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Entitled to Work: Urban Property Rights and Labor Supply in Peru

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Abstract	Between 1996 and 2003, the Peruvian government issued property titles to over 1.2 million urban households, the largest titling program targeted at urban squatters in the developing world. This paper examines the labor market effects of increases in tenure security resulting from the program. To isolate the causal role of ownership rights, I make use of differences across regions induced by the timing of the program and differences across target populations in level of preprogram ownership rights. My estimates suggest that titling results in a substantial increase in labor hours, a shift in labor supply away from work at home to work in the outside market, and substitution of adult for child labor.
Gender Connection	Gender Informed Analysis
Gender Outcomes	Property, labor force participation
IE Design	Difference in Difference
Intervention	In 1996, the Peruvian government issued a series of legal, administrative, and regulatory reforms aimed at promoting a formal property market in urban squatter settlements in eight cities. In accordance with Decree 424: Law for the Formalization of Informal Properties, the new public agency COFOPRI (Commit tee for the Formalization of Private Property) embarked on "the rapid conversion of informal property into securely delineated land holdings by the issuing and registering of property titles" into a newly created national registry (World Bank 1998). While the old process of acquiring a title was expensive and slow, the new process was virtually free and extremely rapid. Program implementation involved area-wide titling, in which project teams moved from neighborhood to neighborhood within cities. Once a local property registration system was set up, local program officials were trained, and all lots in the city's informal neighborhoods were digitally mapped, several project teams simultaneously entered neighborhoods starting from different points in the city. To receive a title, claimants were required only to verify residence on eligible properties pre-dating the start of the program. As a result of the reforms, by December 2001 nearly 1.2 million of the country's previously unregistered residents became nationally registered property owners, purportedly affecting 6.3 million residents living in the range from just above to below the poverty line.
Intervention Period	New legal rights were issued in 1996; project teams provided titling services through 2003

Sample population	The sample is comprised of 2750 households drawn randomly from all target households for eventual program intervention.
Comparison conditions	Pipeline Control
Unit of analysis	Household
Evaluation Period	1992-2000
Results	Pre-program squatters in program neighborhoods were significantly more likely to report improved tenure security, by 60 percent. Similarly, program participants were 18.8 percentage points less likely to report a high likelihood of eviction or invasion and 18.8 percentage points more likely to report that their dwelling was currently very secure from eviction or invasion. The median squatter is able to work 16.2 additional hours a week due to the program. Changes in male employment account for the majority of the effect. Higher male hours account for 10.3 out of the total of 12.9 hours, and the effect is significant. The difference in female hours is smaller and insignificant. When the program effect is allowed to vary with family size and residential tenure, the effect on female hours depends heavily on household type. The likelihood of working inside the home significantly falls by 11.6 percentage points for the average squatter family with two program periods
Primary study limitations	
Funding Source	
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Link to Studies	http://qje.oxfordjournals.org/content/122/4/1561.short
Microdata	