The Demand for Land Titles:
Homesteading in Haiti, 1933—1950

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One of the most common policy recommendations in developing countries is titling land. Yet, even when titling programs are offered, demand is often low. We look at one such titling program in Haiti. The program offered tenants renting public land an opportunity to privatize the land as a homestead, giving them title and ending rental payments. We find that participation in the rental program does predict program take-up, yet demand for titles is still low, with fewer than 700 granted in the program’s first 16 years. After showing that the low demand cannot be explained by low benefits, high administrative costs, or political motives, we suggest a major barrier to adoption was a principal-agent problem, where the government officials best positioned to disseminate the program had incentives to not inform beneficiaries they could receive titles.
Since property rights in developing countries are often insecure and poorly defined, one of the most common policy recommendations is to title land. Countries that have implemented such programs have seen significant efficiency gains: titling land increases investment on the property (Galiani & Schargrodsky, 2010) and frees labor to move to better opportunities (Agyei-Holmes et al., 2020; Chernina et al., 2014; De Janvry et al., 2015; Field, 2007). Despite the benefits, the demand for land titles appears to be low. In Sub-Saharan Africa, 23 countries implemented titling programs, yet almost none of the programs succeeded in widespread titling (Ali et al., 2014; Deininger et al., 2008). For example, Ghana established a titling program in 1988, but by 2006, out of a population of 23 million, it had only received 42,000 applications (Kuntu-Mensah, 2006). De Soto (2000) documents similar titling programs in Haiti and Peru that receive few applications relative to the amount of untitled land. Why are titling programs in developing countries undersubscribed?

In this paper, we look at the factors affecting the demand for titles using a homesteading program in Haiti. This program aimed to transfer state-owned land to farmers who were willing to rent and improve the land for three years. After the three-year probation, farmers gained full title. This program has several benefits for examining hypotheses about the demand for titles. One explanation for low demand is that the potential title holder does not believe the government has the capacity to enforce the title. But this program avoids this concern because it targeted tenants who were already renting state land, so we know that the tenants already trusted the government’s capacity. Low demand is also often attributed to titles providing few benefits over informal ownership. The homesteading program overcomes this because it was designed to give strictly better property rights than what the tenants had. Finally, another explanation is that the administrative burdens to requesting the title are too large. Indeed, De Soto (2000) argues this is one of the main barriers and argues it specifically for this exact titling program in the 1990s. This program allows us to address this concern because we observe it at its inception and can see what administrative burdens looked like from the beginning.

We collect data on all land titled under this program during its first 15 years. We find that in this period the government issued only 679 titles. This shows demand was weak. In 1933, the government estimated there were 28,857 tenants renting state land (Haiti Bureau du representant
fiscal, 1933, p. 163), meaning that approximately 2% of the number of plots converted. We also collect data on the amount of rental revenue collected in each district, which acts as a proxy for how many local properties qualified for titles.

We empirically explore several hypotheses for the low demand. First, we look at whether the title offered better benefits than the alternative. To test this, we look at whether participation in the rental program predicts participation in homesteading. We find a strong, statistically significant association: a 10% increase in rental program participation in 1933 is associated with a 6% increase in homestead titles between 1934 and 1950. This suggests the program succeeded in offering better property rights than simply renting land, but participation in both programs was so low that the title’s benefits are inadequate to explain low demand.

We next test for whether the program’s administrative burdens deterred demand. Looking at this same program, De Soto (2000) argues that the burden of applying for a title makes the program impotent. While his analysis in the 1990s found that titling land in Haiti took 12 years (p. 22), we show that at the program’s beginnings, applications were processed in 18 months. We empirically test the hypothesis by seeing whether the average title delay predicts homesteading titles. We find evidence that longer delays are associated with fewer titles, but the results are not statistically significant. There are other reasons to believe the delays had small effects on demand. First, if we take the results as causal, the magnitude of the estimates suggest an extra 6 week delay in processing reduced demand by 2%, but that is a relatively small delay for a title that would grant benefits in perpetuity. It is likely that we are uncovering a reverse causality relationship: districts that had fewer title requests could process them quicker. We also show that the average delay shrank over the years we see titles granted, yet instead of seeing an increase in titling, the number of titles granted also shrank.

The final hypothesis we consider is whether the titles were a transfer meant not to increase productivity but to curry political favor. Our empirical test looks at whether the titles went to more politically connected individuals. For the homesteaders, we create proxies for political connections using an exhaustive encyclopedia of Haitian politicians. We also create these proxies for a set of tenants who were renting land prior to the program’s start in 1934. There is no evidence that the
homesteaders were more politically connected than the tenants. Indeed, the evidence tips slightly in the direction of the tenants being more connected.

While the empirical tests are interesting, they fail to explain why titling is generally so low. We consider two other hypotheses for title demand. First, we consider whether the titling program was used to claim territory along the Haitian-Dominican border. On the Dominican side, the government was using a similar homesteading program to reinforce its claim to frontier territory, so it is important to consider whether this program was used likewise. While we cannot empirically test this hypothesis, we show that the areas with the most titles were along the most contended part of the border. This suggests that claiming land on the frontier influenced the demand for titling.

Our second hypothesis for why titles were in low demand is that the program administration had a principal-agent problem. The homesteading program was an opportunity to convert rental properties into rent-free homesteads. Since employment at the local level depended on how much revenue the agents could collect, there was no local incentive to disseminate the program. Furthermore, since the program transferred state land to private hands, it threatened to erode the state’s wealth. Indeed, when the legislation for the program was first considered, legislatures tried limiting the title’s rights to prevent too much land leaving the state’s control. We cannot empirically test for this problem, but the hypothesis makes sense given the institutional arrangement and it can explain why the titling program was so small.

This paper contributes to our understanding of the demand for titles. While people have long advocated for titling property, the titles are frequently underutilized. Some of the common explanations for this are that the titles do not provide much of a benefit over the status quo (Dye & La Croix, 2013; Panman & Gracia, 2022) and that the potential beneficiaries do not trust the state to enforce the title (Albertus, 2021). Even though the Haitian homesteading program addresses these issues, the program was still underutilized. We are proposing an underexplored mechanism, the principal agent problem. This is related to problems seen elsewhere, where local authorities are able to get rent from directing or blocking titling programs (Boone et al., 2019). But it is different because those authorities compete with the government while these agents are employed by the government but still resist helping with titling.
This paper contributes to our understanding of the barriers to resolving misallocation problems in agriculture in poor countries. Across the developing world, small farms have led to a misallocation of resources (Adamopoulos & Restuccia, 2014). These small farms are the result of poorly defined property rights and policies biased towards smaller plots. But when farmers receive clear rights to hold, transfer, or lease their land, land is reallocated to better uses and labor is freed for more productive activities (Agyei-Holmes et al., 2020; Bolhuis et al., 2021; Chari et al., 2020; Field, 2007). This paper shows that it is not sufficient to offer the opportunity to receive these rights. Policy makers might have to be more active in disseminating the titles. This is consistent with some of the evidence from titling coming from researchers who promoted existing titling programs (Agyei-Holmes et al., 2020).

Finally, this paper helps us better understand how to design titling programs. Property rights programs are social decisions meant to engineer certain outcomes (Heller & Salzman, 2021). Just granting titles is not enough to achieve productivity gains. For example, sometimes the program design has to consider how to organize titles to minimize the costs of enforcement (Allen, 1991). Despite all of the failed programs throughout Sub-Saharan Africa, Ethiopia managed to succeed through intelligent program design (Deininger et al., 2008). The Ethiopian program kept costs low, resolved disputes efficiently, and, most importantly, actively sought out 20 million plots around the country. This paper suggests the active recruitment was a key feature because it overcame the principal-agent problem with promoting the titles.

**Land Titling – Theory and Evidence**

The connection between productivity and property rights security is one of the most well-known and simplest theories in economics. Suppose there is an investor with a property that will produce a return $R(e)$, where $e$ is a measure of the effort contributed to the project, where effort can be labor, capital, or any other input. $R(e)$ is increasing in $e$ but exhibits diminishing marginal returns. Thus, the investor will contribute effort until the marginal return equals the marginal cost. When property rights are insecure, the investor expects to only keep a fraction of the return, $\rho R(e)$, where $0 \leq \rho < 1$. Since threat to property reduces the marginal return on effort, the investor reduces the
effort contributed to the project. Thus, as property rights improve (i.e. \( \rho \) gets closer to one), the investor allocates more effort towards the property and it becomes more productive. Several studies have confirmed that better security leads to more investment (Goldstein & Udry, 2008; Hornbeck, 2010).

Since stronger property rights leads to higher productivity, some development thinkers have advocated for titling land. Titling land improves security by providing an official record of who owns the property and allowing the property to be transferred to another owner. When property owners can transfer title to the land, either through selling the land or leasing it, land moves from less productive farmers to the more productive (Chari et al., 2020; De Janvry et al., 2015). While property owners can protect their property through their own efforts, titles let them reallocate that effort towards more productive pursuits (Field, 2007; Agyei-Holmes et al., 2020). Finally, titling land enables potential migrants to sell or lease land to finance their migration (Chernina et al., 2014; De Janvry et al., 2015).

Despite the both theoretical and empirical evidence that land titles lead to a more efficient allocation of resources, various land titling programs in poor countries have yet to capture significant interest or attract widespread attention. As mentioned in the introduction, Ghana’s 1988 titling program received few applications (Kuntu-Mensah, 2006). Similarly, Senegal and Zambia offered titling programs, yet both countries had low land titling rates of 7.08% and 7.51%, respectively (Honig, 2017). In Tanzania, only 4% of landowners surveyed had an official Certificate of Right of Occupancy (CRO) even though 40% of them had the necessary forms (Panman & Gracia, 2022). Generally, programs across 23 Sub-Saharan countries had limited demand (Ali et al., 2014; Deininger et al., 2008). Why is demand for these programs underwhelming?

A basic theory behind the low demand for titles is that the benefits from the titles do not exceed the costs of titling. A title from the government might not be valuable when local customs sufficiently protect the property. In Tanzania, titled property is priced the same as untitled property since no one sees the title as providing any benefits over the local customs (Panman & Gracia, 2022). Or the benefits might be low because there are few threats to the property. Looking at the history of Argentina and New South Wales, Dye and La Croix (2013) show that in New South Wales the
demand for titles was low because settlers had sufficient skills to protect their own properties, but in Argentina the settlers waited for the government to offer titles as a guarantee against the indigenous threats to property. The title’s benefits might be low if credit market failures make it difficult to securitize a loan with the title. Even if the benefits are high, the title’s costs might be higher. De Soto (2000) documents many countries that offer the opportunity to title land but where the administrative costs are so high that they deter applicants. Indeed, De Soto examines the same Haitian titling program that we examine here, but we look at the beginning of the program before the administrative costs were high.

In addition to this explanation that the benefits are too low, Albertus (2021, pp. 104–105) suggests two other explanations for why the demand for title is low. First, the potential beneficiaries may think the state is too weak to enforce the titles. While this is related to the low benefits explanation, it is distinct. The potential benefits of a title could be large, but if the state does not enforce the title, then it is worthless. This explanation is one that we are not worried about in Haiti because, as we explain below, the program targeted people who had already requested land from the state. One of this paper’s contributions is showing low demand in an environment where trusting the state could not have been a barrier to demand.

The second explanation listed by Albertus is that the authority that enforces customary property rights can block access to the formalized rights. One instance of such control is in Kenya, where various local elites colluded to use their veto powers to torpedo land reforms that would have led to a more fair and more transparent land distribution process (Boone et al., 2019). Customary authority is rarely discussed in Haiti, so we do not anticipate this being a powerful hypothesis for explaining low demand for titles. But since the homesteading process worked against the incentives of the tax authority, there may have been a principal-agent problem, which we explore.

From this discussion, there are two main hypotheses to examine. The first is that low demand is created by a program where the costs do not exceed the benefits. The second is that there are potential political factors that affect the demand for title.
Haiti’s Homesteading Program

To examine the demand for titles, we use Haiti’s homesteading program. In this section, we outline the program’s history and design. We argue that this program is important for testing hypotheses for two reasons. First, the program targeted a group of property holders who had already trusted the state for property protection, so we do not have to worry about whether the potential beneficiaries believe the government can enforce its rights. Second, it was designed to offer significant benefits at low costs. While this should resolve the low benefits hypothesis, we will be able to empirically test this one.

Under the US Occupation of Haiti, a primary policy goal was to move state-owned land into agricultural production. US officials noted that the state owned about 915,000 hectares, but that most of that land sat idle (Millspaugh, 1929; Palsson, 2021a). As early as 1920, officials began recommending a homesteading program that would put that idle land into private hands (Republic of Haiti, 1920, pp. 10–11). This is not surprising since the occupation in the Dominican Republic was also implementing a homesteading program (Turits, 2003, pp. 72–73). The officials in Haiti noticed that there had already been an attempt to implement a homesteading program in 1883, but that it was a “complete failure” (Haiti Bureau du representant fiscal, 1928, pp. 76–78). They blamed the early failure on homesteaders becoming absentee land owners and resolved to correct this problem by requiring the homesteaders to live on the land.

The first attempt at homesteading legislation was passed in September 1932. In the law’s preamble, the legislation was motivated as a way to encourage agricultural development by households through more secure titles and, interestingly, to prevent an exodus of rural migration. The law provided that anyone 21 years or older could homestead up to 5 hectares (12.4 acres) by fulfilling three main requirements: (1) the applicant had to rent the land from the government for three years; (2) he had to be current on rent payments; (3) he had to live on the property itself or a neighboring plot and cultivate the land. In exchange, the applicant would receive a title to the land, its buildings, and all output. But the title had a restriction. In fact, this restriction was named before any of the title’s benefits or qualifications were listed. The property could not be sold, leased,
or mortgaged in the first twenty years. The only transfer right bestowed on the title holder was the right to will the property to an heir at death.

In the eyes of the officials designing the homestead program, this restriction destroyed the entire point of the program. The restriction was not in the original legislation but was added by the legislatures at the last minute. The addition was likely because the government wanted to retain control of the state land instead of giving it to farmers, an early sign that the principal-agent problem would be a barrier to implementation. Such modifications seem to be a routine feature in the legislative process because the officials mention six other laws they helped design that were also modified by the Legislative Body (Haiti Bureau du representant fiscal, 1932, pp. 49–50). But this modification received more attention than any other because of its stark effect on the purpose of the law. “Unfortunately the law which was enacted does not offer advantages enough to encourage homesteading. Unless it is modified it will be found to be completely ineffectual” (Haiti Bureau du representant fiscal, 1932, pp. 27–29).

In 1934, the officials succeeded at passing a new homesteading law. Under the new law, applicants could still homestead up to 5 hectares by fulfilling the same requirements. The law now required 50% of the land to be planted in a cash crop, but it also removed all restrictions on selling, leasing, or mortgaging the property. The officials called this reform “the outstanding accomplishment” of that year’s legislation, “thereby making really effective a law which had been rendered useless because of the excessive restrictions which it imposed upon prospective beneficiaries” (Haiti Bureau du representant fiscal, 1934, pp. 3, 83).

Haiti’s homesteading program is nice for understanding the demand for property titles because the associated rights were designed to be better than the alternative. The homesteading program was part of a broader strategy to improve the use of state-owned land, and it built on earlier reform in 1927 that made renting government land more attractive. The program’s requirement that homesteaders rent the land for three years before homesteading meant that they had to participate in this program before receiving a title. Furthermore, tenants who started renting land before the homesteading program began could immediately convert their rental plots into homesteads.
Since the homesteading program built on the rental program, it eliminates concerns over whether potential homesteaders would trust the government titles or if the government guarantees were better than local or private protection. The rental program reported in 1928 that there were 22,000 tenants. These tenants had already revealed that they preferred state-guaranteed protection over local protection because they were willing to pay rent instead of squat. Since these tenants are already in the system, the homesteading program did not have to convince them to trust a state title. It just had to convince them that the rental contract was inferior to the homestead title.

One way the homestead program was designed to be superior to rentals was through prices. This was a difficult target because one of the rental program’s key selling points was subsidized rent. The 1927 reform set rent at 6% of the plot’s local appraised value, which was an improvement over the previous law’s standardized rental rates across regardless of the plot’s location. One of the program administrators wrote that reformers chose the rate explicitly to be lower than market mortgage rates (Millspaugh, 1929). Not only was rent competitive, the law fixed rent for 10 years, letting inflation decrease the price over time. While the rental program subsidized rent, the homestead program offered something better. Once the property was a homestead, the tenant no longer had to pay rent. And since Haiti did not have a land tax, once the property was a homestead, the owner had no taxes or fees on the property.

Another way the homestead program was superior to the rental program was how it gave homesteaders an incentive to invest in the land. While the rental program did not give private titles, it tried to attract tenants by making them residual claimants on investments on the land. After the first decade of fixed rent, the government could reappraise the plot and set a new rent. But the reappraisal could not account for any improvements the farmer had made. Thus, for the government this was protection from inflation eroding its revenue, and for the farmers this was an incentive to improve the property despite not fully owning it. The homestead program improved on this part of the program by giving the homesteader lifetime rights to improvements on the land and transfer rights. The rental program benefits were conditional on timely payments, and they were limited to the first 20 years of renting. After 20 years, the law allowed the government to fully reappraise the plot and capitalize the improvements. Furthermore, the rental program did not let tenants sell,
sublet, mortgage, or transfer their property. The 1934 homesteading program, on the other hand, gave owners full transfer rights, giving them immediate access to the improvements they made to the land.

One price deterrent to applying for a homestead could be the cost of applying. The homestead program required applicants to pay a stamp tax of 1 Haitian Gourde (HTG) per hectare, plus another 2 HTG for registering the property. Since homesteads were capped at 5 hectares, the maximum taxes and fees for the application was 7 HTG. But this cost is small relative to rental rates. The aggregate statistics reported by the fiscal administrator show that the average rent in 1933 was 18.8 HTG. Thus, for someone current on rent, the cost of applying was recovered just in the first year.

The only stipulation in the homesteading program that could deter adoption was the requirement to farm cash crops. As mentioned above, the 1934 homesteading act added the requirement that 50% of the land had to be cultivated in a cash crop such as coffee trees. It is possible that this was not a binding constraint, since presumably the reason why a homesteader would want a private title was to capture benefits from investing in the property, especially when something like a coffee tree has a long time horizon. But if the requirement did bind, then it would have curtailed property rights and made the program less attractive.

Since the rental program was the gateway to homesteading, the homesteading program should have triggered increased interest in the rental program. From 1928 to 1933, the fiscal adviser reported aggregate statistics about the rental program that might show the homesteading program sparked some interest. These statistics are summarized in Figure 1. In 1928, the state had 22,000 rental contracts worth 232,000 Haitian Gourdes (HTG). Figure 1a shows that the number of tenants stayed constant through 1931, though Figure 1b shows the amount of rent due increased during this period, suggesting that new contracts replaced old contracts. But starting in 1932, when the first homesteading law was passed, there was a significant jump in the number of tenants—resulting in over 28,800 tenants by 1933. More importantly, recovery rates for rent significantly increased at the same time, as shown in Figure 1c. At its nadir in 1931, the program was only recovering 38% of rent due, but by 1933 it was collecting 52% of rent. Furthermore, Figure 1d shows it significantly
increased its collection of overdue rents. These observations are consistent with interest in the homesteading program: the opportunity to privatize the land should have increased the number of people interested in renting land and, since the title was conditional on being current on payments, the number of tenants paying their rent.

But even though the data are consistent with interest in the homesteading program, we cannot conclude that the homesteading program caused this increase. The biggest point against a causal effect is that these changes happened after the first homesteading act of 1932, but we have no evidence for anyone receiving a homestead under this program. This lack of evidence might be because the 1934 homestead law took precedence before anyone could fulfill the requirement to be on the homestead for three years. Instead, effects to the rental program may be a result of the administration putting a greater emphasis on tracking land and recovering rents once there was a chance to homestead.

Even without addressing causality, the rental program provides a good start for where to look for interest in the homesteading program. When the 1934 act passed, there was a pool of 28,800 tenants. But since the program required tenants to be current on rent, and since the government collected only 52% of rent in 1933, this pool was likely closer to 15,100 tenants. The increase in backpay seen in 1932 and 1933 would have made this pool slightly larger, but an upper-bound estimate of tenants who were current on rent is 19,500.¹

**Data on Homesteads**

We collect data on every homestead granted between 1932, when the first homestead law was passed, and 1950. According to the homesteading laws, before a homestead could be granted in full, a notification had to be published in the government’s gazette, *Le Moniteur*. We collect the universe

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¹ The total payments collected, both current rent and backpay, was 68% of rent due. Assuming all payments were from individual tenants, this would be 19,500 tenants. But this double counts some tenants since the payments include backpay, which means 19,500 is an upper bound estimate of tenants who were current on rent.
of notifications published in *Le Moniteur* from 1932 to 1950 and find 679 homesteads. All were granted under the 1934 program, none under the 1932 program.

We also collect data on homesteads from the memoirs of President Sténio Vincent. In his memoir, Vincent describes the program’s success and then lists the names and locations of all homesteads granted during his presidency. His list contains 308 homesteads, all of which were also listed in *Le Moniteur*.

The data on homesteads do not include homesteads granted to refugees fleeing the Dominican Republic after the Trujillo Massacre. In October 1937, the Dominican president, Raphael Trujillo, sanctioned the massacre of thousands of Haitians living in the DR. The Haitian government settled the refugees in camps near the border and gave many homesteads (Palsson, 2022), but these homesteads were neither listed in *Le Moniteur* nor in Vincent’s memoirs. Since these homesteads were granted under unique circumstances, their omission does not affect the main question under investigation.

The number of homesteads requested by year are reported in Figure 2. During the first two years of the program, 428 homesteads were requested. In 1936, there was a steep decline in requests, which continued through 1940. After 1940, there were no more requests for homesteads.

Figure 3 shows the spatial distribution of the plots. The homesteads are concentrated in a few districts, with 4 districts accounting for 43% of the total. There are also regions where homesteading is almost entirely absent. Neither the Southwest or the Northeast participated much in the program.

We also collect data on tax receipts, including land rental payments, by commune from 1925 to 1932. These receipts were reported in the annual reports of the financial adviser/general receiver as part of the US occupation. The three main categories were public land rentals, vital statistics fees, and recording fees for transferring property. The rental receipts are a proxy for the popularity of the land rental program, which should predict the communes where the homesteading program was most likely to succeed.

Finally, we create a proxy for political connections using a directory of historical Haitian politicians. Using the homesteaders’ names, we look for potential connections in Supplice’s (2014) *Dictionnaire biographique des personnalités politiques de la République d’Haïti* (1804-2014). This
dictionary lists all office holders in Haiti from 1804 to 2014 as well as a short biography on where they lived. In the empirical strategy below, we describe the political connection proxy.

**Empirical Strategy**

The central question of this paper is why is the demand for land titles low in developing countries. In this section, we outline the plan for testing different explanations.

The simplest hypothesis for low demand is that the benefits of the title do not outweigh the costs. The implication is that demand for titles should be higher in areas where the benefits are higher. Fortunately, one of the unique features of this program is that we can easily identify who should most benefit from it since it targeted tenants in the state rental program. As outlined above, if the requirement to cultivate 50% of the plot in cash crops was nonbinding, then the homestead title strictly dominated the rental title. Thus, we should see a higher demand for titles in districts with more tenants.

We empirically test this hypothesis with the following regression

\[
H_d = \beta_0 + \beta_1 R_d + \Gamma X_d + \varepsilon_d
\]

where \( H_d \) is a measure of the extent of homesteading in district \( d \), such as the number of homesteads; \( R_d \) is the total amount of rent collected from tenants in district \( d \) from 1925 to 1931, which measures participation in the program; and \( X_d \) are district-level variables that might predict homesteading. We use three controls: the total other tax revenues collected in the commune, the literacy rate, and the share of the population in agriculture. If homesteading offers tenants better rights, we expect \( \beta_1 > 0 \).

Note that we are not attributing a causal effect in this regression. To identify a causal effect, we would have to claim the demand for rental property is exogenous to all other factors that influence the demand for homesteading titles. Yet clearly this assumption would be wrong. The homesteading program targeted tenants, so clearly the government would expect that the same factors that created tenants would also create homesteaders. For instance, if land scarcity varies across districts, we might expect districts where land scarcity is high to create greater demand for rental properties and homesteads.
The second hypothesis we want to examine is whether the administrative burden deterred demand. This is interesting generally, since costly application procedures could ruin an otherwise well-intentioned program. But in the case of Haiti’s homesteading program specifically, the poor performance has been blamed on administrative burden. In De Soto’s (2000) seminal book The Mystery of Capital, he discusses this exact program and claims the administrative program has killed it. The benefit of this study is that we can got to the program’s inception and explore whether this has always been a problem.

We test the implication of this hypothesis by looking at whether variation in administrative delays predict homesteading. The administrative delay is the delay between applying the application date and the approval date. There was significant variation in delays across homesteads. Figure 4 shows the distribution of delays. The median delay was 18 months, but the modal delay was between 8 and 16 months. We want to look at whether longer delays deter homesteading, but there is a problem. Since over 50% of districts do not have homesteads, we cannot observe delays in the homesteading process for most districts in the data. We resolve this problem by using administrative delays for new rental contracts. Rental properties were more common than homesteads, so we have more data on their delays. Furthermore, the same office handled homesteads and rental properties, so potential homesteaders would have formed their expectations based on how rentals were handled.

To empirically test the hypothesis, we run the following regression

$$H_d = \alpha_0 + \alpha_1 Delay_d + \Gamma X_d + \epsilon_d$$

where $H_d$ is the demand for titles in district $d$, $Delay_d$ is the average delay for rental properties in district $d$, and $X_d$ is a set of controls as listed above. Since not all districts have new rental contracts during our sample period, we assume these districts’ delays look like the closest district with new contracts and use that district’s data. To account for this imputation in inference, we cluster standard errors based on the source of the delay data.

If administrative delays deter homestead demand, we expect $\alpha_1 < 0$. But we could see the opposite if high demand for government property leads to longer delay times. Indeed, this is what we saw in 1938, when refugees fleeing the Dominican Republic requested rental land and overwhelmed the program’s capacity, turning 7 month delays into 4 years (Palsson, 2021b). To
avoid the refugee problem, we measure delays using only properties requested in 1937 or earlier. But this does not eliminate the reverse causality problem. Ideally, we would use an instrument that shifts delays without affecting demand, but since we do not have a plausible identification strategy, we will have to interpret the estimates with the understanding that there could be a positive bias to the coefficients.

The third hypothesis we want to test is whether the demand for titles is driven by political connections. One hypothesis is that the homesteading program was never meant to succeed as broad-based land redistribution. Instead, it could be a political tool meant to generate favor through reallocating state land to the politically connected. One could even argue that President Vincent’s behavior supports this theory because he lists over 300 of the program’s beneficiaries by name in his memoirs.

Testing this hypothesis at the district level is difficult. One way to test it would be to look at districts that supported President Vincent to see if they were more likely to receive homesteads. Or one could look at whether homesteading in a district caused an increase in political support. Unfortunately, there are no known measures of district-level political support, such as election results or political attitudes. Instead, we consider the hypothesis that individuals who were more politically connected had greater access to homesteads. This approach is still difficult because we do not know who the most politically connected individuals in a district are. But we do know the homesteaders’ names, and we can compare their political connections to tenants renting state land and see if the homesteaders are more connected.

We test this hypothesis by creating a variable to measure the homesteader’s political ties. Using names from homesteaders and tenants, we construct three proxies for whether the person was politically connected. Using Supplice (2014), we create a variable for whether they share a surname with any politician in the book, another for whether they share a surname with a politician in the same district as the property, and a final for whether they have the same name as a politician in the same district as the property. We then estimate the following regression

\[ P_i = \gamma_0 + \gamma_1 Homestead_i + \epsilon_i \]
where the dependent variable is one of the three proxies for political connections and where $Homestead_i$ is an indicator for whether the individual is on a homestead rather than a tenant. Note that the unit of observation has switched from the district to the individual. The hypothesis is that homesteaders are more politically connected than tenants, so we anticipate that $\gamma_1 > 0$. We also run another test where we include an interaction term

$$P_i = \gamma_0 + \gamma_1 Homestead_i + \gamma_2 Homestead_i \times Memoir_i + \varepsilon_i.$$  

This interaction term is whether the homesteader was mentioned in Vincent’s memoir. Since we believe these are the homesteaders who are most likely to be politically connected, we also predict that $\gamma_2 > 0$.

The sample includes all homesteads granted between 1934 and 1950 as well as all new rental properties issued between 1928 and 1934. The rental properties

Again, in this regression we are not claiming a causal interpretation to $\gamma_1$ or $\gamma_2$. This is a descriptive regression to test if homesteaders appear to be more politically connected than tenants. Sharing a surname with a politician does not mean the individual is related to a politician or politically connected. Furthermore, surnames are a noisy proxy since we assume political connections are only available to family members. Clearly someone unrelated to a politician could still be politically connected, such as later in Haiti’s history when business connections predicted support for a coup (Naidu et al., 2021).

These three hypotheses are the three where we have sufficient data to examine them empirically. After the empirical work, we will address two alternative hypotheses that may be important but are harder to test.

**Results**

**Titles and Rental Program**

We start by testing whether the homestead program was more popular in districts with greater participation in the rental program. First, we measure demand by using the number of homesteads in a district. Since there are so many districts with zero homesteads, we use a Poisson regression. In each regression, we control for the population in 1950, which is at the end of the sample period
but is the only census data available. We also include an alternative specification where the
dependent variable is the number of homesteads per capita, but since the results are similar across
both specifications, we focus on the number of homesteads since the results are easier to interpret.

The results are reported in Table 1. Without any controls, the coefficient on land rental revenues
is 0.35 and is statistically significant at the 1% level. We add a control for the total other revenues
collected to account for local fiscal capacity, and the coefficient increases to 0.55 at the same
significance. Controlling for literacy rate and the share of the population in agriculture does not
affect the result. Finally, since there are 10 chief towns that collect a significant amount of revenue
from tenants on urban lots (which were not eligible for homesteading), we restrict the sample to
just the rural districts, and the results are stable.

The results show that the demand for better property rights is strongly associated with the
number of people who the program targeted, but they also show a tepid response. A 10% increase
in public land rental payments is associated with a 6% increase in homesteads. A 10% increase in
total payments at the mean is an increase in 877 HTG. Since that is an increase over 6 years, that
equates to an annual increase of 146 HTG. Above, we saw that the average tenant paid 18.8 HTG,
so this is an increase in about 8 active tenants. On the other hand, a 6% increase in homesteads is
0.4 homesteads. Thus, for each 20 additional active tenants in a district, one decides to homestead.
While it is hard to judge whether a 5% conversion rate is good or not, it does not demonstrate a
large demand for the title.

While the number of tenants is related to the number of homesteads, the relationship between
tenants and whether a district participates in the program at all is much weaker. About 55% of
districts do not have a single homestead during this period. Table 1 also reports a specification
where the dependent variable to a dummy for whether the district had at least one homestead.
While the point estimate for land rental revenues is positive, it is not statistically significant in any
specification. Thus, while active tenants are associated with how much the homestead program is
used, the extensive margin is driven by another factor.

*Administrative burden*
Next, we examine the administrative burden of applying for the program. We look at how the demand for homesteads relates to the processing delays for state property. We report the regressions in Table 2. The point estimate shows a negative relationship between delays and homestead demand, showing that a 10% increase in delays is associated with a 2% decline in homestead titles. This result is not statistically significant at conventional levels, but it is notable that the coefficient is negative given the potential confounding effect of reverse causality. When we add additional controls, the coefficient’s magnitude increases and remains negative, but it is still statistically insignificant. We find similar results when we look at the extensive margin: a 10% increase in delays is associated with a 3-4 percentage point decrease in whether the district has any homesteads, but again it is statistically insignificant.

These results lend some evidence to the administrative burden hypothesis, but, overall, the support is weak. Not only are the results statistically insignificant, they are not economically significant. The average delay for rental properties across districts was about 16 months, so a 10% increase is about 6 weeks. Considering all of the benefits of having more complete property rights, waiting an additional six weeks should not significantly affect the decision. Since a 2% decline in homesteads is 0.13, this seems to confirm that delays were not a major factor in deterring demand.

The administrative burden hypothesis is further refuted by the change in delays over time. The median delay for homesteads (not rentals) by year of request is plotted in Figure 5. From 1934 to 1936, the median delay decreased from 22 months to 16 months. Delays did increase at the same time as the Trujillo massacre, which is consistent with Palsson (2021b). But the homesteading program resolved delays much quicker, dropping to under a year in 1939 and 1940. Yet even as the delays for homesteads got shorter, there was no subsequent increase in demand for homesteads. Demand disappeared when the administrative burden was lowest.

Of course, the delay for a homestead to be approved is not the program’s only administrative burden. There could be significant pre-application costs that we are not observing. We can get an idea on the pre-application time costs by looking at the very first homesteads approved. The homestead law of 1934 was passed in January, and the first requests were submitted in April. Thus, assuming the true application date was the day that the homesteading program was passed, then
the upper bound on pre-application delays was three months. A short delay makes sense—unlike new rental properties which can take a long time to survey and appraise (Palsson, 2021b), the properties that qualify for homesteading should be already surveyed and registered in local cadasters.

Thus, while there is some evidence for administrative burden affecting demand, none of it is strong enough to conclude that this was a dominant factor deterring demand. None of this analysis considers the requirement to improve the property over 3 years as part of the administrative burden, but for someone who has the potential to fully privatize the property, the 3-year delay seems like a small price to pay.

**Political Connections**

Finally, we test the hypothesis that demand was driven by political connections. In Table 3, we look at the three proxies for political connections: sharing a surname with any politician, sharing a surname with a politician in the same district as the property, and sharing the full name as a politician in the same district as the property. In contrast to the prediction that homesteaders were more politically connected, homesteaders were 10% less likely than tenants to share a surname with a Haitian politician, and the difference is statistically significant at the 5% level. While the other two proxies also show homesteaders were 10% likely to be politically connected, neither is statistically significant.

One of the reasons why the political connection hypothesis seemed viable was that the President Vincent listed about 300 homesteaders in his memoirs. To see if these homesteaders were more politically connected, Table 3 also includes a specification for whether the individual was a homesteader mentioned in the memoir. None of the regressions show a statistically significant difference in political connections for those mentioned in the memoir, and only one has a positive coefficient.

The evidence from these proxies does not support the hypothesis that demand for the homestead program was driven primarily by political motives. Of course, we repeat our caveat that these proxies are noisy and limited in their ability to measure political connections, so we do not rule out the hypothesis. But the potential to use the program for political gain was limited. Giving land to
political allies is a popular way to gain support, yet those are usually large tracts of lands. The homesteads were limited to 5 ha, which is a large property relative to many Haitian properties, but small relative to what is needed to achieve economies of scale. Our failure to find a political connection could be because the program’s political power was weak.

**Alternative Hypotheses**

So far, we have seen that participation in the rental program is strongly correlated with homesteading. But the conversion from rentals to homesteads seems low. Furthermore, participation overall seems low. In the program’s first decade, fewer than 700 homesteads were created.

One pattern that emerges in the map in Figure 3 is that homesteading seems clustered in certain districts. There are a few districts with a lot of homesteads while most have none. In Figure 6a, we plot the Gini coefficient in participation across districts and show that it is 0.82. This high inequality is driven mostly by over 50% of the districts have no homesteads and 4 districts accounting for 43% of the homesteads. But it is hard to judge whether this level of inequality is too high. After all, homesteading in the US would show high inequality because most of the available land was in the West. In Figure 6b, we compare the Lorenz curve of district homestead participation with the Lorenz curve for rental participation. While the rental participation curve still demonstrates high inequality, the Gini coefficient of 0.61 is 25% lower than the homestead Gini. Homesteading participation looks much different than its predecessor.

**Border Buffer**

One factor that could have driven homestead demand was the imperative to establish control of the border. Defining the border was one of the period’s key policy disputes between Haiti and the Dominican Republic, and the 1936 resolution was significant enough to garner Nobel Peace Prize nominations for Vincent and Trujillo. The resolution itself was not enough to satisfy Trujillo, who saw the porous border as a policy failure and used a combination of agricultural policy and outright tyranny to establish greater control (Turits, 2003). Since homesteading was used in the United
States to establish the border between Texas and Mexico (Allen, 1991), it is possible that Haiti also saw homesteading as a border control policy.

Indeed, the map in Figure 3 gives some evidence towards this hypothesis. The areas with the most homesteads are along the Southern border. This was the part of the border that was most contested and where Trujillo established agricultural colonies in 1931 (Turits, 2003, p. 157). In spring of 1938, Trujillo evicted thousands of Haitians from the South and pushed them over the border in an event called el desalojo. If homesteading was a part of establishing the border, then this region would have been key.

While this hypothesis is interesting, there are a few pieces of evidence that contradict it. First, the Northern border is devoid of homesteads even though that was the site of the 1937 massacre. Even though that part of the border was not as contested as the Southern part, it seems like the massacre would have triggered an imperative to establish homesteads. The government did establish three refugee settlements near the Northern border, and there was a significant increase in new rental properties in the region. Perhaps these were sufficient for establishing a presence. Another piece of evidence against this hypothesis is that Vincent never takes credit for it. Indeed, one of Vincent’s complaints about the program was that it was not designed to actively recruit homesteaders to certain areas (Vincent, 1938, p. 220). This does not mean the program was not used this way, it just means that Vincent did not want to telegraph his strategy or that the recruitment was done by local activists worried about the border.

Principal-Agent Problem

Most of the hypotheses have explored where homesteads are in greater demand. But the big puzzle is why there are so few homesteads anywhere. Here we propose that one possible explanation: a principal-agent problem behind creating homesteads.

The central government (the principal) wanted to move idle government land into production. But the local tax collectors (the agent) had a conflicting incentive. Local tax revenue is what funded the collectors’ salaries, and revenue shortfalls threatened their jobs. “Due to the fact that there are many districts in which receipts are so sparse that it is not possible to pay local agents adequate
salaries for their collection, the Internal Revenue Service is still considerably handicapped in getting honest and efficient local officers” (Haiti Bureau du représentant fiscal, 1933, p. 129). Many districts got a significant share of local revenues from land rentals. Figure 7 shows the share of district revenues coming from land rentals. For one third of districts, land rentals provided over half of the revenue. Furthermore, since homesteading required the tenant to be current on rent, converting a rental into a homestead meant losing a dependable source of revenue. Local agents had little incentive to help these people take advantage of the program.

Unfortunately, testing this hypothesis is difficult. One seemingly plausible test is to hold constant the total revenue collected and see if more revenue from other sources led to more homesteading. In fact, Table 1 provides this evidence and shows that the coefficient on non-rental revenues is positive (though statistically insignificant). But the economics of this test are not sound. Even if the district had other sources of revenue, there is no reason for the collectors to sacrifice a dependable source of revenue for no gain. A better test would involve variation in incentive pay across districts, if such variation existed.

Even though the hypothesis is speculative, it could explain a lot. Creating fewer than 700 homesteads when there were nearly 30,000 tenants who could benefit from the program looks like a marketing failure. Program information was not reaching the beneficiaries. Local agents, who would have the best relationships with the tenants, should have been sharing the program. But it looks like they did not.

Another strong piece of evidence for this hypothesis comes from the initial legislation. The motivation for the homesteading program clearly came from the Americans, just like they implemented a similar program in the Dominican Republic (Turits, 2003, pp. 72–73). When the legislation was first passed, it contained a last-minute modification to stop the full transfer of property to the title holder. The Haitian legislators were fine giving stronger promises to tenants, but they did not want to lose control of the property. While the legislation was amended and passed according to the American vision, its implementation rested on Haitian cooperation. In this case, the American officials, not the central government, was the principal, and the rest of the Haitian
administration was the agent. If the highest levels of the government did not support the program, it is unlikely the program was shared through the rest of the administration.

Conclusions

In this paper, we examine a titling program in Haiti. While the Haitian program overcomes many of the problems in previously studied programs, it was still undersubscribed, granting fewer than 700 titles over the first 16 years. We find no evidence that the program was hurt by insufficient benefits, high administrative costs, or political concerns. Our preferred explanation is that the institutional design created a principal-agent problem where the government officials responsible to disseminate the program information had no incentive to participate.

One lesson from this program is that titling programs should be designed considering the incentives of all involved parties. Program design frequently focuses on the incentives for receiving a title, ensuring the property rights guaranteed by the title are better than informal rights. But programs should also consider whether the incentives of program administrators are aligned with the program’s goals. For example, if Haiti’s homestead program had to pay agents the present value of the rental revenue as a reward for successful homesteads, the local agents would have had an incentive to convert rentals. Furthermore, since the title would have increased the property’s productivity, the benefits of the title should outweigh the cost of the reward. Future research should explore whether creating incentives for the program administrators can increase titling.

Another interesting area for future research is to look at the difference between Haiti’s two homestead programs. While the second program gave nearly complete rights to the owner, the first program gave a title without transfer rights. Using more detailed records on rental payments, one could estimate the value of the two sets of rights by looking at how tenants responded to the two programs. This would reveal how people value the security of ownership separate from the value of transferring the property.
Figure 1. Rental payments and recovery rates, 1938—1933

Notes: Figures were reported by the Fiscal Representative in his annual reports.
Figure 2. Titles requested by Year, 1930—1950

Notes: The graph shows the year the title was granted conditional on a title being approved between 1934 and 1950.
Figure 3. Map of homestead take-up by district

- 4th Quartile
- 3rd Quartile
- 2nd Quartile
- 1st Quartile (Lowest)
- No Homesteads
Figure 4. Distribution of the delay between request and approval

Notes: The delays are for all homesteads granted between 1934 and 1950.
Figure 5. Median delay time series

Notes: Graph displays the median delay for the year that the property was requested conditional on having a title granted between 1934 and 1950.
Figure 6. Inequality in participation

**Homesteads Lorenz Curve**
Gini = .818

**Rent Collected Lorenz Curve**
Gini = .607
Figure 7. Share of Rural Revenues from Land Rentals
Table 1. Predicting program take-up

<table>
<thead>
<tr>
<th></th>
<th>Number of Homesteads</th>
<th>Any Homesteads</th>
</tr>
</thead>
<tbody>
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<td></td>
<td>(1)</td>
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<tr>
<td></td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td></td>
<td>(5)</td>
<td>(6)</td>
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<tr>
<td>log(Land Rental Revenue)</td>
<td>0.40*</td>
<td>0.66**</td>
</tr>
<tr>
<td></td>
<td>[0.21]</td>
<td>[0.30]</td>
</tr>
<tr>
<td></td>
<td></td>
<td>[0.27]</td>
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<tr>
<td>log(Population, 1950)</td>
<td>0.45</td>
<td>0.51</td>
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<tr>
<td></td>
<td>[0.34]</td>
<td>[0.37]</td>
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<tr>
<td></td>
<td></td>
<td>[0.44]</td>
</tr>
<tr>
<td>log(Other Tax Revenues)</td>
<td>0.078</td>
<td>0.013</td>
</tr>
<tr>
<td></td>
<td>[0.15]</td>
<td>[0.31]</td>
</tr>
<tr>
<td></td>
<td></td>
<td>[0.045]</td>
</tr>
<tr>
<td>Literacy Rate</td>
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<td>-16</td>
</tr>
<tr>
<td></td>
<td>[10.5]</td>
<td>[11.6]</td>
</tr>
<tr>
<td></td>
<td></td>
<td>[1.85]</td>
</tr>
<tr>
<td>Pop. Share in Agriculture</td>
<td>1.52</td>
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<td></td>
<td>[4.54]</td>
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<td></td>
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<td>Exclude Chief Towns</td>
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<tr>
<td>Observations</td>
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<tr>
<td></td>
<td>80</td>
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</table>

Note: Columns 1—4 are Poisson regressions. The commune population data come from the 1950 census. The revenues are total revenues collected from 1925 through 1931. *** p<0.01, ** p<0.05, * p<0.1
Table 2. Testing for administrative burden

<table>
<thead>
<tr>
<th></th>
<th>Number of Homesteads</th>
<th></th>
<th>Any Homesteads</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>Log(Average Delay)</td>
<td>-0.18</td>
<td>-0.26</td>
<td>-0.28</td>
<td>-0.033</td>
</tr>
<tr>
<td></td>
<td>[0.28]</td>
<td>[0.28]</td>
<td>[0.31]</td>
<td>[0.031]</td>
</tr>
<tr>
<td>log(Land Rental Revenue)</td>
<td>0.67**</td>
<td>0.63***</td>
<td></td>
<td>0.071</td>
</tr>
<tr>
<td></td>
<td>[0.27]</td>
<td>[0.24]</td>
<td></td>
<td>[0.045]</td>
</tr>
<tr>
<td>Full Set of Controls</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Exclude Chief Towns</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observations</td>
<td>90</td>
<td>90</td>
<td>80</td>
<td>90</td>
</tr>
</tbody>
</table>

Notes: For districts that did not have new rentals in the observed period, the delay is imputed to be the delay from the closest district with valid data. Standard errors are clustered by the source of the delay data. Columns 1-3 are a Poisson regression while 4-6 are a linear probability model. All regressions control for the district population in 1950. The full set of controls includes the other tax revenues collected in the district, the literacy rate in 1950, and the share of the population in agriculture in 1950. *** p<0.01, ** p<0.05
Table 3. Testing for political connections

<table>
<thead>
<tr>
<th></th>
<th>Same Last Name</th>
<th>Same Last Name</th>
<th>Exact Match</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Any Politician</td>
<td>Local Politician</td>
<td></td>
</tr>
<tr>
<td>Homestead</td>
<td>-0.0592**</td>
<td>-0.0457</td>
<td>-0.0184</td>
</tr>
<tr>
<td></td>
<td>[0.0270]</td>
<td>[0.0314]</td>
<td>[0.0166]</td>
</tr>
<tr>
<td>Homestead X Memoir</td>
<td>-0.0311</td>
<td>0.0112</td>
<td></td>
</tr>
<tr>
<td></td>
<td>[0.0373]</td>
<td>[0.0229]</td>
<td></td>
</tr>
<tr>
<td>Dep. Var. Mean</td>
<td>0.58</td>
<td>0.58</td>
<td>0.10</td>
</tr>
<tr>
<td>Observations</td>
<td>1,345</td>
<td>1,345</td>
<td>1,345</td>
</tr>
</tbody>
</table>

Notes: The dependent variable is a binary for how closely the name matches with a politician listed in *Dictionnaire biographique des personnalités politiques de la République d’Haïti, 1804-2001*. The first set of regressions looks at whether the surname matches any politician listed in the book; the second set looks at whether the surname matches a politician in the same district; the final regression looks at whether the full name is an exact match for a politician in the same district. The sample includes rental plots and homesteads. The Homestead X Memoir interaction is an indicator for whether the plot is a homestead and it is listed in President Stenio Vincent’s memoir. ** p<0.05
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