



## Land trusts are the best way to acquire private land for infrastructure

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Land trusts are the best way for governments in Asia to acquire private land for infrastructure projects. They also increase the likelihood that private companies will help build the roads, bridges, and railways that will keep economies growing.

Recent research by the Asian Development Bank Institute notes that political upheaval has often accompanied attempts by governments to take over private land for infrastructure projects. India, Nepal, Indonesia, and the Philippines have all faced opposition to forcible land expropriation. Projects have been delayed by years or even canceled because of sometimes-violent opposition to land takeovers.

In the long run, the benefits of infrastructure projects are felt by all. But the extent of the government's rights to acquire land versus the rights of its citizens to hold private property has been argued for centuries.

Here's ADBI economist Saumik Paul:

**If the process is mishandled, opposition can slow or even halt development. That makes investors wary of becoming involved, which means governments will find it difficult to bring in the private sector to share the often-enormous costs of projects.**

**A land trust, or land lease, gives the land owner a stake in the project's success. Rather than simply taking over the land, governments can include the original inhabitants in the project. The original land can be held in trust on behalf of the original owners, while they receive revenue from the project involved.**

In parts of India and in Japan, land trusts or similar schemes such as land leases leave the original occupants with some form of ownership. Private land owners have been shown to be more amenable to land trusts and less likely to mount opposition.

For governments, that means projects are more likely to be completed. And they are also more likely to be completed faster. Private investors become more interested in taking part since the dangers of a project being stalled or cancelled due to opposition are minimized.

The benefits from a completed infrastructure project extend further than the use of the infrastructure itself. When a project such as a road or railway is completed, the spillover effects mean that business prospers alongside the project and tax revenues rise. When infrastructure projects are finished faster, governments see their tax revenues rise faster as well. What could be considered additional costs in the use of land trusts or leases are then more quickly mitigated.

That was ADBI economist Saumik Paul, on [research](#) he did with ADBI Dean Naoyuki Yoshino; economist Vengadeshvaran Sarma of University of Nottingham, Malaysia campus; and Saloni Lakhia, a graduate student at the International Christian University, Tokyo.

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