics
Translational	Perspective	Goals/Values	Understanding	Communication

Table 1; Parameters of the classes of Uncertainty (Rowe 2006)



## Theoretical background

### “Uncertainty”

- Land privatization is in the line of epistemic and the structural uncertainty because of complexity;
- The degree of uncertainty, as experienced by citizens and officials is high;
- In the situation of land privatization data and process uncertainty can be addressed by developing a new model based on user and data requirements;
- How do we respond to uncertainty in land privatization?



## Theoretical background

### “Transparency is a tool to respond to uncertainty in LP”

- In general, much of the uncertainty exists where transparency is missing (Walker, Harremoes et al. 2003; Hood and Heald 2006);
- Greater transparency reduces uncertainty and as known so far it is universal approach to respond to uncertainty (Cooney and Lang 2007; Refsgaard, van der Sluijs et al. 2007; Schultz 2008);
- The source of uncertainty in land privatization can be non-transparency



## Theoretical background

### “Transparency in land administration”

- Transparency is a vital issue for the allocation of resources, which is fundamental to implement land privatization policy successfully (Rosset 2001; Deininger 2003; Bellver and Kaufmann 2005; Hood and Heald 2006; Cashin 2006; Lerman and Shagaida 2007);
- A nontransparent system is:
  - reduces the security of tenure
  - creates inequality among citizens
  - increases land disputes
  - produces costly and bureaucratic services



## Theoretical background

### “Transparency in land administration”

- Key elements to improve transparency in land privatization:
  - Access to information
  - Participation
  - Corruption



## A pilot study results, Mongolia

### “Methods and study area”

- Qualitative and quantitative data collected from different sources:
  - literature survey
  - secondary sources and archival records
  - interviews and discussions (17 out 22)
  - questionnaires (395)
  - direct observations



## A pilot study results, Mongolia

### “Methods and study areas”



## A pilot study results, Mongolia

<i>Name of laws</i>	<i>Date</i>
Constitution of Mongolia	1992
Civil code	2002
Law of Mongolia on Land	1994, revised 2002
Law on Land Privatization to Mongolian citizens (Law on allocation of land to Mongolian citizens for ownership)	2002
Law on State registration rights to immovable property and other rights related to it	1995, revised 2003
Land fee and payment law	1997
Law on cadastral survey and land cadastre	1999
Law on immovable property tax	2000



## A pilot study results, Mongolia

- One of the key priority activities of the Government;
- Change in rights/ownership;
- Privatize land only for:
  - Family needs
  - Cropland



## A pilot study results, Mongolia

- Statistical data on land privatization collected at different administrative levels

- Estimated number of families to privatize land (**558065**)

- Size to be allocated to citizens for ownership:  
 In city - up to 0.07 ha  
 In aimag – up to 0.35 ha  
 In soum – up to 0.50 ha

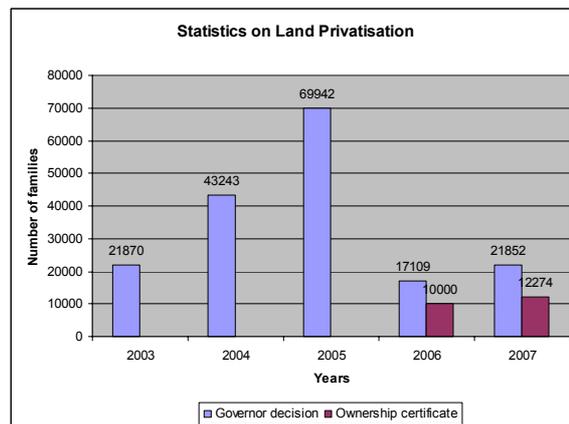


Figure 2; Progress report on land privatization (ALAGaC 2007)



## A pilot study results, Mongolia

Much complicated, bureaucratic land administration system exists in Ulaanbaatar city.



See area to the top of mountain



## A pilot study results, Mongolia

Do you satisfied with the land administration service?

	Level of observation		
	National	Provincial	Municipal
great extend	4	14	7
moderate extend	29	14	84
not satisfied at all	84	78	81
Subtotal	117	106	172
Total			<b>395</b>



## A pilot study results, Mongolia

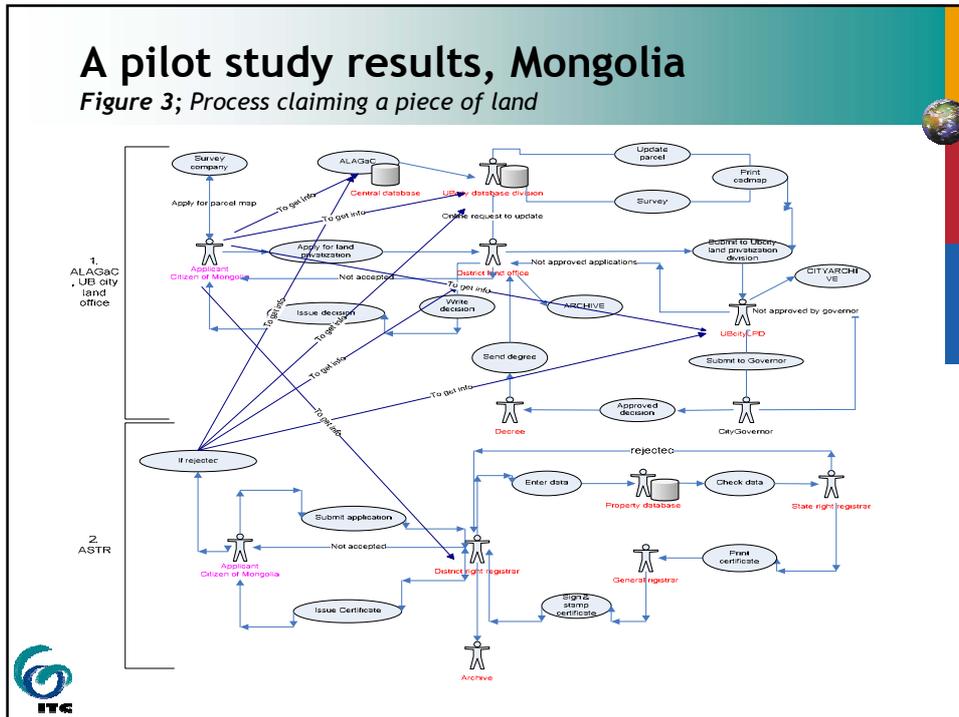


Swindlers take of your dirty hand from our school!



## A pilot study results, Mongolia

Figure 3; Process claiming a piece of land



## A pilot study results, Mongolia

### General observations:

- Level of uncertainty high in terms of legal & institutional issues;
- Current system is complicated, that creates data and process uncertainty;
- Weak coordination between land organizations and stakeholders, related stakeholders are defined and detailed stakeholders analysis are needed;
- Lack of access to information and participation in the implementation of the new law;
- No specific guidelines or strategy to implement LP law effectively.

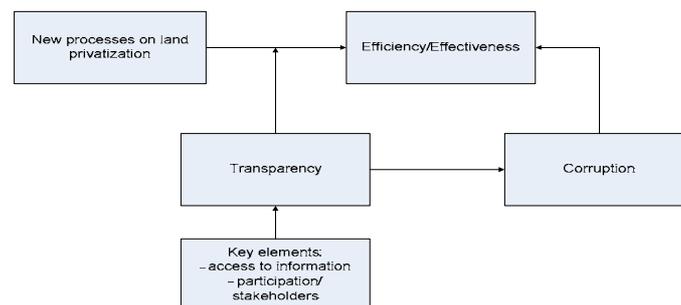
## Result and discussion

- A general research proposition is:

***“ More transparent processes, more efficient and effective implementation of land privatization law”***



## Result and discussion



*Figure 4; Research model*



## Conclusion

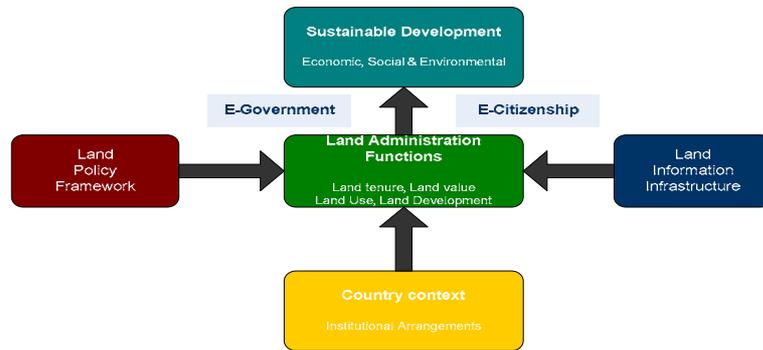
- The level of uncertainty is high, in terms of legal and institutional matters and at the operational level the processes are non-transparent;
- Many landowners and possessors (62%) are generally less confident “not satisfied at all” with the current services;
- Transparency is the way to deal with situations of uncertainty, and that it is an innovative approach to respond to uncertainty in land privatization;
- There is demand to test and validate research proposition.



*Thank you for your  
attention!*



## Motivation of the Study



*Land management paradigm (Enemark, 2005)*



## Theoretical background “Uncertainty”

- In complex, interdependent decision-making environments, -such as land administration- there is always considerable uncertainty (Walker, Harremoes et al. 2003);
- *Uncertainties* might increase in terms of complex decision-making on institutional arrangements, legal and technical issues relation to land rights;
- Land management is implemented in an uncertain, changing situation (Barry, 2000)



## Access to Information

- Publicity: dissemination of basic information “how, where, how much)
- Access to personal information
- Available tools
- Data sharing between stakeholders



## Participation

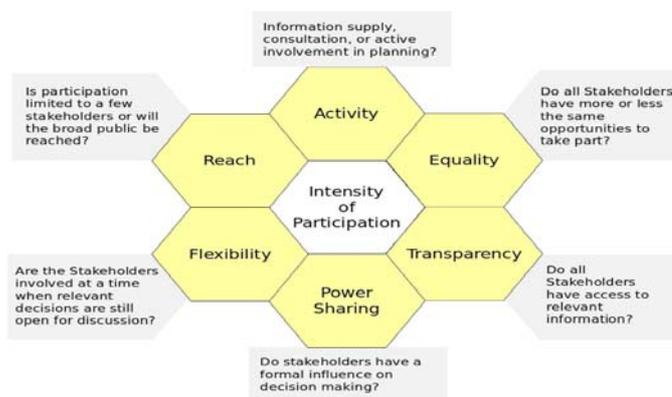


Figure 2. The Six Dimensions of the Intensity of Participation  
Note: from Rasche et al, 2006

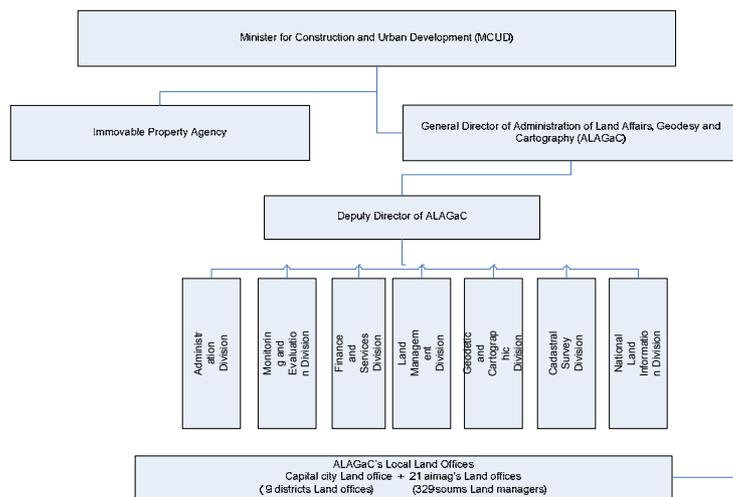


# Corruption

- Time delay
- Extra cost
- Security of certificate



# Organizational set-up



## Result and discussion

- **Transparency** considered as a concept that all institutions and land/parcel information is directly accessible to the general public regulated by laws and a strong coordination between land organizations to provide a better services to citizens.
- **Efficiency**: procedures to claim and register land, and property transactions should be short and simple. The fewer steps there are and the less opportunity for informal payments.
- **Effectiveness**: efficient and effective land management and administration system produces benefits, many of which cannot in practice be quantified in cash terms such as a guarantee ownership, provide equity, security for credit, develop and monitor land markets, protect state land, reduce land disputes and facilitate land reform.

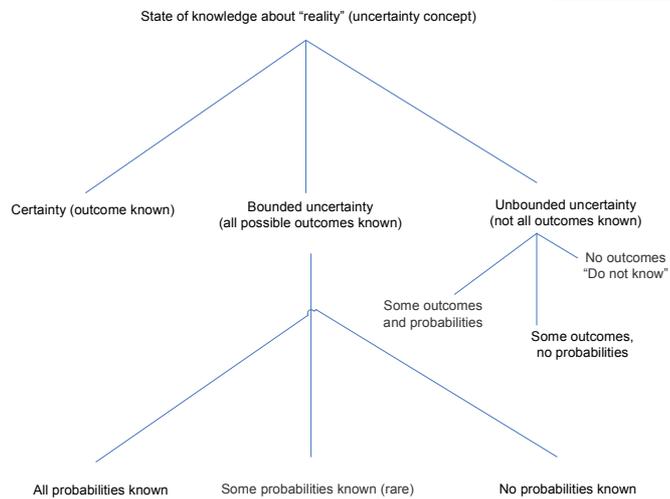


## Result and discussion

- Transparency
  - Access to information
  - Participation
  - Corruption
- Efficiency
  - Timeless
  - Cost
  - Quality
- Effectiveness
  - Security
  - Equity
  - Land dispute
  - Land market development



# Taxonomy of Uncertainty



Taxonomy of imperfect knowledge resulting in different uncertainty situations (Brown 2004)

