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- ³ For more on this aspect, see F. Scott Kieff, *On Coordinating Transactions in Information: A Response to Smith's Delineating Entitlements in Information*, 117 Yale L.J. Pocket Part 101 (2007), <http://thepocketpart.org/2007/10/10/kieff.html>.
- ⁴ Ronald Coase, "The Problem of Social Cost," *Journal of Law and Economics*, 3, October 1960: 1-44.
- ⁵ Robert D. Cooter and Hans-Bernd Schäfer (2007), "Law and the Poverty of Nations – Elements of Legal Reform," *German Working Papers in Law and Economics*, Vol. 2007, Article 16, <http://www.bepress.com/gwp/default/vol2007/iss2/art16/>.
- ⁶ Karol Boudreaux, "The Role of Property Rights as an Institution: Implications for Development Policy," *Mercatus Policy Series*, Primer No. 2, Mercatus Center, May 2005.
- ⁷ For more information on the fellowship, see <http://www.propertyrightsalliance.org/?content=desoto>
- ⁸ Alchian, *op. cit.*
- ⁹ Stephen Knack, "Measuring Corruption in Eastern Europe and Central Asia: A Critique of the Cross-Country Indicators" *World Bank Policy Research Working Paper*, No. 3968, July 1, 2006, <http://ssrn.com/abstract=923275>.
- ¹⁰ The "Copyright Piracy Level" variable within the IPR component was primarily gathered from a single source, although it was supplemented by the author using additional sources.
- ¹¹ Where appropriate, scores and rankings from 2007 will also be referenced. For the latter however, because this year's report represents a 45 country increase in the size of the sample, rankings comparisons between years is unlikely to be appropriate (except at the extreme bounds). Additionally, unless otherwise noted, scores and rankings given for 2007 are in rescaled terms to conform to 2008 methodology, and not in the original score/ranking terms given in the 2007 report.
- ¹² Martin Adams and Stephen Turner, "Legal Dualism and Land Policy in Eastern and Southern Africa," UNDP International Land Coalition Workshop: Land Rights for African Development: From Knowledge to Action, Nairobi, November, 2005, p.9, available at: http://dlc.dlib.indiana.edu/archive/00001668/01/Legal_Dualism.pdf.
- ¹³ See, Jean Ensminger, 1997, "Changing Property Rights: Reconciling Formal and Informal Rights to Land in Africa," in *The Frontiers of the New Institutional Economics*, John N. Drobak and John V.C. Nye, eds. (New York: Cambridge University Press) 175-77.
- ¹⁴ See, Michael Roth, Jon Unruh and Richard Barrows, 1994, "Land Registration, tenure security, credit use and investment in the Shebelle Region of Somalia," in *Searching for Land Tenure Security in Africa*, J. Bruce and S.E. Migot-Adholla, eds. (Dubuque, IA: Kendall/Hunt).
- ¹⁵ This chapter is based on a longer study entitled "The Effects of Property Titling in Langa Township, South Africa" *Mercatus Policy Series*, Policy Comment No. 4 (April, 2005), available at: http://www.enterpriseafrica.org/Publications/pubID.2464,cfilter.0/pub_detail.asp
- ¹⁶ "Freehold" title is the right of title to land or other real property for an uncertain duration. In 2001, there were 3,172 formal, residential properties in Langa (i.e., homes, not shacks or commercial property). Of these, 780 were unregistered, and 30 were owned by banks. Personal communication from Mr. Jens Kuhn, Research Manager: Housing—City of Cape Town, October 13, 2005.
- ¹⁷ Lauren Royston, "Security of Urban Tenure in South Africa: Overview of Policy and Practice," in *Holding Their Ground: Secure Land Tenure for the Urban Poor in Developing Countries*, Alain Durand-Lasserve, Lauren Royston, eds. 2002. p 167.
- ¹⁸ This finding tracks with other research that suggests that people who acquire a secure title do expend resources improving their homes. See, for example, Erica Field, 2005, "Property Rights and Investment in Urban Slums," *Journal of the European Economic Association*, Vol. 3, No. 2-3, 279-90.

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- ¹⁹ For example, Soweto is experiencing an economic boom but the property market continues to experience problems. See, Chris Needham, "Helping Hand for Soweto's property market," April 3, 2006, *The Times*, available at: <http://www.sundaytimes.co.za/Property/Article.aspx?id=297018>.
- ²⁰ See Meagher & Wilkinson, *op. cit.*
- ²¹ Other forms of tenure, such as leaseholds, can also provide security, freehold is not the sole path to tenure security.
- ²² See Boudreaux, *op. cit.*
- ²³ In the World Bank's 2008 Doing Business Rankings, South Africa ranks 91st of 178 countries in terms of employing workers.
- ²⁴ Results in rural areas can be similar. See, Frank Place and S.E. Migot-Adholla, 1998 "The Economic Effects of Land Registration on Smallholder Farmers in Kenya: Evidence from Nyeri and Kakamega Districts," *Land Economics*, Vol. 74, No. 3, p. 361.
- ²⁵ In our interview with Mr. Mhlongo, he told us that people prefer to stay in Langa. "It's where their parents were, where their parents died, where they grew up, and they don't want to lose such a place," he said. So, even if people move out of Langa, they will still hold onto the family home, even if it's empty, for the sake of protecting this family property. He said that even those people who are still in rental property consider it "theirs," as does the community, and that if they move and leave this property vacant, it is nearly impossible for the city to put new tenants in because the property should be kept for the "owners." Interview with Ronald Mhlongo, October 12, 2005, Langa Township, South Africa.
- ²⁶ Hernando de Soto (2000), *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*, New York: Basic Books.
- ²⁷ See Sebastian Galiani and Ernesto Schargrodsky (2004), "Effects of Land Titling on Child Health," *Economics and Human Biology*, Vol. 2 (3), pp. 353-372; Sebastian Galiani and Ernesto Schargrodsky (2006), "Property Rights for the Poor: Effects of Land Titling," mimeo, Universidad Tocuato Di Tella; and Rafael Di Tella, Sebastian Galiani and Ernesto Schargrodsky (2007), "The Formation of Beliefs: Evidence from the Allocation of Land Titles to Squatters," *Quarterly Journal of Economics*, Vol. 122 (1), pp. 209-241.
- ²⁸ Galiani and Schargrodsky (2006), *op. cit.*
- ²⁹ Jean Lanjouw and Philip Levy (2002), "Untitled: A Study of Formal and Informal Property Rights in Urban Ecuador," *Economic Journal*, 112, pp. 986-1019; Erica Field (2003), "Entitled to Work: Urban Property Rights and Labor Supply in Peru," *Quarterly Journal of Economics*, Vol. 122 (4).
- ³⁰ Galiani and Schargrodsky (2006), *op. cit.*
- ³¹ Gary Becker and Gregg Lewis (1973), "On the Interaction between the Quantity and Quality of Children," *Journal of Political Economy*, 81 (2), pp. 279-288.
- ³² Galiani and Schargrodsky (2006), *op. cit.*
- ³³ Galiani and Schargrodsky (2004), *op. cit.*
- ³⁴ Di Tella, Galiani, and Schargrodsky (2007), *op. cit.*
- ³⁵ *Ibid*
- ³⁶ One country, Malta, actually resulted in a score above the standard scale (10.1 in this case). This is because the female-to-male literacy rate in this one case actually exceeded 1.0. We elected not to truncate the variable scale (which would have slightly penalized Malta) because the occurrence of such outliers is both rare and in this particular case so slight.