



Survey Report on the Khaya Lam Land Reform Project

July 21, 2014

What is the project participants' level of understanding on land reform and title deeds and how can this project empower the citizens in Tumahole?

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ABOUT THE LAND REFORM PROJECT

The Khaya Lam Land Reform Project (Khaya Lam translates to 'My Home' or 'My Castle' in Sotho) is a pilot project on title deeds initiated by the Free Market Foundation. The goal is to convert land currently held under a complex variety of restrictive tenures and titles to unambiguous, freely tradable ownership. For this project the Free Market Foundation partners with the Ngwathe municipality (Parys in the Free State) in order to make the township Tumahole the first in South Africa where all land will be privately held under full freehold. The FMF has made a start on converting the 33 000 council-owned properties in and around Parys into full freehold on the 22nd of October 2013: Premier Ace Magashule handed out the first 82 title deeds to residents in Tumahole. We at the FMF are optimistic that we can extend the project to more properties. We want the Khaya Lam Project to be a successful example that can be replicated elsewhere in South Africa.

The Free Market Foundation believes that in the long run all properties currently owned by the state can and should be transferred to the legal residents. Thus one could empower millions of South African citizens and turn large amounts of 'dead' capital into 'dynamic' and economically active capital.

PROBLEM STATEMENT

The Khaya Lam Land Reform Project is an unprecedented and truly innovative project which aims to empower individuals to take responsibility for their own lives. The FMF is interested in understanding what the participants in the project know about title deeds, how they view the project and how receiving title deeds has impacted their lives. Moreover, we want to understand in how far the participants in the project can become empowered, autonomous South African citizens.

We define the problem statement for the survey as follows:

What is the project participants' level of understanding on land reform and title deeds and how can this project empower the citizens in Tumahole?

METHODOLOGY

After clarifying the objectives a survey was designed using surveymonkey. The survey can be found as an appendix. Particular attention was given to the issue of understandability of the questions. The survey questionnaire consists of 33 questions which are divided into 9 parts:

- | | |
|--------------------------|--|
| 1. Demographics | What are the demographic statistics of the respondents? |
| 2. Financial Situation | What is the financial situation of the respondents? |
| 3. Property | How do the respondents value their property? |
| 4. Knowledge | What is the respondents' level of understanding of title deeds? |
| 5. Implications | Are the respondents aware of the implications of having title deeds? |
| 6. Evaluation | What do the project participants think about title deeds? |
| 7. Economic Empowerment | Do the respondents feel economically empowered by the project? |
| 8. Actions | What actions have the respondents taken with their title deeds? |
| 9. Ideas for Improvement | How could the Khaya Lam Land Reform Project be improved? |

Of the 33 questions 25 are multiple choice questions while 8 are open-ended questions. To capture the qualitative side of the interview the survey has many “only for the interviewer” boxes. Thus, the interviewer was able to put down his own impressions or any interesting comments made by the respondent.

The survey was conducted between the 3rd and the 7th of July 2014 by Jan Friedemann of the Free Market Foundation. Of the total of 100 participants in the project 82 received their title deeds on the 22nd of October 2013. The other 18 have not yet received their title deeds documents for various legal reasons. Of those 82 a total of 40 were approached by the FMF to take part in the interview. Since no person objected to the interview 40 is also the number of people sampled. Due to the fact that the majority of residents in Tumahole have very limited English language skills, Jeanette Mpondo, the FMF's local land liaison officer located in Tumahole, was always present to translate and assist in the interviewing process.

Every survey respondent was given the opportunity to stay anonymous by not giving his house number but not a single respondent chose to do so. This shows a very high level of trust in the FMF and in the project.

The data was captured electronically using the online tool surveymonkey. The raw data of the survey can be found as an appendix. The results were then tabulated in Microsoft Excel and are presented in a condensed form in this Survey Report.

PROBLEMS AND POSSIBLE BIASES

Before looking at the results of the survey it is important to think about the possible biases in the data:

Firstly, the sample bias: Due to the fact that the surveys were conducted as personal face-to-face interviews in the respondents house there was the issue of not everyone being at home at the time of the survey. Since parts of the survey were conducted on weekdays the proportion of unemployed, housewives and pensioners is likely to be higher in the sample than in the population of all project participants.

Secondly, the language inaccuracy: Since English is not the first language of the residents in Tumahole the respondents had very different English language skills. The majority needed some form of translation which adds a certain degree of inaccuracy to the survey answers.

PART A: Sample Statistics

This survey report is divided into two parts. The first is PART A: Sample Statistics. The results in this section provide the summary data for the survey questions. The most important results are displayed in graphs, diagrams and tables. Note that for most charts one or several paragraphs of explanation and interpretation are provided below the graphic.

PART B: Correlation

The second section of the survey report is PART B: Correlations. For this section the sample group of 40 was divided into two similar sized subgroups: Group 1 with a below average understanding of title deeds and Group 2 with an above average understanding of title deeds.

Part B aims to find out exactly how the understanding of title is correlated with the other variables and questions of the survey. This section will provide crucial information on how the Khaya Lam Land Reform Project can be improved and extended in the future with a minimal amount of resources.

PART A: SAMPLE STATISTICS

Demographics

What are the demographic statistics of the respondents?

Gender		
• Male	• 35.0%	• 14
• Female	• 65.0%	• 26

Age (in years)		
• 39 or younger	• 2.5%	• 1
• 40-49	• 37.5%	• 15
• 50-59	• 27.5%	• 11
• 60 or older	• 32.5%	• 13

Marital Status		
• Single, never married	• 20.0%	• 8
• Married or domestic partnership	• 47.5%	• 19
• Widowed	• 27.5%	• 11
• Divorced or separated	• 5.0%	• 2

Employment Status		
• Employed, working full-time	• 12.5%	• 5
• Employed, working part-time	• 12.5%	• 5
• Self-employed	• 7.5%	• 3
• Out of work	• 32.5%	• 13
• Retired	• 35.0%	• 14

Education (in years)		
• 0 – 4	• 30.0%	• 12
• 5 – 8	• 35.0%	• 14
• 9 - 12	• 32.5%	• 13
• 13 or more	• 2.5%	• 1

Household Income, per month (in Rand)		
• no income	• 10.0%	• 4
• 1,000 or less	• 17.5%	• 7
• 1,001 - 2,000	• 42.5%	• 17
• 2,001 - 3,000	• 7.5%	• 3
• 3,001 - 5,000	• 2.5%	• 1
• 5,001 - 10,000	• 12.5%	• 5
• 10,001 or more	• 7.5%	• 3

Financial Situation

What is the financial situation of the respondents?

Are you currently a customer of any bank?		
• Yes	• 60.0%	• 24
• No, but I intend to	• 22.5%	• 9
• No, and I do not intend to	• 17.5%	• 7

Which is your bank?		
• Capitec	• 29.2%	• 7
• Absa	• 25.0%	• 6
• First National Bank	• 25.0%	• 6
• Standard Bank	• 20.8%	• 5

Do you save money?		
• Yes, regularly	• 25.0%	• 10
• Yes, sometimes	• 32.5%	• 13
• No	• 42.5%	• 17

These statistics indicate that a high proportion of the respondents are skeptical, and also often uninformed, about banking. During the interview many correspondents made negative comments about banks and banking: “banking is trouble”, “I would never want to use banks”, “banks are no good”. The only way to combat this fear and uncertainty is to educate the people about banks, finances and technology.

The following data shows how crucial educating people about banking is:

Comparison	‘Not Banked’ (16)	‘Banked’ (24)
Do you save money sometimes/regularly?	Yes: 25%	Yes: 75%
Have title deeds improved your economic situation?	Yes: 69%	Yes: 83%
Would you have been willing and able to self-fund your title deeds?	Yes: 6%	Yes: 50%
Do you think that you are capable of taking care of your property?	Yes: 50%	Yes: 67%

The numbers show convincingly that access to banking is absolutely crucial for economic empowerment. The comments by the respondents indicate strongly that the biggest obstacles towards 100% banking saturation are fear and misinformation.

Property

How do the respondents value their property?

How did you acquire this house? (not stand)		
• Government, after 1994	• 15.0%	• 6
• Government, before 1994	• 17.5%	• 7
• Inherited	• 5.0%	• 2
• Self-build	• 60.0%	• 24
• Bought	• 2.5%	• 1

Estimate the value of the property (in Rand)		
• 20,000 or less	• 7.5%	• 3
• 20,001 to 40,000	• 7.5%	• 3
• 40,001 to 80,000	• 10.0%	• 4
• 80,001 to 120,000	• 12.5%	• 5
• 120,001 to 200,000	• 7.5%	• 3
• 200,001 to 500,000	• 10.0%	• 4
• 500,001 to 1,000,000	• 5.0%	• 2
• 1,000,001 or more	• 2.5%	• 1
• N/A	• 37.5%	• 15

37.5% of the respondents are not able to estimate the value of their property. Thus, we can safely say that 37.5% of the respondents are also not aware of the true value of their title deeds. Education for these people should be of the highest importance for the Khaya Lam Project.

The FMF estimates that an average property is worth about R80,000 to R120,000 while an empty stand is worth about R30,000. From the data we can see that of those respondents that were able to estimate the value of their property a majority gave an accurate estimation. The people that estimated that their property had a market value of R500,000 or more usually had properties and houses that are far above the average township standard. Thus these answers can also be seen as accurate. Nevertheless, 15% of the respondents estimated that their property should be valued at R40,000 or less. Since most houses in Tumahole are usually traded illegally this might be an accurate estimate for the property value on the black market. Nevertheless, some people do not seem to be aware of the value of their property and the FMF should educate them.

Among those respondents that have weak or no knowledge on title deeds (see question “Understanding II”) even 56% are not able to estimate the value of their property. Moreover, the residents with little to no knowledge on title deeds estimate the value of their property to be significantly lower (all below R120,000) than the sample group. This indicates that a good understanding of title deeds is the basis for a correct evaluation of one’s property.

Knowledge

What is the respondents' level of understanding of title deeds?

To begin with, not a single respondent said that he lost his title deeds document. Many even emphasised that they keep their title deeds in safe place as they were told to do so by the municipality housing office. However, as the following chart shows, not a single respondent knew what to do if he were to lose the title deeds document:

What do you think you should do if your title deeds document gets lost?		
• Correct	• 0.0%	• 0
• False I	• 20.0%	• 8
• False II	• 27.5%	• 11
• N/A	• 52.5%	• 21

Typical answers:

Correct: “I need to go to the chief registrar of South Africa at the Deeds office” or “I need to approach a conveyancer to get of copy of the title deeds from the chief registrar”.

False I: “I don’t know. Maybe I go to Jeanette (pointing at Jeanette Mpondo, the FMF’s local land liaison officer).

False II: “I would go to the municipality office”

Note that not a single respondent was able to answer this question correctly.

This statistic shows that the community in Tumahole has a completely wrong perception of Jeannette’s role in this project. Misinformation and scope creep could hinder the project because Jeannette would have to spend time on fulfilling the deeds office’s role. If the project is to be extended this scope creep will likely lead to inefficiencies and additional costs for the FMF.

This project will not be able to use the legal structures that are in place to support title deeds holders because the people are not aware of these.

The answers to this question show that education on the legal backend and the governance support structure of title deeds is a decisive necessity for the project to move forward efficiently.

Do you understand what a title deed is?		
• Yes	• 65.0%	• 26
• A little bit	• 25.0%	• 10
• No	• 10.0%	• 4

What do you think is a title deed?		
• Strong	• 25.0%	• 10
• Mediocre	• 52.5%	• 21
• Weak	• 12.5%	• 5
• False	• 0.0%	• 0
• N/A	• 10.0%	• 4

Typical answers:

Strong: “The title deeds document proves that I am the owner of this piece of land. This means that neither my neighbor nor anybody else can take away this property from me or from my children when I die.”

Mediocre: “Title deeds mean that my family owns this place.”

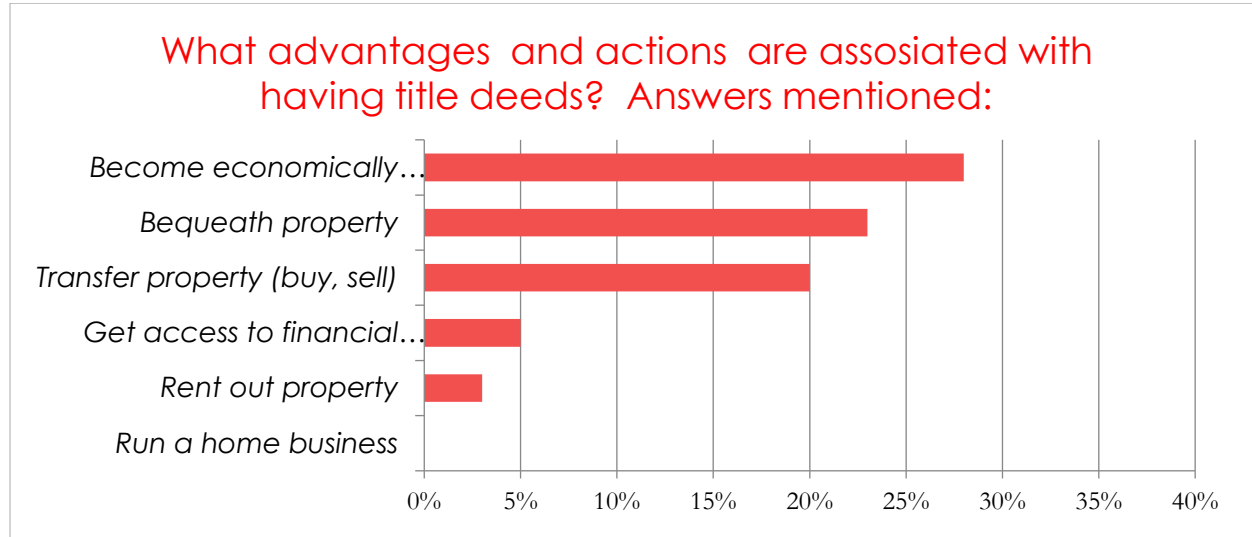
Weak: “I am not sure. I think ... title deeds give security.”

The majority of respondents had a good or at least a basic understanding of title deeds. Nearly everyone was aware that title deeds have something to do with their property and that a title deeds document is important. One point that seemed to be particularly important to many participants in the project was the added security for the family as title deeds are crucial in order to make a will.

Nevertheless, 10% of the respondents had no idea what a title deed is.

Implications

Are the respondents aware of the implications of having title deeds?



One of the hopes of the Khaya Lam Land Reform Project is that people will get empowered by receiving title deeds. This is a very good question to test this hypothesis.

In this question 55% (22) of the respondents did not mention any advantage associated with title deeds while the other 45% (18) showed that they understand the implications of having title deeds. The three answers that were mentioned most often were “Become economically independent” (27.5%), “Bequeath property” (22.5%) and “Transfer property” (20%).

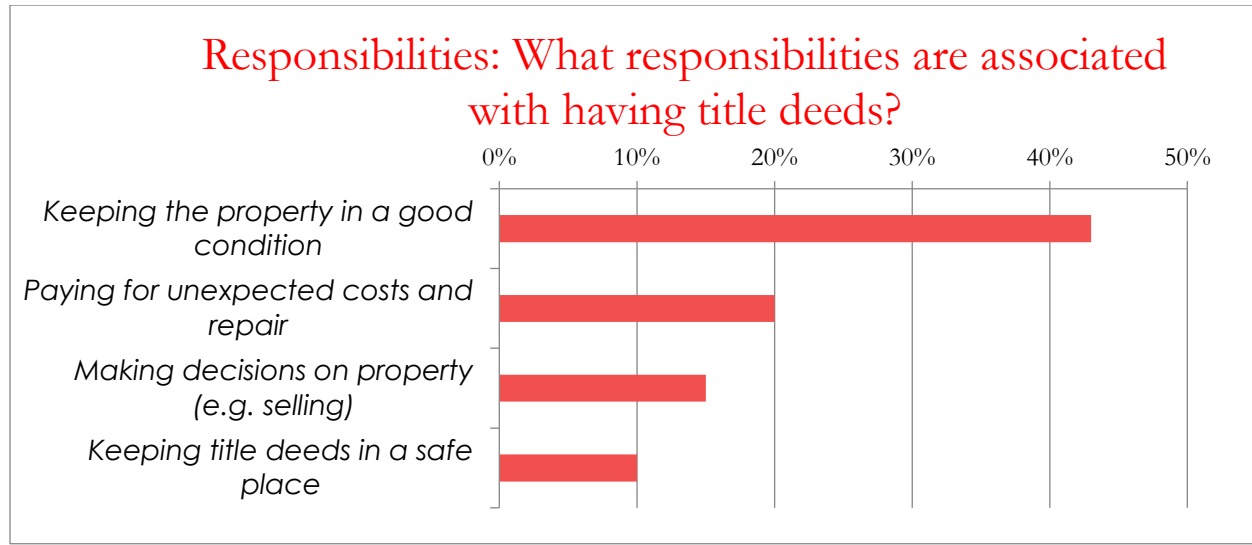
Only 2 people (5%) mentioned the possibility of obtaining access to financial services. During the interview process it became clear that the majority of people did not even know that this opportunity exists.

Moreover, not a single respondent pointed to the possibility of running a home business. This is a poor result considering that the project aims to create economic activity in Tumahole, an area that is currently not very economically active.

Indeed quite a few respondent specifically said that they “do not want to do anything with the title deeds document” besides keeping it for security purposes in a safe place.

Even though the security of title deeds is an important point, this will neither create economic activity (home businesses, bank loans, housing market) nor enhance social mobility.

From this question on the advantages, and from the prior questions on understanding, we can deduce that the majority of participants in the project do have a basic understanding of title deeds and do understand that the document is valuable. However, many of the less informed participants are not capable and/or willing to use the title deeds in the way the project initiators envisioned.



In this question 50% of the respondents indicated that they had at least a rough understanding that they have a responsibility towards their property. Note that many of the 50% were only able to give an answer to this question after they were given one or several suggestions or reminders. That means that the other 50% of the respondents were simply not aware that they were now responsible for their property.

This result is complemented by some comments made by respondents regarding housing repair: A number of people (~ 10 - 15%) said something along the lines of “I will go to the housing office of the municipality and ask them to fix it.”

This shows that at least some of the participants in the project are not willing and/or able to be what the project envisions them to be: Self-reliant, economically empowered home owners. However, this result is to be expected. Remembering that black South Africans did not have any property rights until 1994 explains why a “property rights culture” (the way it is very prominent in the United States and in Europe) has not yet developed among the black township residents. Nevertheless, the fact that 50% of the respondents know about their responsibilities and feel that they are able to handle these indicates that this is first and foremost an education issue which can and should be addressed by the project.

Evaluation

What do the respondents think about title deeds?

When asked whether getting title deeds is a good or bad idea a large majority of 90% of the respondents said that they considered it a good idea. 4 respondents (10%) were unable to answer the question or thought getting title deeds is a bad idea. This shows that the FMF did a good job in convincing the participants in the project that title deeds are good and important. Indeed, the individual responses showed that many people were very grateful towards Jeanette Mpondo and the FMF. Even some people with a very poor understanding of title deeds seemed to have a positive attitude toward the whole project.

Next the respondents were asked why they thought getting title deeds is a good/bad idea

Why do you think getting title deeds is a good/bad idea?

Here is a collection of 10 'typical' answers:

“Getting title deeds is a very good thing because it gives security by proving ownership. Now that I have title deeds I can live free and mentally relieved since no one can take the property away from me.”

- “Title deeds give me security and the possibility to do whatever I want with my property.”

“The title deed is a weapon for me to fight for my house if someone wants to take it away from me.”

- “Getting title deeds was a good idea because now no one else can claim the property.”

“Title deeds are important because they guarantee that the house stays in the hands of the family.”

- “Getting title deeds was a good idea because now I own the property.”

“Title deeds are important for the property.”

- “Title deeds provide a security.”

“I do not understand title deeds.”

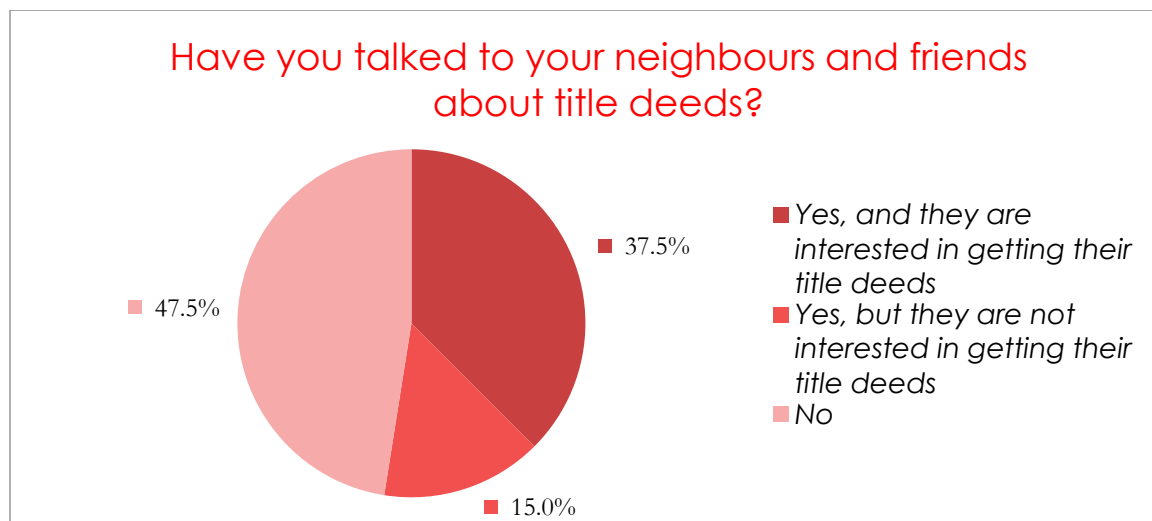
- “Title deeds are some ‘modern nonsense’ that I do not understand.”

The answers show the whole spectrum of opinions about title deeds. Some people were able to name actions that they can now take with their property (e.g. sell, bequeath). One respondent even said that he had been trying to get title deeds himself for years but was not successful in doing so as

the process is far too complicated and slow. This respondent said that only due to the Khaya Lam Project he was able to get title deeds for his property.

The majority of respondents referred to title deeds as a security that is important for the property. Once again, even though this answer is not incorrect we cannot expect these people to get any other economic value from their title deeds. In order to create economic activity in Tumahole the project needs informed and educated citizens who can use their property in creative ways to add value to the economy (see Hernando de Soto “The Mystery of Capital”). On the plus side the answers once again confirm that the overwhelming majority had a positive attitude towards title deeds. This will make it easier for the FMF to educate the project participants further on how they can use their title deeds and their property (e.g. bank loan, home business, transfer property).

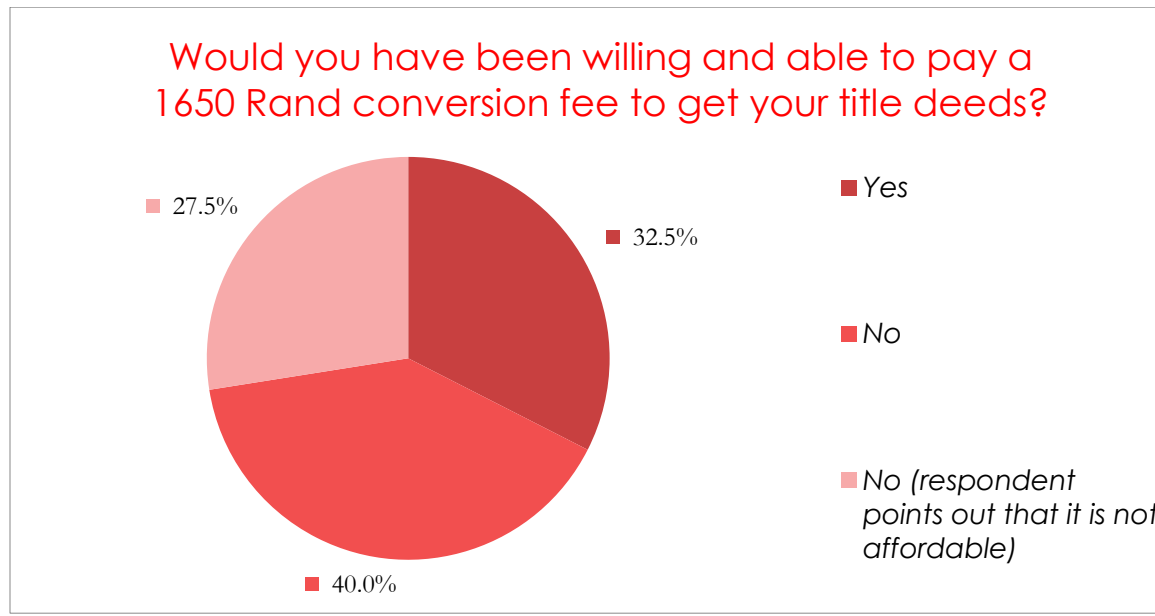
Some respondents were not able to answer this question because they did not understand title deeds. Moreover, one project participant even characterised title deeds as “modern nonsense”. This shows that education is absolutely crucial as these people can otherwise not gain any economic value from their title deeds. Considering that each conversion currently costs R1650 this is a big amount of wasted resources which needs to be addressed by the FMF.



From the above statistic we can deduce that title deeds are not as important in the community as desired. However, this is likely to change if the project gets extended and the 52.5% that have at least tried to explain title deeds to their neighbors and friends can be seen as a good start. Many respondents however pointed out that the “vast majority of residents in Tumahole do not understand” or “do not care about” title deeds. Here there is a clear need for “professional education” as emphasised by one participant who particularly remembered the FMF’s explanation on title deeds in a local radio programme.

Self-funding

Are the project participants willing to fund their own conversions?



In the long-run the project aims to function mainly on a self-funded basis. Thus, it is important to find out how many people are willing to pay the R1650 themselves. The survey showed that about 1/3 of the respondents are willing and able to self-fund their title deeds. As we will investigate further in the next chapter there is a significant correlation between the level of understanding of title deeds and the willingness to pay for the title deeds. Unsurprisingly, the monthly household income is also correlated with the “willingness to pay”.

At this point it needs to be noted that the statistic is likely to underestimate the number of people that would be willing to go for a self-funded option as no respondent wanted to stay anonymous. It is possible that some respondents who said that they would not be willing and/or able to pay said so because they feared the FMF or the deeds office would charge them in the future.

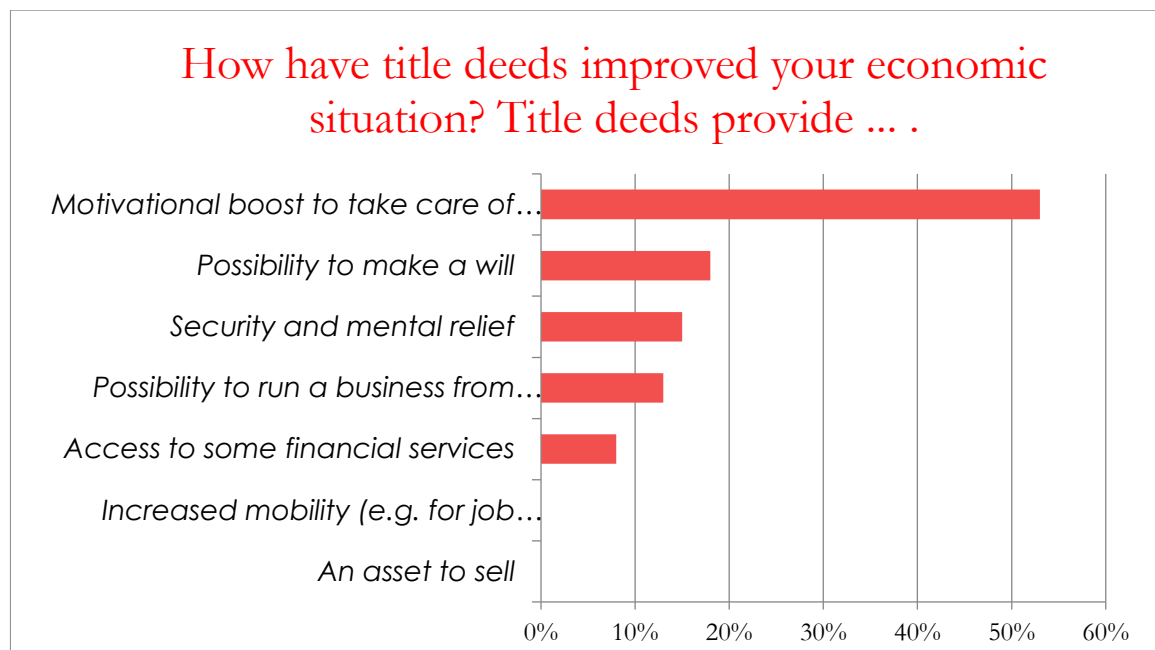
One other interesting point that was mentioned by a total of three respondents was the ‘fairness’ of a self-funded option. These three respondents were of the opinion that the government promised them the stand. Thus, they felt like the rightful owners of the land and would not have been willing to pay the conversion fee. Even though, this ‘fairness argument’ is understandable it shows that not all respondents are aware of the legal situation as the land they are living on was council-owned before the conversion. Indeed, the residents did not own the land at any point in time and would for example not have been able to legally sell the property.

Economic Empowerment

Do the respondents feel economically empowered by the project?

In order to find out something about the economic impact of title deeds we asked whether the participants felt that receiving title deeds had improved their economic situation. 77.5% said that they felt their economic situation had improved, the other 22.5% did not see any immediate benefits in having title deeds.

This statistic shows again that the clear majority of people felt positive about title deeds and about the project. However, considering that each conversion is costly, the FMF should try to educate every participant on how title deeds can improve one's economic situation.



This statistic readdresses a point that was mentioned earlier in this report. Even though many people value title deeds (“Security and mental relief”) few actually have any idea what they can do with their title deeds document and with their property. 65% of the respondents mentioned one or more of the above (or any other ‘correct’) answer, 35% did not.

In order to give some perspective some of the success-stories on economic empowerment through title deeds should be mentioned at this point:

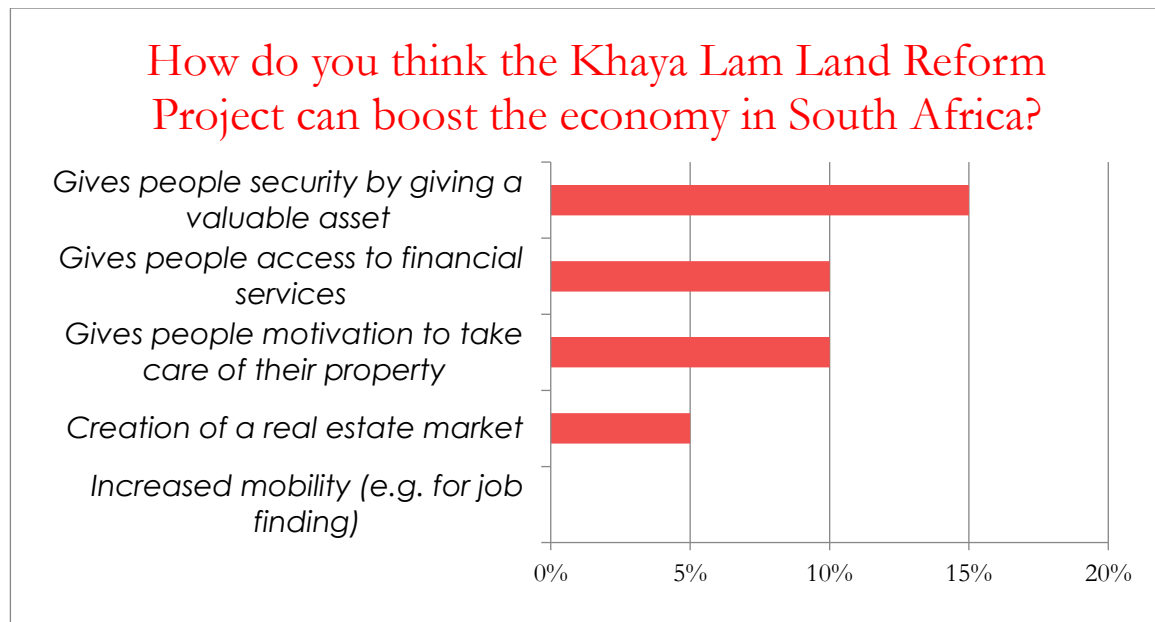
One project participant said that now that he has title deeds he is proud of his property and takes better care of it. Indeed, he explained that the project gave him the decisive motivational push to start a renovation on his property.

Another respondent told us that she wants to build up a house (the respondent received title deeds to what is currently an empty stand) in order to rent parts of it out. She is aware of the fact that title deeds are crucial in order for her to keep control of the property.

A third great example is a family who wants to use the title deeds document to get a bank loan in order to renovate and extend their home.

These examples show that the Ngwathe Land Reform Project can lead to economic empowerment if, and only if, the participants have the knowledge on how to utilize the title deeds to their advantage.

After that, the respondents were asked if they thought the Khaya Lam Land Reform Project could boost the economy in South Africa. A small majority of 55% said yes, while 22.5% were uncertain, and another 22.5% said that the project would probably not help the economy. However, as the following statistic shows few people were able to identify how the project could boost the economy.

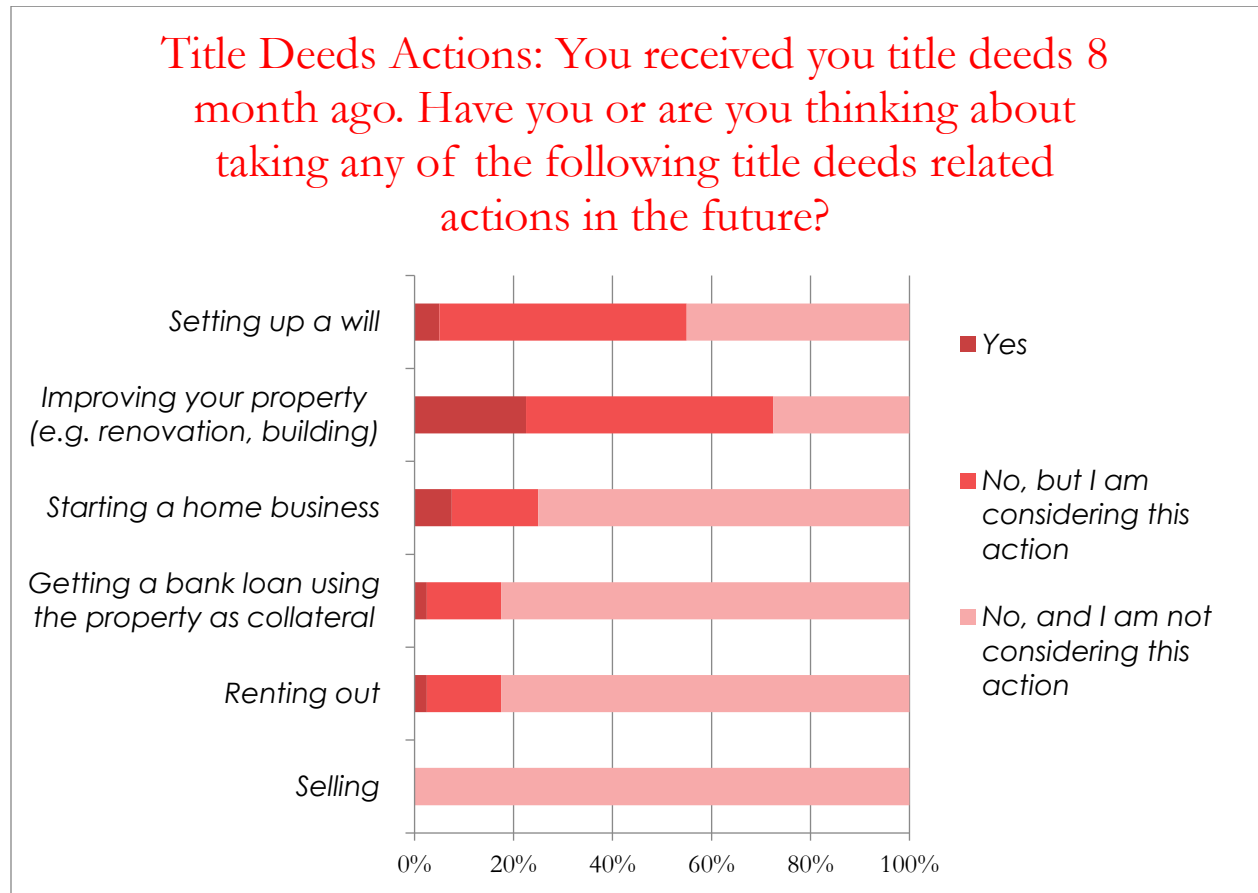


Only 27.5% of the respondents were able to name one or more of the above (or any other sensible) answer. 72.5% were not able to answer the question or did not believe this project could boost the economy in South Africa. The results to this question show a lack of understanding of title deeds and how giving title deeds can benefit the economy in a part of the sample group. Education on this topic is needed. In fact, one respondent answered this question by saying that title deeds can only benefit the economy if the people understand their property rights!

Title Deeds Actions

What actions have the respondents taken with their title deeds?

For the following question the respondents were prompted with the named title deeds related actions (i.e. selling, renting etc.).



This question is different from the others seemingly similar questions in that it is not an open-ended question. Instead the respondents were asked: “Do you sell/rent out/... the property or are you consider to rent out the property at any point in the future.” Thus, this question is not primarily about knowledge on title deeds but on economic empowerment and willingness to take risks.

The most striking result in this question is that not a single respondent considered selling his or her property an option. Many respondents even emphasised this point saying that they would never and under no circumstances sell their property, as it is the only valuable asset the family owns. Other respondents explained that selling the family house is not part of their culture.

Moreover, the vast majority of respondents did not consider any action that might potentially pose a risk to their property (renting, bank loan).

25% considered starting a home business an option. Many respondents again argued that this is not part of their culture: The home is supposed to be a family place, which is free of work. Among the unemployed 46.2% were open to the option of starting a home business.

A great result for the project are the 22.5% of people that engaged in some form of renovation or building activity since they received title deeds. Another 50% were open to take this action in the future. Many of those respondents said that they would like to improve their property but did not have the resources to do so.

Lastly, another success for the project is that 50% of the sampled participants were considering making a will. The majority of those 50% however told us that they did not know how to go about making a will. Thus, it should be of utmost importance to the project to give the project participants some sort of guidance on how to make a testament.

Overall, the results on this question prove that people can be empowered by giving them title deeds. Also, this question shows that the township residents act very responsibly with their property. This disproves one of the major concerns about the project which is that the participants would not be able to carry the responsibility of being home owners. The argument goes that people cannot be trusted with title deeds as many would for example sell their property for a short-term profit and end-up being homeless. As this survey shows, quite the contrary is correct: The people can be trusted with their title deeds and with this added responsibility. Indeed, it seems like giving people more responsibility over their lives leads them to behave more responsibly (e.g. respondents care more about their property)!

However, as this question also shows, many people act too cautiously. Economic growth always requires risk-taking, entrepreneurial people. This survey shows that the culture and mindset of the community is not yet focused on this aspect. Too many people explicitly said that they “do not want to do anything” with their title deeds.

A second conclusion we can take from this question is that the people need professional help in taking title deeds related actions (e.g. making a will).

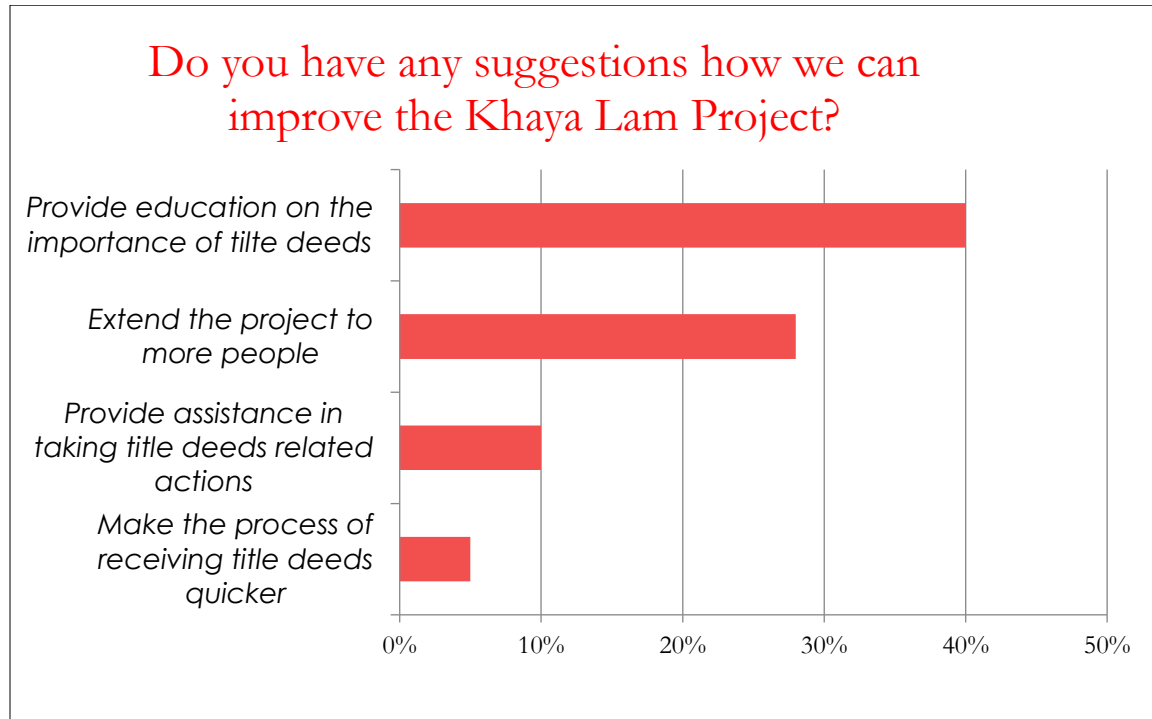
Do you think that you are capable of keeping your property in a good condition and doing repairs?		
• Yes	• 60.0%	• 24
• Maybe, depending the necessary repair	• 20.0%	• 8
• No	• 20.0%	• 8

The answers to this question reassure a point that was already mentioned in the report: The majority of township residents can be trusted to take care of their property. Even among the unemployed the number of people that feel that they are capable of taking care of their property is 69% (39% yes, 30% maybe). Many respondents said that they would be able to call friends or family members to help repair their home.

However, 20% of the respondents did not feel like they would be able to take care of their house if something bad happens. Some of those 20% said that their only possibility would be to go to the municipality and ask them to repair any damages.

Ideas for Improvement

How could the Khaya Lam Land Reform Project be improved?



67.5% of the respondents said that the project can be improved in some way, while 32.5% did not have any suggestions. The two answers that were named most often were “Provide education on the meaning and importance of title deeds” (40%) and “Extend the project to more people” (27.5%). Especially, the more educated people often called for more education as they understood that not everyone in the township was aware of the importance of title deeds.

Moreover, we asked the respondents what their thought of an education campaign on title deeds: 92.5% of the respondents said this would be a good idea, while 7.5% were unsure or thought this would be a bad idea.

These numbers prove that an education campaign could improve the project and also that any form of education would be welcomed by the community in Tumahole.

PART B: CORRELATIONS

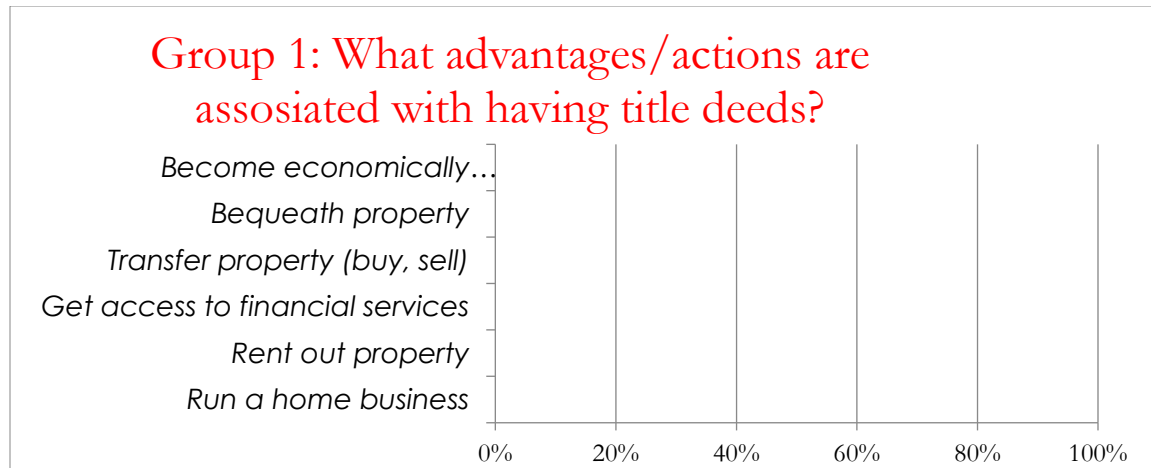
From looking at the sample statistics we were able to identify education and knowledge on title deeds as the most crucial factor in economic empowerment. Since the goal of the project is precisely economic empowerment we can say that the success of the whole project depends on better education.

In the following we want to understand exactly how crucial education on title deeds is. Therefore, we will investigate how the answers between the people differed depending on their knowledge on title deeds. As we have seen above most people had a basic understanding of title deeds but only about half of the respondents knew about the implications of title deeds (see question “Advantages”).

Therefore we divide the respondents in two similar sized groups using the “Advantages” question:

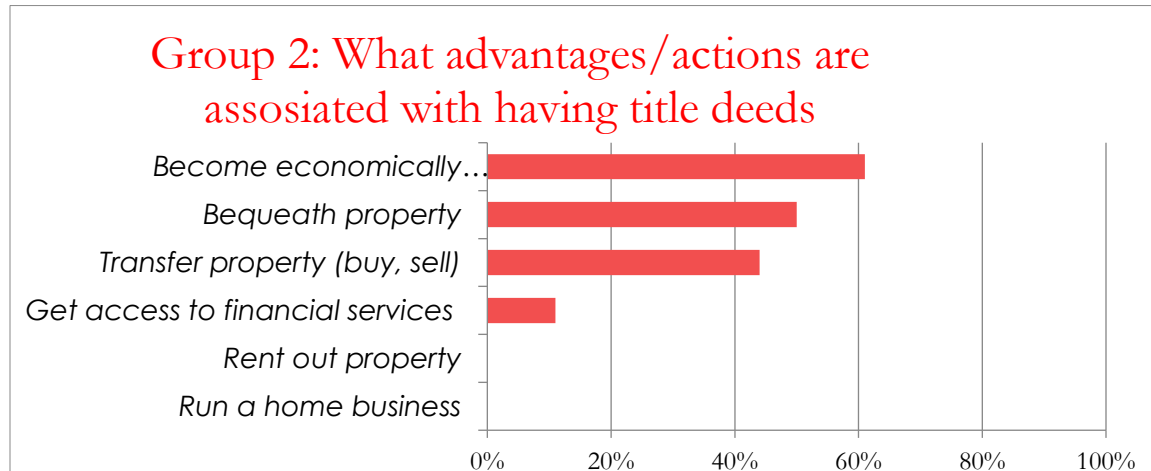
Group 1: Respondents with a below average understanding of title deeds:

Respondents who were not able to mention any actions/advantages related to title deeds. (22)



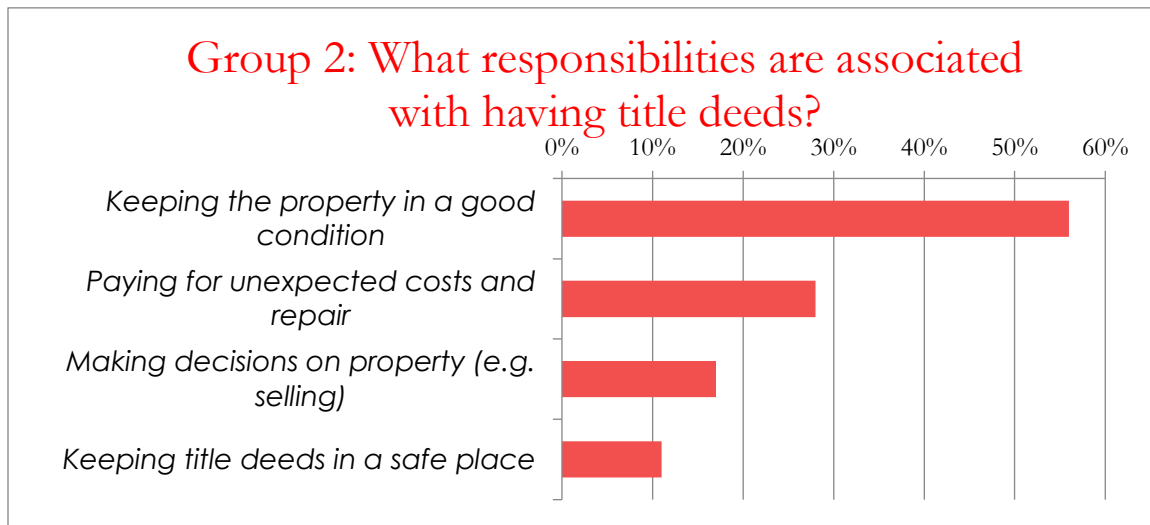
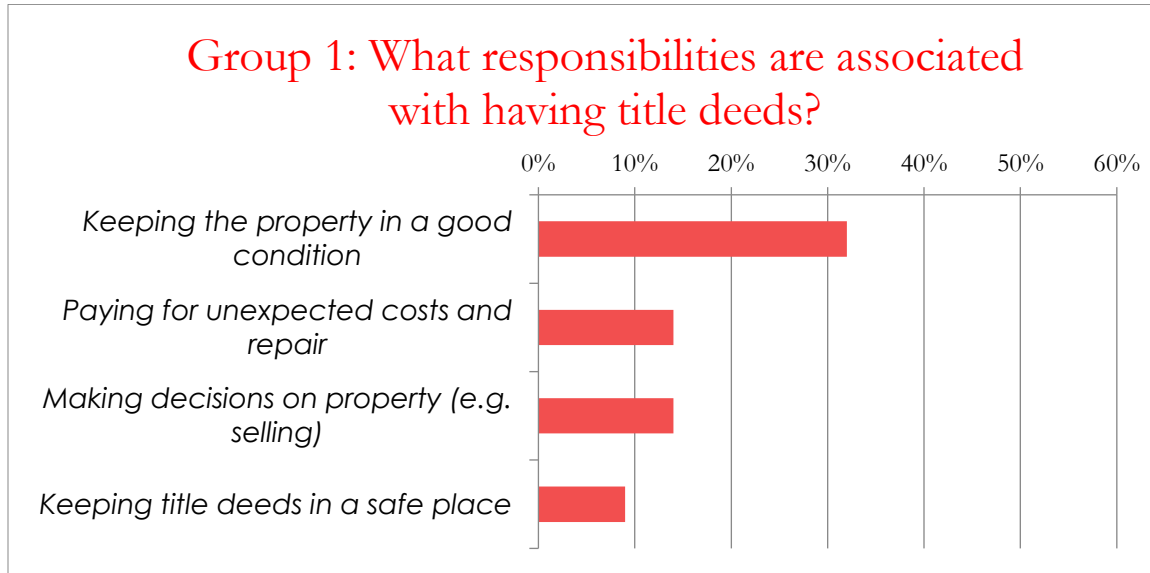
Group 2: Respondents with an above average understanding of title deeds:

Respondents who were able to mention one or more actions/advantages related to title deeds. (18)



Comparison on 'Responsibilities'

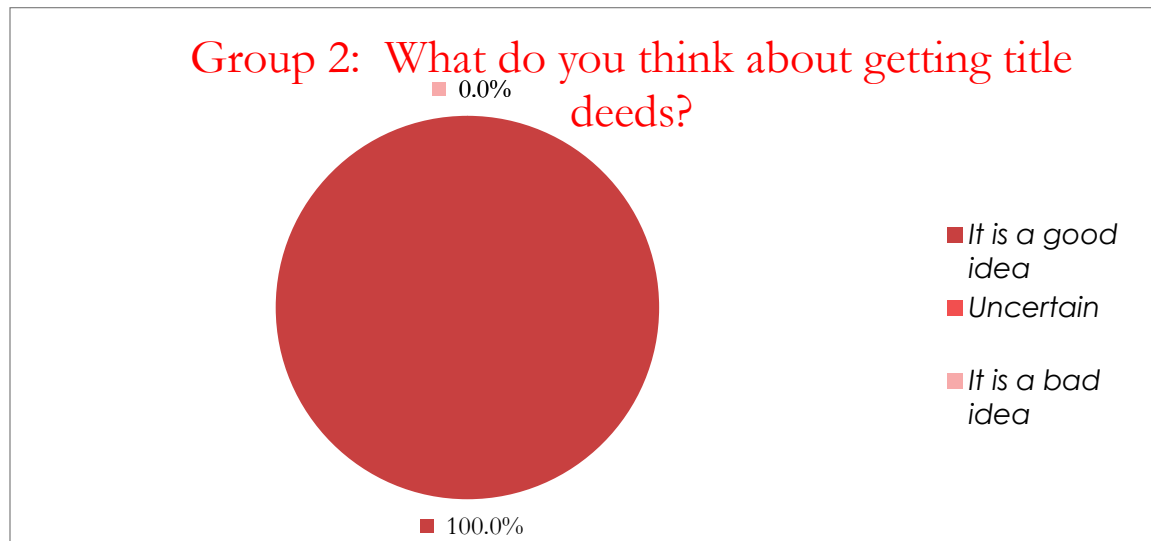
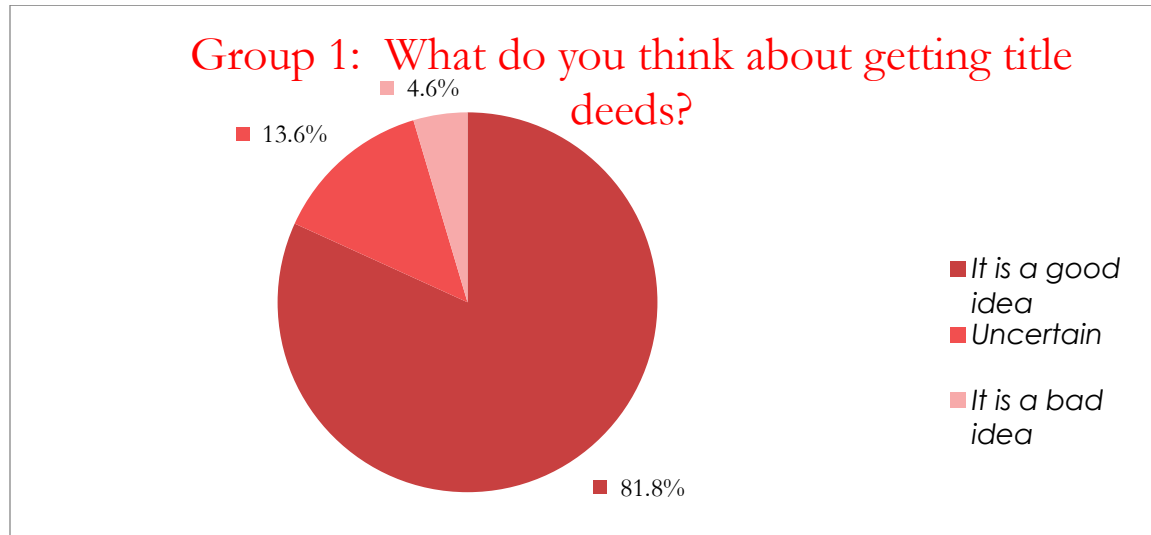
How do the two groups differ in their understanding of the responsibilities associated with title deeds?



Unsurprisingly, the respondents of Group 2 had a better understanding of their responsibilities as homeowners than the respondents from group 1. From Group 1 36.4% of the respondents were able to name at least 1 responsibility, while this was the case for 67% of the respondents of Group 2.

Comparison on 'Evaluation'

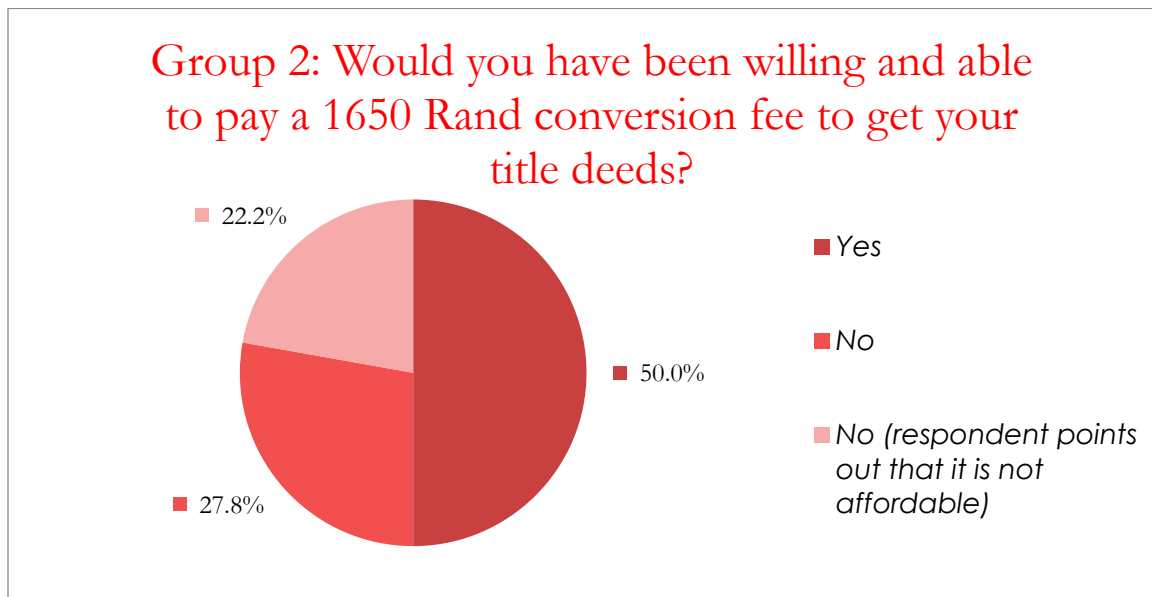
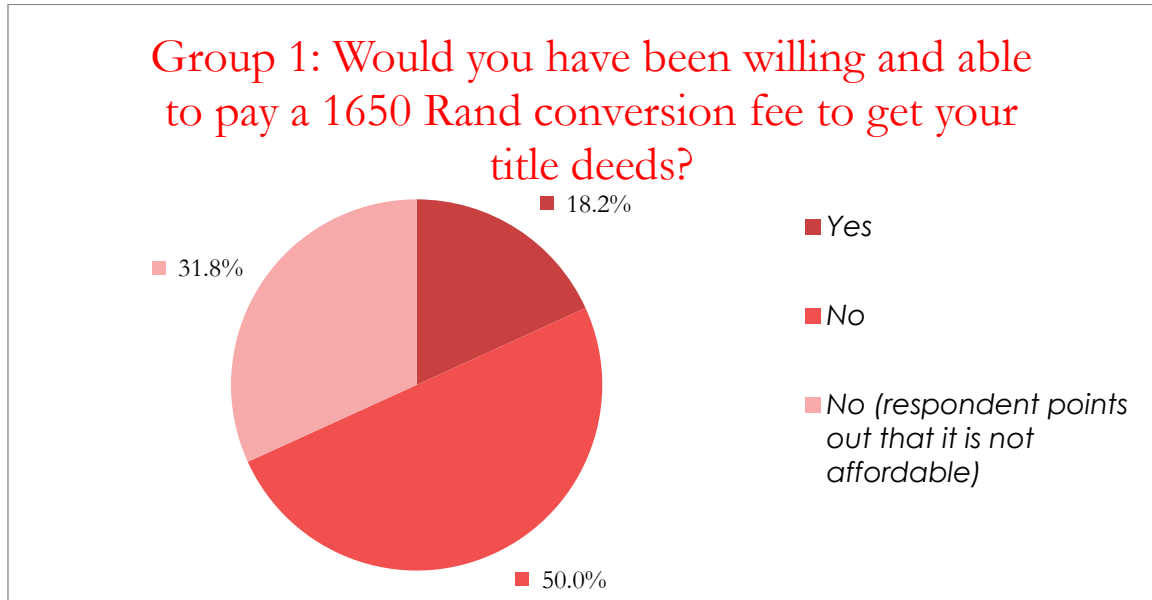
How do the two groups differ in their evaluation of title deeds?



The above charts prove a very intuitive result: The respondents that have a better understanding of title deeds also feel more positively about title deeds. Indeed of all the individuals that understood title deeds well (Group 2) thought getting title deeds is a good idea.

Comparison on 'Conversion Fee'

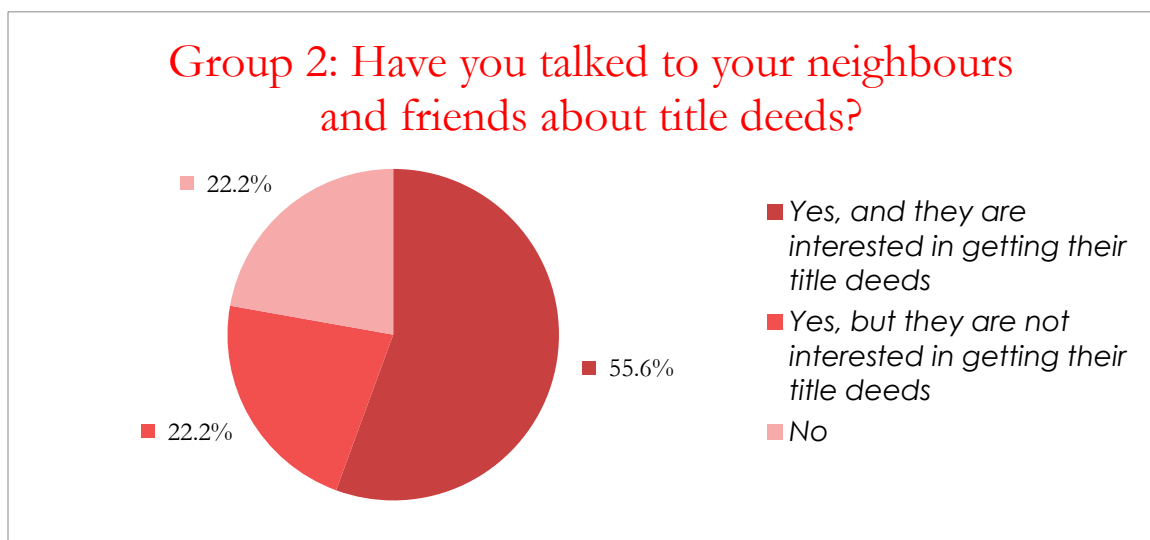
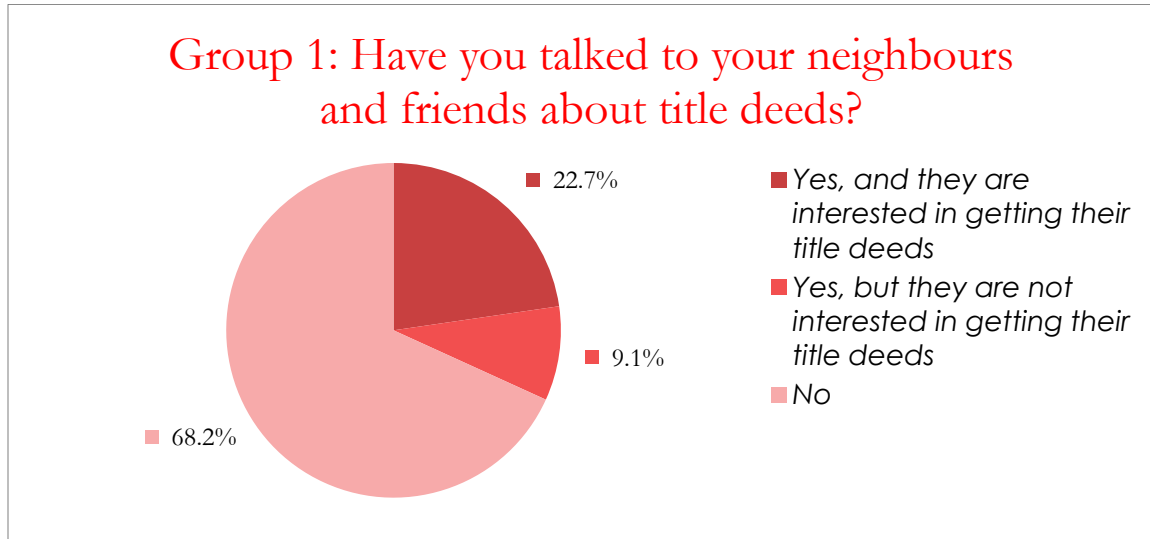
How do the two groups differ in their 'willingness to self-fund' their title deeds?



In the long-run if the Land Reform project is to be scaled-up we need people to pay for their own conversions. Otherwise it is not possible to convert 10 million homes in South Africa to full freehold. The question remains: “How can we motivate as many people as possible to self-fund their conversion.” The above charts show that the “willingness to pay” is highly correlated to the “understanding of title deeds”. These results give us the answer on how we can scale-up this Land Reform Project: The key is education!

Comparison on 'Neighbors/Friends'

How do the two groups differ in their role as 'ambassadors' for the Land Reform Project?

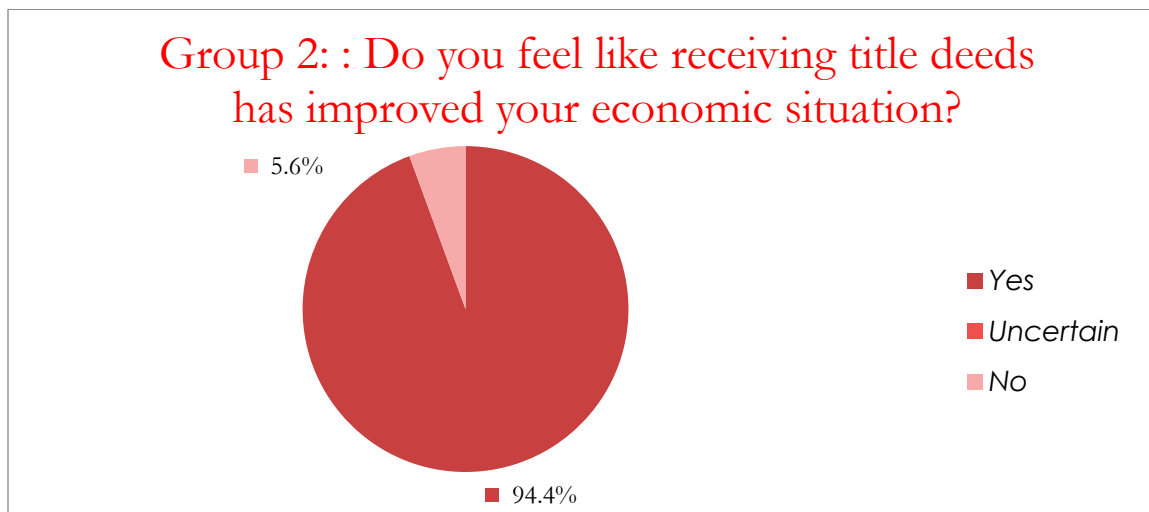
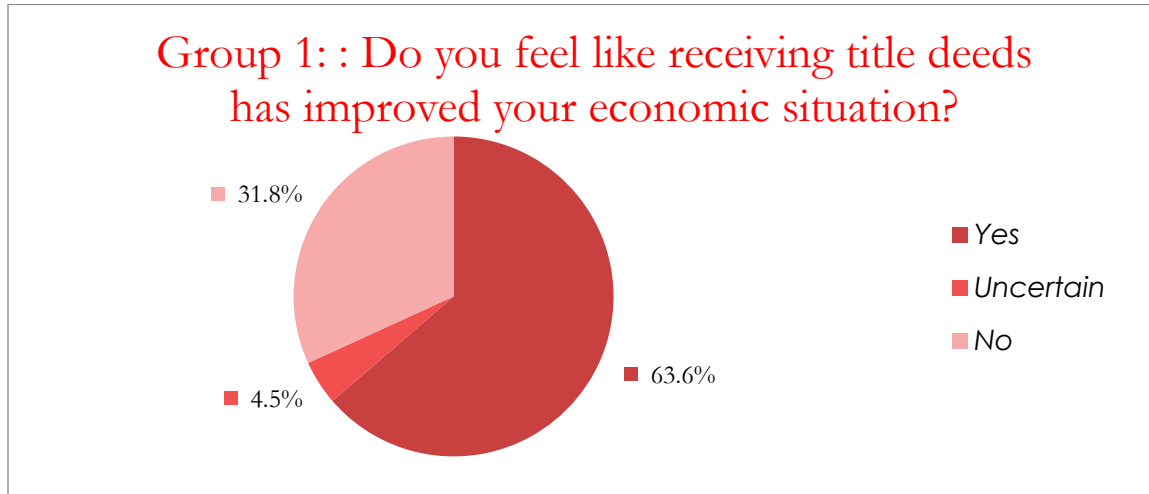


Intuitively there is another advantage of education on title deeds: Every township residents who understands the meaning and importance of title deeds is likely to help the project by “spreading the message.”

We would expect any well-informed participant to talk to his neighbors and friends about title deeds: The above statistics (Yes: 31.8% Group 1, 77.8% Group 2) show that we can view every well-informed participant in the project as ambassador for title deeds and for the Land Reform Project. Firstly, this underlines just how important education is for the success of this project. But secondly, this also proves that the FMF does not need to educate each and every single township resident individually as we can expect that at an education campaign would be self-sustaining.

Comparison on 'Economic Empowerment'

How do the two groups differ in their perception of economic empowerment through title deeds?



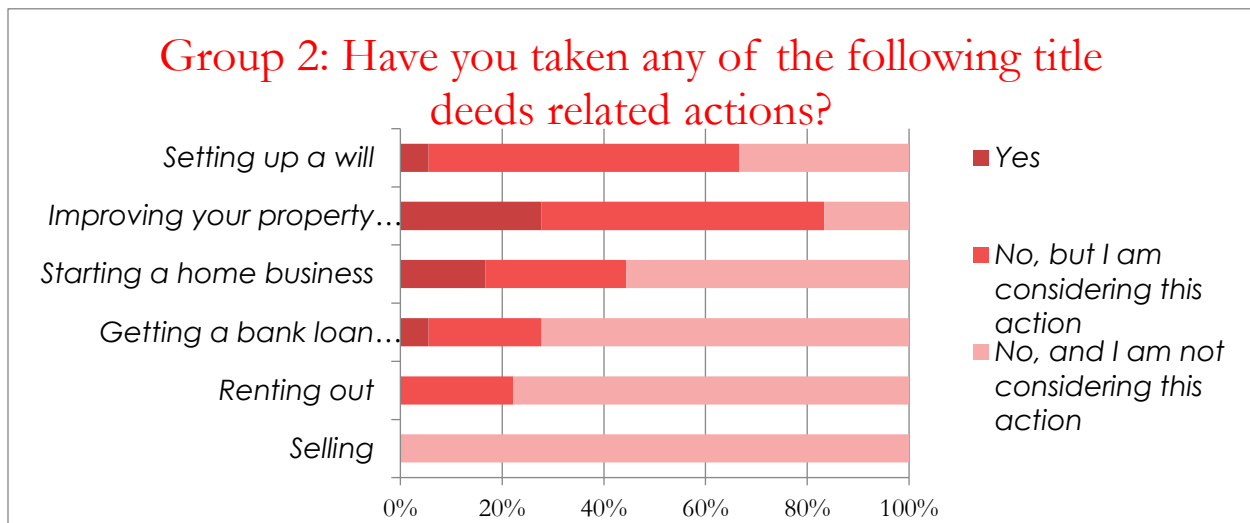
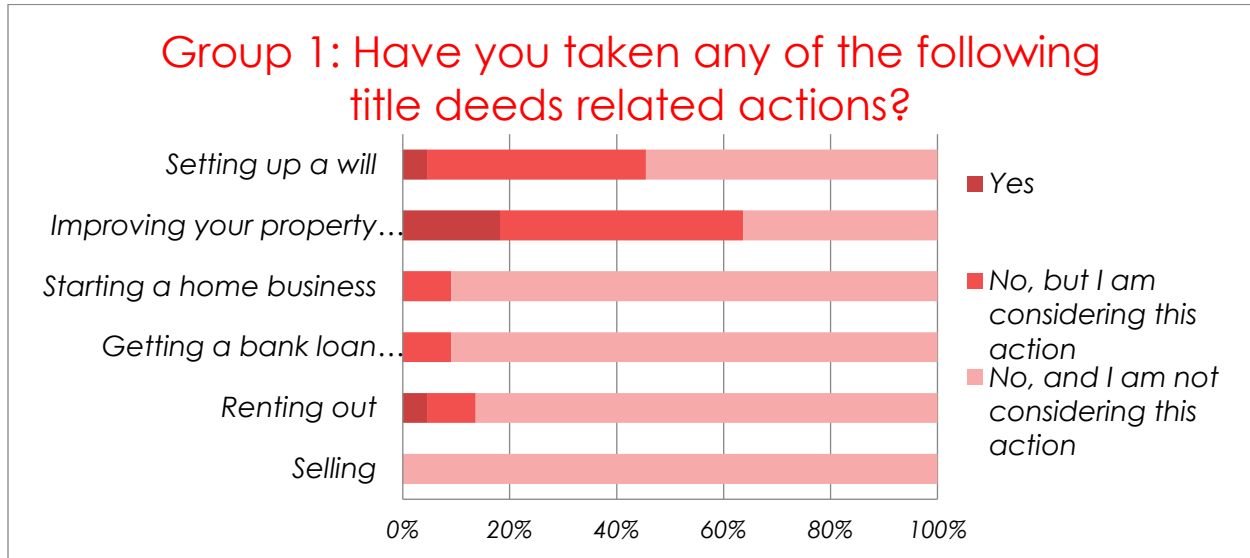
We, as the FMF, believe that homeownership can economically empower otherwise powerless township residents. The above statistics gives a strong indication that for economic empowerment an understanding of title deeds is crucial.

The question on the economic impact of title deeds on South Africa shows a very similar result: In Group 1 36.4% thought giving people title deeds could boost the economy while 27.4% were uncertain and 36.4% did not think the project could have a positive effect on the economy. This compares to 77.8% yes, 16.7% uncertain and 5.6% no in Group 2.

These numbers prove that giving title deeds to people is not enough to economically empower them. However, if a township resident receives title deeds and gets a basic education on what he can do with the document this will, as the above charts show, almost certainly improve his economic situation.

Comparison on 'Title Deeds Actions'

How do the two groups differ in the actions that have taken with their title deeds?



The above charts show that the respondents with a good understanding of title deeds (Group 2) made more use of their property rights. The two groups differ especially in the more 'elaborate' title deeds related actions like renting, getting a bank loan or starting a business. The charts show that the participants with a better understanding of title deeds found better and more creative ways to economically empower themselves.

Considering the whole section 'Part B: Comparison' I reach the conclusion that a single well-informed title deed holder can help the project (ambassador role, self-funding) as well as the economy in Tumahole (economic empowerment, title deeds related actions) more than several ill-informed title deed holders.

CONCLUSIONS

In order to conclude this survey report we can take a second look at the leading question:

What is the project participants' level of understanding on land reform and title deeds and how can this project empower the citizens in Tumahole?

This survey report showed that some participants in the project had a very good understanding of title deeds while others did not. The majority had a basic understanding of title deeds while they did not seem to be aware of the implications. Thus, they were not able to use the title deeds to their full advantage. However, as this report also proves, title deeds can be incredibly empowering and the FMF has some great success stories to tell.

Moreover, this survey showed how education is important for virtually every aspect of the project. Indeed, without an education campaign the project will not be able to reach its goal of converting all houses in Tumahole to full freehold. Educated title deeds holders are the factor that can push this project forward as they provide great examples of the economic empowerment that is associated with title deeds. Moreover, they function as 'ambassadors' for the project in their community. Lastly, as the statistics showed, if we educate the people about title deeds many of them will be willing to pay for their title deeds themselves. Thus, investing money in education is the most promising and cost-effective way to complete this project successfully.

AUTHOR

This survey report was designed and presented by Jan Friedemann who worked as an intern for the Free Market Foundation in June and July 2014. Jan was also in charge of designing and conducting the survey

Jan grew up in Düsseldorf, Germany and is currently pursuing a degree BSc Business Mathematics and Statistics (2016) from the 'London School of Economics and Political Science' with a scholarship by the 'Friedrich Naumann Foundation for Liberty'. Jan gained experience in research and economics as the Head of Research of the LSE SU Economics Society. Jan has a strong interest and a broad and deep knowledge in Austrian Economics. Moreover, he has always been particularly enthusiastic and active in the promotion of Liberty, Human Rights and Free Market Economics.
