TENURE SECURITY AND INVESTMENT PATTERNS AMONG PROPERTIES IN THE IPRS URBAN PROPERTY SURVEY

by

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Terra Institute, Ltd., has provided technical assistance in Albania since 1994. Under both the Land Legislation and Policy Project (LLPP) and the Land Markets in Albania Project (LMAP), the Institute has archived almost 50 reports, papers, draft legislation, and commentaries on land legislation, land registration, land tenure, and other land market-related activities in Albania.

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IPRS	Immovable Property Registration System
NHA	National Housing Authority
PMU	Project Management Unit

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TENURE SECURITY AND INVESTMENT PATTERNS AMONG PROPERTIES IN THE IPRS URBAN PROPERTY SURVEY

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EXECUTIVE SUMMARY

This report characterizes the current state of tenure security in Tirana and the implications this is having or likely to have on investment and on property registration efforts.

Possession of property documents is found to be widespread for properties located within Tirana's city limits, particularly for apartments. Tirana's older house properties are less well-documented and subject to greater insecurity and higher levels of conflict. In the peri-urban areas, where house and business properties predominate, less than a third of property holders possess documents and virtually all are squatting on state or private land.

Over the last decade, the numbers of informal and undocumented or poorly documented transactions and subdivisions have proliferated at an accelerating pace. Tenure complexity in terms of subdivisions, multiple ownership and multiple use has also increased, particularly among business properties.

Although the possession of documents enhances people's sense of security about their properties, it appears to have little bearing on what people actually feel free to do with them. Most investment has been occurring not where security is greatest, but on the contrary where security, both formal and subjective, is least, namely in the peri-urban zones and for properties characterized by the greatest tenure complexity and insecurity. In the peri-urban zone, investment in new structures establishes facts on the ground, amounting to a strategy to overcome insecurity, not a reflection of pre-existing security. In the urban zone-proper, rather than being a reflection of greater security, investment may actually be paving the way for greater tenure insecurity in the future, by placing properties in legally questionable statuses, as with the building of apartment extensions onto others' land.

Having a proper document or not appears to be less important in determining investment patterns than conflicts or accommodations with neighbors, family members, or ex-owners. Income and family structure

* Harold Lemel, Regional Planning Consultant for the Terra Institute, submitted this paper as an IPRS Analytical Report in March 2000.

also emerge as more significant determinants of investment behavior than documents.

While property documentation and the legal status of properties have little apparent influence on investment behavior, it may well be that differences in these regards may ultimately manifest themselves in the marketplace: that for roughly equivalent properties, prices people may be willing to pay for one that is legally sound may exceed the price for one that is not. This is something that needs to be explored through further analysis of the urban survey data.

As for the possible role of property documents in opening up formal credit access, no definite statement can yet be made since so few bank loans were recorded in the survey, something that reflects the immaturity of financial institutions as a resource for funding improvements to properties or starting or expanding businesses.

Based on the mounting complexities and uncertainties prevailing in Tirana, consideration should be given to extending the idea of "regularization," until now seen as relevant only to the peri-urban areas, to certain categories of property (e.g., businesses, house properties and apartments where extensions have been built) within the Yellow Line and to areas beset by particularly difficult sets of challenges. This could smooth the way for registration to proceed in a more timely and less conflict-ridden way.

1. BACKGROUND

The urban property survey for Tirana was conducted in two phases. Phase-1, which covered some 2,000 properties, employed a short one-page questionnaire meant to solicit information on a few key variables able to shed light on major characteristics of the urban property scene in Tirana. The report resulting from that effort (see Stanfield, Childress, and Dervishi 1998) yielded an overall descriptive picture of property types, forms, and extent of property documentation, age and quality of housing stock, recent trends concerning levels of transactions and land market activity over the past several years. The Phase-2 survey was intended to take the initial analysis further by exploring in-depth relationships between tenures status, investment, and market behavior. It encompassed some 680 properties sampled from the Phase-1 survey properties, with 525 of those located within the Yellow Line, Tirana's municipal boundary, and the remainder located in peripheral areas which have been subject to waves of mass, unauthorized settlement since 1990/91.

Based on these data, this report seeks to establish the degree to which property owners enjoy security of tenure and how variations in this regard seem to be affecting levels of investment on their properties. Security is gauged in terms of both how up-to-date and accurate property documents are and how confident people actually feel about rights to their properties. Implications for the property registration efforts currently under way are also considered.

2. TENURE SECURITY

Documents represent only one of several possible contributors to security or insecurity of tenure. Others considered here include the length of time a property has been used without effective challenge

and the emergence of complex, often amorphous tenure statuses through transactions, inheritance subdivisions, extensions to existing properties, the adoption of uses radically different from the original ones, and unauthorized building, all possibly being undocumented or poorly documented. These developments may not only undermine security for the property holders themselves, but also greatly complicate the property registration tasks of evaluating property claims and supporting evidence for such claims. Finally, tenure security is also shaped by government enforcement or non-enforcement of laws and rules; to the extent that enforcement falters, those in what may be an illegal and therefore otherwise presumably insecure status may with the passage of time and with the encouragement of influential people acquire a strong sense of security. On the other hand, insecurity may increase among those with valid documents and rights as they see their properties or others' properties being squatted upon or invaded without any government response.*

3. PROPERTY DOCUMENTATION

As can be seen in Table 1, while a very high percentage of properties within Tirana's city limits were documented, the same was true for less than a third of properties in the peri-urban sample, where much of the construction is relatively new and largely illegal.

Table 1. Possession of documents for properties in the urban and suburban sub-samples

(shows adjusted percents)			Any document? YES	NO	Don't know
TOTAL RESPONDENTS		680	553	115	9
	R	100%	82%	17%	1%
	C	100%	100%	100%	100%
Urban		525	509	14	1
	R	100%	97%	3%	0%
	C	77%	92%	12%	11%
Suburban/periphery		155	44	101	8
	R	100%	29%	66%	5%
	C	23%	8%	88%	89%

Table 2 displays the sorts of documents held and when they were issued.

* Recent moves by the authorities to bulldoze illegal kiosks in central Tirana represent a dramatic effort to reassert authority. However, the general environment remains one in which expectations of enforcement are low.

Table 2. Types of documents and when they were issued

(shows adjusted percents)			WHEN DOCUMENT WAS ISSUED: Up to 1960	1961-1990	1991-1995	1995+
TOTAL RESPONDENTS		680	189	21	431	39
	R	100%	28%	3%	63%	6%
	C	100%	100%	100%	100%	100%
DOCUMENT (all-that-apply)						
Entin e Baneseve (NHA)		323	2	1	316	4
	R	100%	1%	0%	98%	1%
	C	57%	3%	5%	73%	10%
Purchase from private person		51	5	5	21	20
	R	100%	10%	10%	41%	39%
	C	9%	7%	25%	5%	51%
Gift		2			2	
	R	100%			100%	
	C	0%			0%	
Will		6	6			
	R	100%	100%			
	C	1%	8%			
Judicial decision		12			11	1
	R	100%			92%	8%
	C	2%			3%	3%
Decision of Compensation Comm.		2			2	
	R	100%			100%	
	C	0%			0%	
Legal inheritance		85	45	8	29	3
	R	100%	53%	9%	34%	4%
	C	15%	61%	40%	7%	8%
Purchase from municipality		10			9	1
	R	100%			90%	10%
	C	2%			2%	3%
Privatization document		24			23	1
	R	100%			96%	4%
	C	4%			5%	3%
Other		49	16	6	18	9
	R	100%	33%	12%	37%	18%
	C	9%	22%	30%	4%	23%

Most of the properties are documented through the NHA privatization process begun in 1991, which mostly affected apartments. A major departure since 1991 has been the upsurge in purchased properties, which it turns out are mostly (90%) documented in the Hipoteka; judicial decisions also have figured more prominently since 1991.

These various forms of property documentation differ in terms of their legal validity as well as in their accuracy. Differences in strength and respective legal statuses are highlighted in Table 3.

Table 3. Relative strength or weakness of documents[*]

Document type/source	Strength/ weakness	Comments
Sale contract with NHA or privatization document	Strong	
Purchase from private person	Weak	Because so many sales (an estimated 30%), especially sales of private homes, are legally questionable.
Exchange with private person	Weak	
Gift	Weak	Gifts have apparently evolved into a device to mask previously illegal transactions.
Wills	Possibly Weak	Wills can be weak because the Civil Code takes precedence over wills (e.g., the Civil Code specifies that the court cannot deny rights to legitimate heirs over 18).
Judicial decision	Weak/strong	
Decision of Restitution Commission	Strong	
Legal inheritance	Strong	
Purchase from municipality	Weak	Municipality has sold some land over which its rights of ownership are questionable.

[*] Based on discussions with the IPRS legal staff.

In terms of their accuracy, the age of documents and whether they are being updated to reflect subdivisions or new owners are critical.

The bulk of pre-1990 documents pertain to house properties most of which were either inherited or purchased (see Table 5). The great preponderance of apartments, except for the most recently purchased ones, are documented through privatization documents issued through the NHA (see Table 4).

Table 4. Types of documents possessed for houses versus other properties (mainly apartments)

(shows adjusted percents)			Villa/House YES	Villa/House NO
TOTAL RESPONDENTS		680	305	375
	R	100%	45%	55%
	C	100%	100%	100%
NHA (Entin e Baneseve)		323	18	305
	R	100%	6%	94%
	C	57%	9%	84%
Purchase from private person		51	32	19
	R	100%	63%	37%
	C	9%	16%	5%
Gift		2	2	
	R	100%	100%	
	C	0%	1%	
Will		6	5	1
	R	100%	83%	17%
	C	1%	3%	0%
Judicial decision		12	11	1
	R	100%	92%	8%
	C	2%	6%	0%

As seen in Table 5, whereas 30% of house properties had documents from before 1960, the same was true for only about 1% of apartments. As the next section suggests, documents for older house properties are unlikely to record the identities of current possessors or subdivisions and additions made to the property over the last decade. Since a large proportion of these properties (about two-thirds) are inherited, a greater possibility also exists of intra-family property disputes. Physical alterations to the original property over the years may also have violated building codes or other restrictions, introducing yet another possible contributor to insecurity.

Table 5. House and non-house properties compared according to year document was issued

House		Year document issued			
		Before 1960	1961-1990	1991-	Total
NO		3	0	329	332
	% Row	0.9%	0.0%	99.1%	100.0%
YES		53	21	110	184
	% Row	28.8%	11.4%	59.8%	100.0%
Total		56	21	439	516
	% Row	10.9%	4.1%	85.1%	100.0%

Chi Square = 144.316 DF = 2 Prob. = 0.0000

3.1 Trends since 1991

As is detailed below, documentation of property rights has apparently not been keeping up with inheritance and recent sales and purchases.

Purchased or sold properties

Properties purchased privately appear to be much less well documented than others (see Table 6). The great majority of these purchases (76%, n=47) were houses or villas.

Table 6. Documentation of private purchases of property

(shows adjusted percents)			Private purchase? YES	Private purchase? NO
TOTAL RESPONDENTS		680	62	599
	R	100%	9%	91%
	C	100%	100%	100%
Any document?				
YES		553	38	500
	R	100%	7%	93%
	C	82%	61%	84%
NO		115	24	89
	R	100%	21%	79%
	C	17%	39%	15%
Don't know		9		8
	R	100%		100%

Chi Square = 23.1288 DF = 3 Prob. = 0.0000

Of those who did have a document, for 95% it was in the form of registration in the Hipoteka. However, precisely which supporting documents were presented is not known. Also not known is whether, in the case of earlier sales, Hipoteka records have been updated to reflect the identities of current owners who may be the heirs of the person whose name is recorded. Of the private purchases, 10% occurred prior to 1980; 8.3% before 1965.

Among properties sold by respondents since 1990/1 (n=47), there appears to have been quite dramatic deterioration in the quality of documentation. Prior to sale, about 11% (5/45) were bereft of documents or involved only verbal agreement. After being sold, this percentage more than doubled to 27%.

Table 7. Property documents for properties sold since 1991

DOCUMENTATION	**Before sale** (%)	**After sale** (%)
No document or only verbal agreement	11	27
Written agreement- not notarized	2	2
Written agreement – notarized	40	71
New *kartela*	11	0
Other	33*	0
Total (n)	(45)	(45)

About two-thirds of the property sales involved apartments. However, the percentage of purchased properties is much higher in peri-urban areas, signaling an intensification of tenure uncertainty and confusion in that sector.

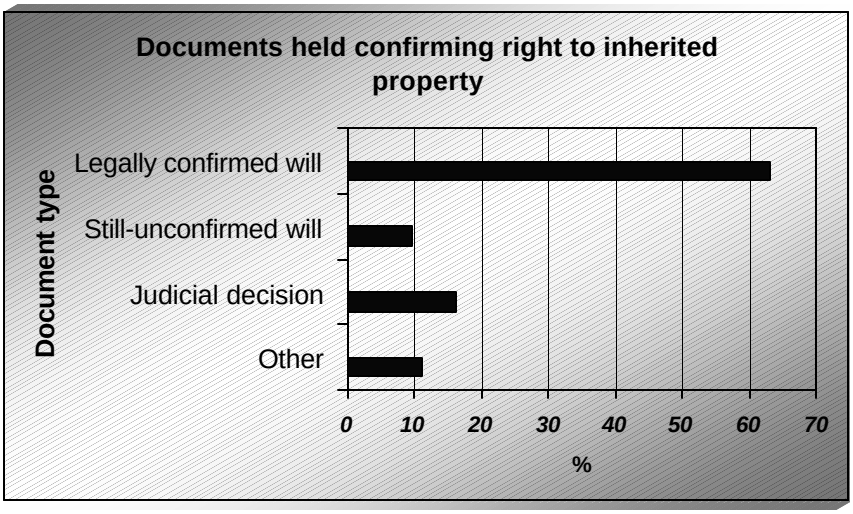
Inherited properties

Houses and apartments. Weak documentation of inheritance largely pertains to the single house sector rather than apartments, of which less than 1% were inherited by respondents.

Almost 90% of inherited apartments or houses had documents with the name of the ascendant on it; for 86%, the property was registered in the Hipoteka; and for an additional 13%, documents took other forms and were issued after 1991. However, about a third of heirs interviewed (n=95) had no document (25.5% + 8.2% who didn’t know) attesting to the transfer, and of those with such documents, about a third possessed documents which were only of questionable quality (e.g., legally unconfirmed wills, judicial decisions), as seen in Figure 1 below.

* Presumably most in this category are recorded in the Hipoteka.

Figure 1



Land parcels. Inheritance accounted for almost half (40%) of the few (n=20) land parcels in the survey. Ascendants' rights were documented in all of these, as were the rights of 6/7 of the heirs receiving the land; four of these, or slightly over half, possessed a legally confirmed will.

Subdivisions: **House properties**. Another largely informal and apparently mostly undocumented trend has to do with subdivisions of existing properties, mostly single family units -- villas and the like. About 10% of all house properties had undergone such subdivisions, with over 80% having occurred in association with inheritance or the setting aside of land to house a young couple. New structures are occasionally added onto a property if there is some extra, vacant land. This was reported to be true of just about half of all house properties.

Evidently, a substantial percentage of subdivisions are not being documented properly and the prospects for the documentation of future subdivisions look even worse:

- Of house properties already subdivided or being considered as candidates for subdivision (n=64), it was indicated that for a fifth of them, boundaries between the subdivided portions would not be defined.
- For about 20% of subdivided properties, respondents indicated that they were not contemplating the separate documentation of their piece in the larger subdivided property.[*] In terms of the reasons given, about a quarter (9/40) lacked a *tapi* for the land and over a third (14/40) lacked a legal judgment on the final disposition

[*] About 15% of house properties (n=42) had more than one family living on them.

of the inheritance arrangements; family disagreements (1) and other reasons were given in the rest of the cases.

In addition to the 10% of house properties that had already been subdivided, a further 16% were being considered for future subdivision. Of these, two-thirds were undocumented (32/48). However, lack of documents was a problem largely restricted to the peri-urban zone, where 84% of likely-to-be-subdivided properties were undocumented. The same was true of only 10% of such properties in the urban zone.

Subdivisions: **Physical sub-units**. Another type of subdivision involves the partitioning of structures into smaller sub-units. There were only 16 such cases in the survey. Almost all had been purchased or were inherited and all were registered in the Hipoteka. Of the five that were inherited, virtually all (4/5) were bereft of any document to attest to the transfer.

4. LINKAGE BETWEEN DOCUMENTS AND SUBJECTIVE SECURITY

What does the survey suggest about how the presence or absence of adequate property documents is affecting people's sense of security about their properties or the existence of conflicts? This issue is explored below focusing on the following three questions:

How widespread are insecurity or conflicts about property rights?

What is the role of documents as opposed to possibly competing sources of security or insecurity such as the length of time people have been using properties?

How do things look for the entire sample and how do patterns change when broken down by zone and property type?

For the Tirana sample as a whole, only about 5% of respondents expressed concern about the strength of their property rights. However, and not very surprisingly, this figure jumps to 16% or 21% among those in the peri-urban area (versus only 1% among urban zone residents) (see Table 9).

Table 9. Insecurity about property rights: Urban versus peri-urban respondents

	Insecure about property rights?			
ZONE	NO	YES	NO opinion	Total

Peri-urban	112	22	7	141
% Row	79.4%	15.6%	5.0%	100.0%
% Col	18.6%	78.6%	100.0%	22.1%
Urban	491	6	0	497
% Row	98.8%	1.2%	0.0%	100.0%
% Col	81.4%	21.4%	0.0%	77.9%
Total	603	28	7	638
% Row	94.5%	4.4%	1.1%	100.0%

Chi Square = 80.8949 DF = 2 Prob. = 0.0000

As Table 10 indicates, reports of subjective insecurity are largely confined to house properties; they are barely evident in the case of apartments

Table 10. Insecurity about property rights: Houses versus apartments and other types of property

	Insecure about property rights?			
	NO	YES	NO opinion	Total
HOUSE				
NO	334	2	2	338
% Row	98.8%	0.6%	0.6%	100.0%
% Col	55.4%	7.1%	28.6%	53.0%
YES	269	26	5	300
% Row	89.7%	8.7%	1.7%	100.0%
% Col	44.6%	92.9%	71.4%	47.0%
Total	603	28	7	638
% Row	94.5%	4.4%	1.1%	100.0%

Chi Square = 26.6952 DF = 2 Prob = 0.0000

In response to a direct question on why they felt insecure, the majority (57% or 16/28)* cited lack of documents as the main factor; an additional 18% explained that they had no legal right to the

* Reasons given for being insecure were:

Reasons	Frequency	(%)
No legal right for property	5	18
No document indicating my rights	16	57
Law or policy might change	1	4
Other claimants	1	4
Cannot effectively defend legally (because of corruption, etc.)	5	18
Other	28	100

property, something also presumably connected to the lack of adequate documents. Underlining the significance attached to documents, almost three-quarters of house owners cited greater ownership security as their reason for valuing proper documents:

Reasons	**Frequency**	**(%)**
Greater ownership security	177	65.6
Clarification of heirs' rights	19	7.0
Easier to sell or conduct other transactions	11	4.1
All the above	19	7.0
Don't know	10	3.7
Other	34	12.6
Total	**270**	**100.0**

As can be seen in Figure 2, the relationship between documents and security is sustained across all sub-samples, except for apartments in the urban zone (note: there are virtually no apartments in the peri-urban zone), for which variability is minimal, absence of documents and insecurity are virtually non-existent, and the period of possession is lengthy (about two-thirds had been held for over 10 years at the time of the survey). In contrast, the peri-urban sub-sample consists largely of new, mostly undocumented properties. These differences are what the correlations for the Tirana sample (Figure 2a) mostly reflect; still it is significant that the document security relationship holds for all but the apartment properties.

Time is likely to increase people's sense of security, particularly in the absence of proper title documents. However, time could also work the other way to undermine security, by degrading the quality of documents and the sense of security. This might be due to inheritance-related conflicts or the degrading of documents as these fail to get updated to reflect inheritance subdivisions or other changes. According to the survey results depicted in Figure 2, length of possession seems to contribute directly to security only within the entire sample, where broad differences between urban and peri-urban zones are reflected, and only slightly so (P=.100) in the peri-urban zone when analyzed separately.

4.1 PROPERTY CONFLICTS

Only a small percentage (about 4.5%) of all sample properties were said to be involved in conflicts,* something likely to reduce people's willingness or ability to make investments in their properties. Most (25/30) conflicts concerned house or villa-like properties with the percentage in the peri-urban (8%) being twice the

* The statistics on conflicts presented here combine reports of conflicts in response to a direct and general question on property conflicts for which 11 indicated that they were involved in conflicts plus reports elsewhere in the interview pertaining to specific property types (another 19). Curiously, there appears to be little correlation between the reported existence of conflicts and insecurity; 10 of the 11 people reporting conflict did not also characterize themselves as being "insecure."

percentage for properties in the urban zone proper. In the urban zone about half of the conflicts pertained to inherited properties.[*]

House properties

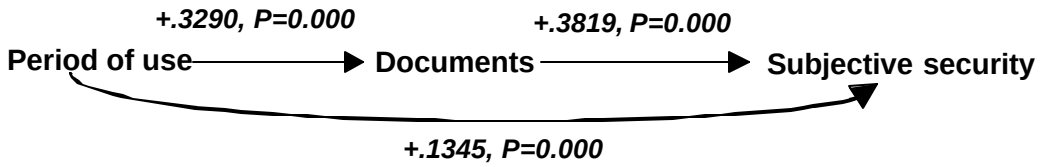
In the urban zone what we are generally talking about when it comes to conflicts are older, inherited house properties[†] of long-term resident families, 70% of whom had come to Tirana before 1965. While most (67%) possessed documents, over half of these were quite old, dating back to before 1960. In contrast, possession of such old documents characterized less than a fifth (18%) of other urban zone house properties that were NOT involved in conflicts.

[*] Of properties involved in conflicts, 10% were inherited versus 2% were non-inherited.

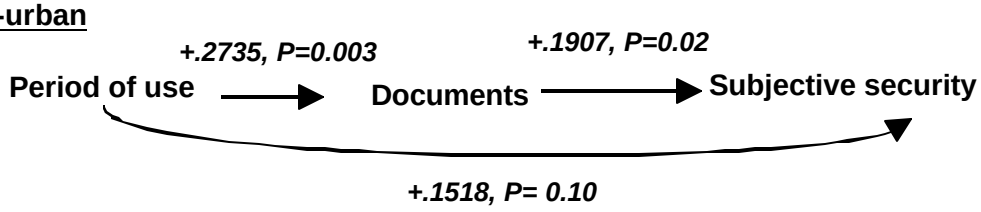
[†] Eighty-eight percent were house properties and between 50% (based on responses to question: "Is this property inherited?") to 65% (based on documentation or reported origin of property) were inherited.

Figure 2
Correlations among documents, period of use and subjective security

a. Entire sample

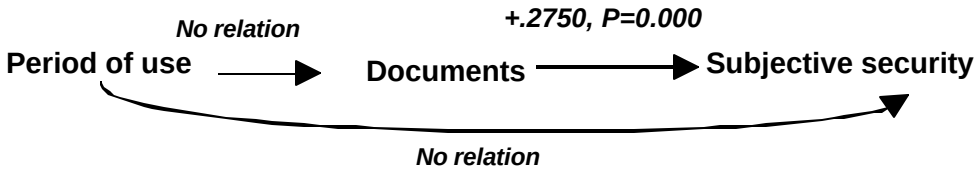


b. Peri-urban

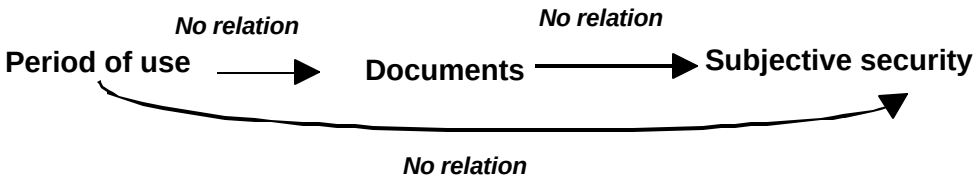


c. Urban

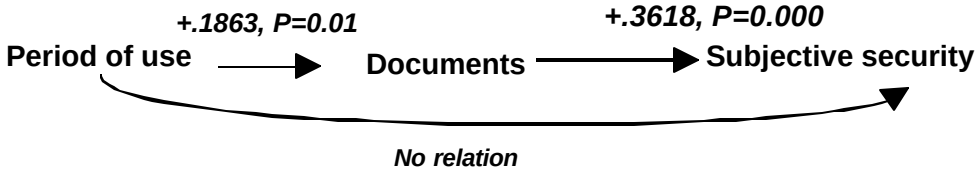
ALL:



***** APARTMENTS***



*****HOUSES***



Inheritance subdivisions usually involving the construction of additional structures in vacant areas of a family plot and multiple ownership also arising from inheritance both appear to be associated with more than the usual rate of conflicts. About 16% of urban house properties were subject to informal subdivisions, with 17% of these being involved in conflicts compared with only 6% for properties that had not been subdivided. Notably, three of the four reporting conflicts indicated that the subdivision was due to a pre-existing conflict not necessarily the result of the subdivision. In about the same proportions (17% to 6% -- Chi Sq.=2.94, Prob=0.08)), house properties subject to multiple owners were also more frequently involved in conflicts than those under single ownership.

In the peri-urban zone, all properties reported to be involved in conflicts were also house properties. However, most belonged to newcomers, only a minority was documented (45%), and inheritance played little or no role.

Although most disputes reported involved house properties, apartments are by no means immune from them. Conflicts sometimes pit ex-owners (or the state) against current apartment dwellers who wish to or have already built extensions onto their existing apartments. The 23 cases of such additions reported in the survey sample amount to about 8% of apartments.* Most, about 80%, were confined to central Tirana (between 1-1.5km from the center) and tended (17/23) to involve large apartment blocks with 40+ units. Additions often entail complex negotiations among neighbors and of course require the initial approval of those living on the ground floor. Once neighbors decide to proceed, problems may then surface with private ex-owners claiming the land or with the state.

All apartments with extensions were ostensibly well documented: 16 were purchased through NHA contracts; one was obtained through a legal inheritance procedure. Virtually all (14/17 + 3 don t know) were recorded in the Hipoteka. Nevertheless, it can be presumed that property documents possessed do not reference or cover additions built onto others' land. Also at issue may be building code or zoning violations, which may also undermine the apartment's legal status now that it has an addition. Anecdotal evidence suggests that many people building extensions onto their properties end up paying a market penalty because of the questionable legal status of their properties. Further study is needed before this link and its urban, planning, property market, and property registration implications can be substantiated.†

Conflicts also may pit apartment dwellers against ex-owners constructing high-rises or other major structures in spaces between and very close to pre-existing apartment blocks.

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* Investments made ranged in value between $833 and $7,500 with a median value of $2,500.

† Extensions were reported on about 12.5% of house properties. For those within the Yellow Line, landownership is unlikely to be much of an issue, since the land in question is generally land privately owned by the homeowner family. About 9% of businesses and 3% of apartments reported similarly major additions. These additions often engender conflicts with ex-owners or with the state.

However, these sorts of problems are barely reflected in the survey, where only two cases of conflict were reported affecting apartments, with neither involving apartments with extensions; one of the two saying they were insecure about rights had built an apartment extension. No one reported conflicts over property and only one said that he was concerned over security of rights.

Another locus of possible tenure conflict for apartments is control over basements. About 8% (n=24) of apartment owners claimed that they also had rights to such areas, with most of these (not surprisingly) being first-floor dwellers. Five cases were reported of basements that had been "occupied by force." Half were people in first-floor apartments and additional 20% were second-floor dwellers.

Issue of "tenure complexity" and security

While property documentation is the most obvious indicator of formal tenure security, it is reasonable to assume that the more complex, amorphous, or ill-defined rights to property are, the more restricted people would feel about what they could do with their properties, including participation in the property market and investment.

Clearly, with recent informal subdivisions, new construction, and the proliferation of multiple ownership and partnership arrangements, tenure complexity has been mounting. The data permit us to get a sense of the extent and implications of this for both formal and subjective tenure security.

Three dimensions can be referred to in assessing "tenure complexity":

- Multiple physical divisions either in the form of multiple structures or subdivisions of what are now formally documented as single properties.
- Multiple owners, co-owners, absentee co-owners, etc.
- Split in the ownership of the land and of structure(s).

Table 12 indicates that in the urban sub-sample, physical subdivision or multiple ownership affect over a third of properties; in only about 4%* is there a split between land ownership and structure ownership. Since no specific data were collected on the status of land under apartment extensions, this probably understates the scope of this issue.

In the peri-urban zone, separation between land and structure ownership is the dominant issue affecting virtually all properties. In addition, about a quarter are subject to the complications of multiple owners, multiple structures, or subdivided structures.

Multiple use adds yet another layer of complexity which in virtually all cases (93%) overlaps with physical subdivision, business partnership arrangements, or splits between land and structure ownership. Mixed uses were reported for about 20% of peri-urban properties and about 7% of urban properties, almost all of them house properties.

* The figure is 4.3% for all urban zone properties with structures on them.

In the urban zone, physical divisions are most common among house properties and inherited properties.* In both zones, but particularly in the peri-urban zone, tenure complexity is most pronounced for properties partially or wholly devoted to commercial use. Houses used solely as residences exhibit less tenure complexity than businesses but more than apartments, which are beset by the lowest level of tenure complications.

Table 12. Comparison of urban and peri-urban zones in terms of aspects of tenure complexity

	ZONE		
COMPLEXITY	Peri-urban	Urban	Total
None of aspects	0	309	309
% Row	0.0%	100.0%	100.0%
% Col	0.0%	59.0%	46.1%
Land/structure split	111	7	118
% Row	94.1%	5.9%	100.0%
% Col	75.5%	1.3%	17.6%
Multiple ownership	0	85	85
% Row	0.0%	100.0%	100.0%
% Col	0.0%	16.2%	12.7%
Physically subdivided	0	76	76
% Row	0.0%	100.0%	100.0%
% Col	0.0%	14.5%	11.3%
Frag. own + physical div.	0	32	32
% Row	0.0%	100.0%	100.0%
% Col	0.0%	6.1%	4.8%
Land/stru + frag. ownership	10	1	11
% Row	90.9%	9.1%	100.0%
% Col	6.8%	0.2%	1.6%
Land/stru + multi-structure	9	2	11
% Row	81.8%	18.2%	100.0%
% Col	6.1%	0.4%	1.6%
All aspects	17	12	29
% Row	58.6%	41.4%	100.0%
% Col	11.6%	2.3%	4.3%
Total	147	524	671
% Row	21.9%	78.1%	100.0%

* For relationship between multiple structures (yes/no) and inheritance (yes/no): Chi Sq. 4.17, P>.04; and for multiple structures (yes/no) and being a house property: Chi Sq. 13.47, P=0.

Chi Square = 576.515 DF = 7 Prob. = 0.0000

Of business properties in the urban zone, about a fifth were said to be subject to all three dimensions of complexity, while the corresponding figure for the peri-urban sample was two-thirds (see Table 13a, 13b). There, empty land parcels (0% exhibit all three dimensions of complexity) are least complex and house dwellings, somewhere in between (around 10% exhibit two or more dimensions of tenure complexity).* In the urban zone 66% present none of the complications with only 1.3% of apartments exhibiting all three dimensions and about 4% exhibiting two or more dimensions (Chi Sq.= 25.46, P= 0.000). Corresponding percentages among urban zone houses are 50%, 0% with all, and 10% with two or more dimensions of complexity (Chi Sq. 15.89, P=0.000).

Table 13. Tenure complexity among (a) urban zone and (b) peri-urban properties based on whether property is business property or not

	Tenure Complexity				
	NONE	1 dimension	2 dimensions	3 dimensions	Total
a. U R B A N					
Business					
NO	296	156	24	4	480
% Row	61.7%	32.5%	5.0%	0.8%	100.0%
% Col	95.8%	92.9%	68.6%	33.3%	91.6%
YES	13	12	11	8	44
% Row	29.5%	27.3%	25.0%	18.2%	100.0%
% Col	4.2%	7.1%	31.4%	66.7%	8.4%
Total	309	168	35	12	524
% Row	59.0%	32.1%	6.7%	2.3%	100.0%
Chi Square = 84.5035 DF = 3 Prob. = 0.0000					
b. P E R I - U R B A N					
Business -					
NO		104	17	7	128
% Row		81.3%	13.3%	5.5%	100.0%
% Col	-	93.7%	89.5%	41.2%	87.1%
YES		7	2	10	19
% Row	-	36.8%	10.5%	52.6%	100.0%
% Col		6.3%	10.5%	58.8%	12.9%
Total		111	19	17	147
% Row		75.5%	12.9%	11.6%	100.0%
Chi Square = 36.2390 DF = 2 Prob. = 0.0000					

Links between complexity on the one hand, and possession of documents (Table 15), subjective security ((Table 16), and the frequency of conflicts (Table 17), on the other, are statistically significant only when urban and peri-urban properties are pooled, suggesting that the differences really are between the zones rather than a direct consequence of tenure complexity per se. However, as will be seen later, there is evidence pointing to restricted discretion for investment and property disposition based on such complexity.

* Chi Square= 15.89, P=0.000.

Table 14. Degree of tenure complexity: Urban and peri-urban samples compared

ZONE	COMPLEXITY				
	NONE	1 dimension	2 dimensions	3 dimensions	Total
Peri-urban					
	0	111	19	17	147
% Row	0.0%	75.5%	12.9%	11.6%	100.0%
% Col	0.0%	39.8%	35.2%	58.6%	21.9%
Urban	309	168	35	12	524
% Row	59.0%	32.1%	6.7%	2.3%	100.0%
% Col	100.0%	60.2%	64.8%	41.4%	78.1%
Total	309	279	54	29	671
% Row	46.1%	41.6%	8.0%	4.3%	100.0%

Chi Square = 167.217 DF = 3 Prob. = 0.0000

Table 15. Degree of tenure complexity among all sample properties based on whether they were documented or not

	COMPLEXITY				
	NONE	1 dimension	2 dimensions	3 dimensions	Total
Documents					
NO	11	75	15	13	114
% Row	9.6%	65.8%	13.2%	11.4%	100.0%
% Col	3.6%	27.9%	28.8%	44.8%	17.3%
YES	298	194	37	16	545
% Row	54.7%	35.6%	6.8%	2.9%	100.0%
% Col	96.4%	72.1%	71.2%	55.2%	82.7%
Total	309	269	52	29	659
% Row	46.9%	40.8%	7.9%	4.4%	100.0%

Chi Square = 82.0338 DF = 3 Prob. = 0.0000

Table 16. Subjective tenure insecurity and degree of tenure complexity among all sample properties

	COMPLEXITY				
	NONE	1 dimension	2 dimensions	3 dimensions	Total
Insecurity					
NO	307	252	48	25	632
% Row	48.6%	39.9%	7.6%	4.0%	100.0%
% Col	99.0%	94.4%	88.9%	86.2%	95.8%
YES	3	15	6	4	28
% Row	10.7%	53.6%	21.4%	14.3%	100.0%
% Col	1.0%	5.6%	11.1%	13.8%	4.2%
Total	310	267	54	29	660
% Row	47.0%	40.5%	8.2%	4.4%	100.0%

Chi Square = 22.2093 DF = 3 Prob. = 0.0000

Table 17. Conflict and tenure complexity among all sample properties

		COMPLEXITY				
		NONE	1 dimension	2 dimensions	3 dimensions	Total
Conflict						
NO		301	252	48	29	630
	% Row	47.8%	40.0%	7.6%	4.6%	100.0%
	% Col	97.1%	94.4%	88.9%	100.0%	95.5%
YES		9	15	6	0	30
	% Row	30.0%	50.0%	20.0%	0.0%	100.0%
	% Col	2.9%	5.6%	11.1%	0.0%	4.5%
Total		310	267	54	29	660
	% Row	47.0%	40.5%	8.2%	4.4%	100.0%

Chi Square = 9.38078 DF = 3 Prob. = 0.0246

5. INVESTMENT AND TENURE SECURITY

5.1 OVERVIEW OF INVESTMENTS MADE IN PROPERTIES

As seen in Figure 3, new construction represents the major form of investment in peri-urban areas, while remodeling, repair, and extensions of existing structures are more pervasive in urban properties.

In terms of their relative monetary value (expressed in US$), Figure 4 indicates that the lion's share of investment has been going into new construction (about a third), major repairs, extensions or additions, and the establishment of businesses, mostly small businesses. Table 18 provides figures on the average sizes of these various types of investment.

Table 18. Average and median reported cost in US* dollars for various investments

TYPE OF INVESTMENT	New house or apartment	New business	Garage or storage	Addition or extension	Repair or remodel	Water reservoir	Heating system
Average	$14,208	$31,979	$1,717	$13,762	$5,320	$717	$2,208
Median	$10,833	$2,916	$1,000	$4,167	$2,500	$417	$708

TYPE OF INVESTMENT	Remodel kitchen	Remodel bathroom	Repair roof	New windows or doors	Balcony	Other	Wall
Average	$2,625	$1,756	$1,798	$1,277	$1,561	$1,850	$2,688
Median	$1,667	$1,250	$1,667	$833	$833	$833	$833

* At exchange rate of 120 Lek=US$1.

Figure 3

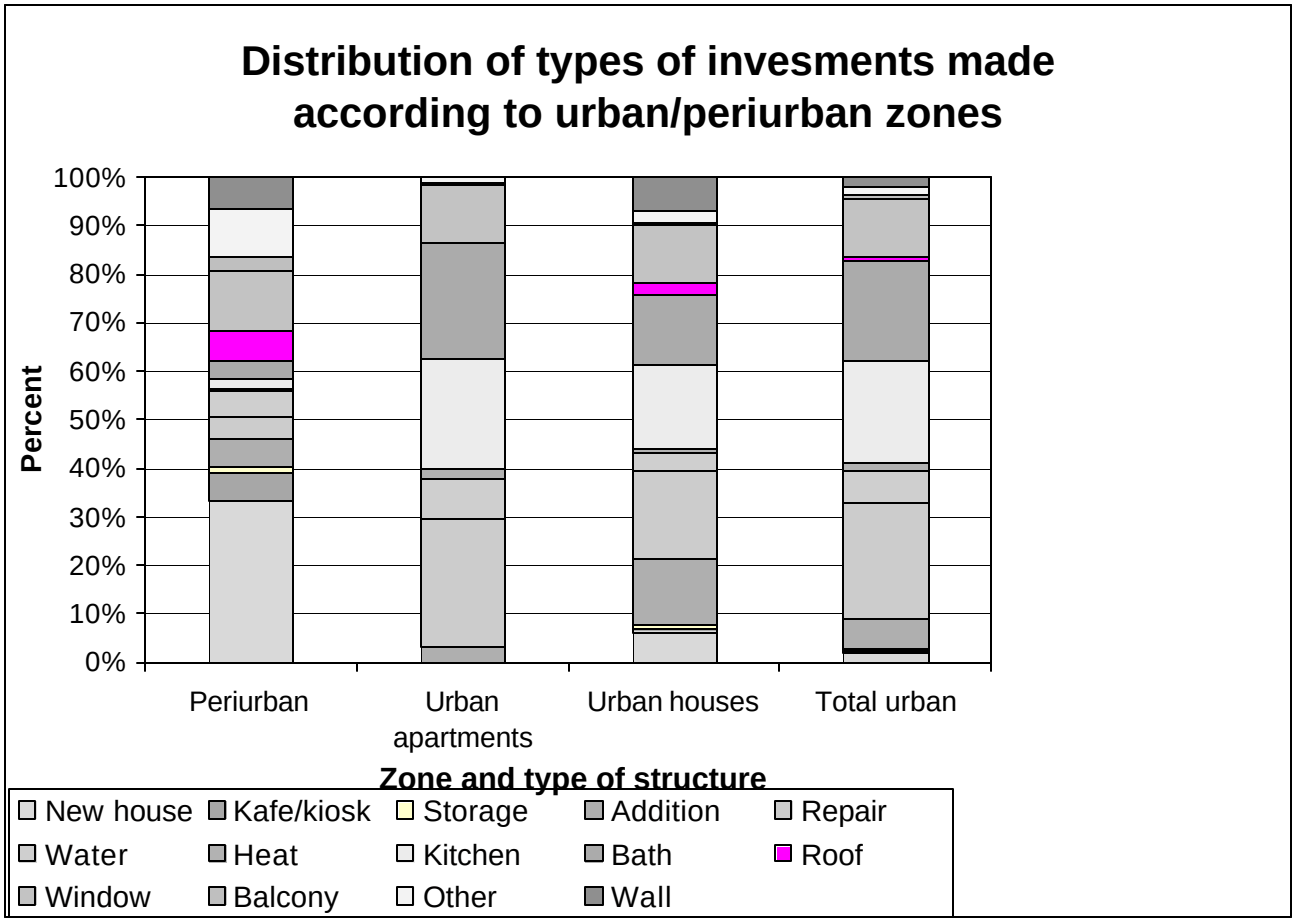
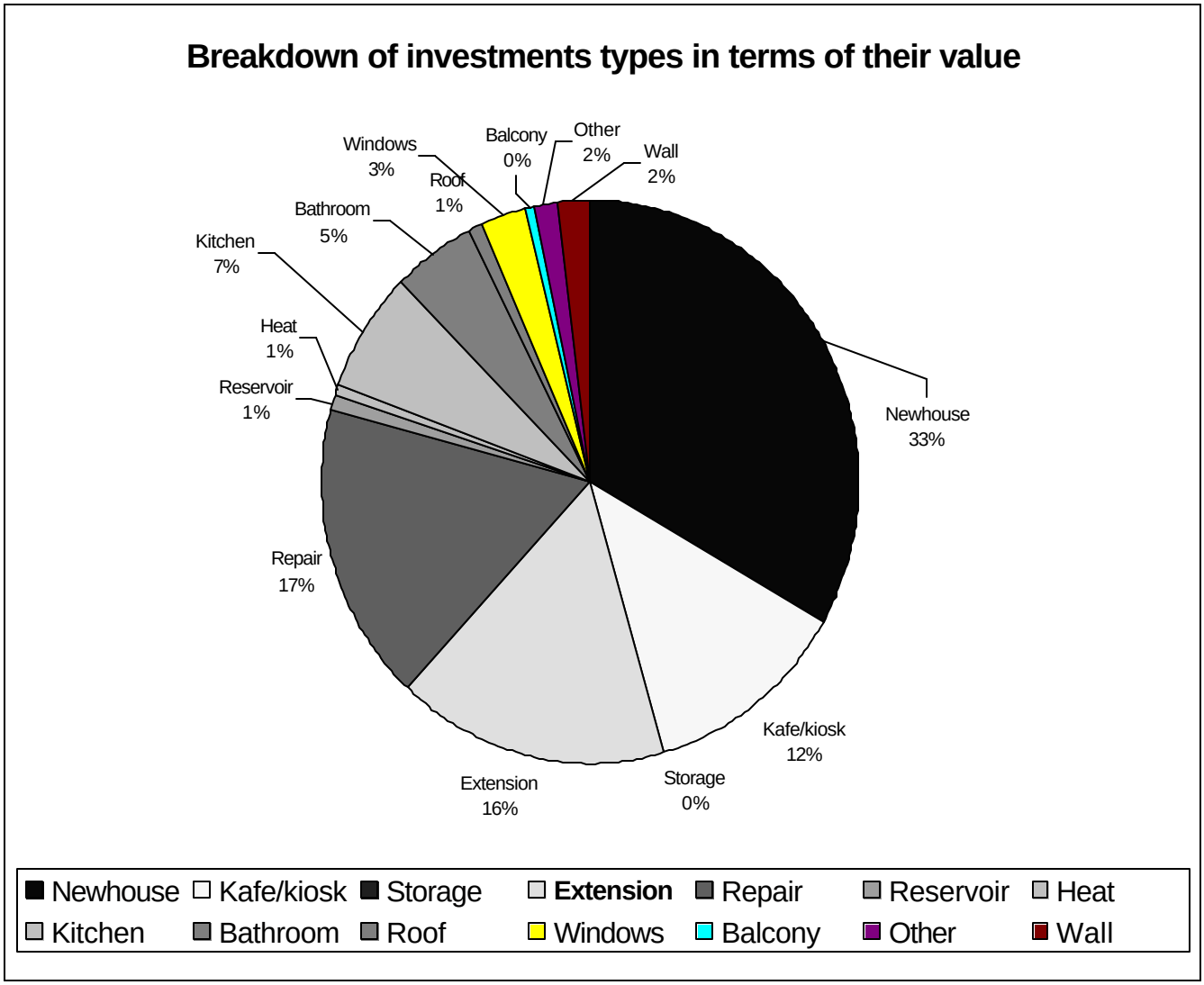

Distribution of types of invesments made according to urban/periurban zones
Percent
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Periurban
Urban apartments
Urban houses
Total urban
Zone and type of structure
New house
Kafe/kiosk
Storage
Addition
Repair
Water
Heat
Kitchen
Bath
Roof
Window
Balcony
Other
Wall

Figure 4


Breakdown of investments types in terms of their value
Windows 3%
Balcony 0%
Other 2%
Wall 2%
Roof 1%
Bathroom 5%
Kitchen 7%
Heat 1%
Reservoir 1%
Repair 17%
Extension 16%
Storage 0%
Kafe/kiosk 12%
Newhouse 33%
Newhouse
Kafe/kiosk
Storage
Extension
Repair
Reservoir
Heat
Kitchen
Bathroom
Roof
Windows
Balcony
Other
Wall

5.2 TENURE SECURITY AND INVESTMENT

To what extent can investment be attributed to greater levels of tenure security? The simple answer is that only a weak connection seems to exist. Indeed, evidence drawn from the entire Tirana sample points in the opposite direction, namely, much higher levels and rates of investment on undocumented properties than documented ones. Strength or weakness of the documents appears to make little difference in this overall pattern (see Table 19).* However, this essentially reflects little more than the fact that much of the investment going on, particularly the new building, is occurring in the peri-urban zone, where very few people possess any documents for their properties. Excluding cases of new construction, rates of investment between the urban/peri-urban and with/without document groups are virtually the same, being slightly over half of all properties.

Table 19. Investments according to possession or lack of documents for properties

(shows adjusted percents)			Investment No	Investment Yes
TOTAL RESPONDENTS		674	274	398
	R	100%	41%	59%
	C	100%	100%	100%
Document				
NO		114	20	93
	R	100%	18%	82%
	C	17%	7%	24%
YES		545	248	297
	R	100%	46%	54%
	C	83%	93%	76%
Chi Square			28.8344	
Chi Deg of freedom			1	
Chi Probability			0.00000	

Focusing only on the urban zone sub-sample, documents do appear to make quite a difference in the incidence of investment: compared to over a half of those with documents making investments, the corresponding figure for those without documents is only about a quarter (F=4.59, P=0.03). However, being based on only 18 properties

* Similarly, the tenure complexity scale from 1 to 4 (see above) also correlates positively with investment for the entire sample, even broken down by sector. However, it is much stronger in the peri-urban (+.2800 , P > 0.000) than in the urban zone (+.0832, P = 0.05). This supports the idea that investment may in fact be contributing to insecurity.

without documents, this relationship must be regarded as somewhat tenuous.

Table 20. Investments according to strength or weakness of property documents

(shows adjusted percents)			Investment No	Investment Yes
TOTAL RESPONDENTS		674	274	398
	R	100%	41%	59%
	C	100%	100%	100%
No document or strength of document				
No document		122	19	102
	R	100%	16%	84%
	C	18%	7%	26%
Weak document		29	13	16
	R	100%	45%	55%
	C	4%	5%	4%
Hipoteka		82	33	49
	R	100%	40%	60%
	C	12%	12%	13%
Strong document		428	204	224
	R	100%	48%	52%
	C	65%	76%	57%
Chi Square			40.1201	
Chi Deg of freedom			3	
Chi Probability			0.00000	

Table 21. Investment in the urban versus peri-urban zones of Tirana

(shows adjusted percents)			Investment No	Investment Yes
	C	100%	100%	100%
ZONE				
Peri-urban		147	26	119
	R	100%	18%	82%
	C	22%	9%	30%
Urban		524	248	276
	R	100%	47%	53%
	C	78%	91%	70%

Chi Square = 39.3807 DF = 1 Prob. = 0.0000

5.3 TENURE SECURITY AND THE VALUE OF INVESTMENTS

These basic patterns persist when it comes to the value of investments made. On average, the amount invested in undocumented properties is about twice as high as for documented properties -- $10,828 compared to $5,208 (F=5.3, p=0.02). Clearly, this would appear to reflect the fact that the preponderance of new, expensive construction is occurring in peri-urban areas where possession of documents is rare. Indeed, about two-thirds (87/136) of peri-urban respondents reported investing more than $2,500 on properties for which they lacked any documents (see Table 24). However, even if peri-urban home building is ignored and analysis is narrowed to urban zone properties and major investments other than new construction (e.g., additions), no relationship emerges with possession or quality of documents or even with responses meant to solicit subjective security/insecurity. As seen in Table 22, almost three-quarters of undocumented properties benefited from the largest investments; the same was true of about a third of documented properties. This percentage rises to 84% of undocumented properties in the peri-urban zone. Once again, strength of documents makes little difference in this basic pattern (see Table 23).

Table 22. Possession of documents and amounts invested in properties

		AMOUNTS INVESTED (in US$)			
DOCUMENTS		No investment or < $100	$101-$2,500	$2,500+	Total
NO		21	9	84	114
	% Row	18.4%	7.9%	73.7%	100.0%
	% Col	7.5%	7.9%	30.5%	17.1%
YES		253	104	188	545
	% Row	46.4%	19.1%	34.5%	100.0%
	% Col	90.7%	91.2%	68.4%	81.6%
Don’t know		5	1	3	
	% Row	55.6%	11.1%	33.3%	100.0%
	% Col	1.8%	0.9%	1.1%	1.3%
Total		279	114	275	668
	% Row	41.8%	17.1%	41.2%	100.0%

Chi Square = 60.5250 DF = 4 Prob. = 0.0000

Table 23. "Strength" of documents and amounts invested in properties

DOCUMENT TYPE	AMOUNTS INVESTED (in US$)			
	No investment or < $100	$101-$2,500	$2,500+	Total
No document	21	11	90	122
% Row	17.2%	9.0%	73.8%	100.0%
% Col	7.6%	9.6%	33.1%	18.5%
Weak document	13	6	10	29
% Row	44.8%	20.7%	34.5%	100.0%
% Col	4.7%	5.3%	3.7%	4.4%
Hipoteka	33	17	32	82
% Row	40.2%	20.7%	39.0%	100.0%
% Col	12.0%	14.9%	11.8%	12.4%
Strong document	208	80	140	428
% Row	48.6%	18.7%	32.7%	100.0%
% Col	75.6%	70.2%	51.5%	64.8%
Total	275	114	272	661
% Row	41.6%	17.2%	41.1%	100.0%

Chi Square = 68.0334 DF = 6 Prob. = 0.0000

Table 24. Amounts invested on peri-urban properties according to the existence and strength of documents possessed

DOCUMENT TYPE	AMOUNTS INVESTED (in US$)			
	No investment or < $100	$101-$2,500	$2,500+	Total
No document	9	8	87	104
% Row	8.7%	7.7%	83.7%	100.0%
% Col	39.1%	61.5%	87.0%	76.5%
Weak document	2	0	4	6
% Row	33.3%	0.0%	66.7%	100.0%
% Col	8.7%	0.0%	4.0%	4.4%
Hipoteka	7	5	7	19
% Row	36.8%	26.3%	36.8%	100.0%
% Col	30.4%	38.5%	7.0%	14.0%
Strong document	5	0	2	7
% Row	71.4%	0.0%	28.6%	100.0%
% Col	21.7%	0.0%	2.0%	5.1%

Chi Square = 36.0083 DF = 6 Prob. = 0.0000

Investment and tenure complexity are positively correlated: over two-thirds of those subject to all three dimensions of complexity had invested over $2,500 on their properties versus about 40% for those not subject to any of these dimensions (see Table 25).

Table 25. Amounts invested on peri-urban properties according to the presence of certain elements of tenure complexity

FORM OF COMPLEXITY	AMOUNTS INVESTED (in US$)			
	No investment or < $100	$101-$2,500	$2,500+	Total
None of aspects	134	67	111	312
% Row	42.9%	21.5%	35.6%	100.0%
% Col	47.7%	58.3%	39.9%	46.3%
Land/structure Split	32	12	74	118
% Row	27.1%	10.2%	62.7%	100.0%
% Col	11.4%	10.4%	26.6%	17.5%
Frag. ownership	46	18	21	85
% Row	54.1%	21.2%	24.7%	100.0%
% Col	16.4%	15.7%	7.6%	12.6%
Physically subdivided	42	11	23	76
% Row	55.3%	14.5%	30.3%	100.0%
% Col	14.9%	9.6%	8.3%	11.3%
Frag. Own. + Physical div.	18	2	12	32
% Row	56.3%	6.3%	37.5%	100.0%
% Col	6.4%	1.7%	4.3%	4.7%
Land/stru + Frag. Ownership	2	1	8	11
% Row	18.2%	9.1%	72.7%	100.0%
% Col	0.7%	0.9%	2.9%	1.6%
Land/ stru + multi stru.	0	2	9	11
% Row	0.0%	18.2%	81.8%	100.0%
% Col	0.0%	1.7%	3.2%	1.6%
All aspects	7	2	20	29
% Row	24.1%	6.9%	69.0%	100.0%
% Col	2.5%	1.7%	7.2%	4.3%
Total	281	115	278	674
% Row	41.7%	17.1%	41.2%	100.0%

Chi Square = 70.8211 DF = 14 Prob. = 0.0000

6. ROLE OF TENURE SECURITY VERSUS OTHER POSSIBLE MAJOR FACTORS IN INVESTMENT

Clearly investment is shaped by factors beside tenure security, if by that we are referring narrowly to the possession of property documents. The most obvious of these other factors include income levels and demographic profiles of households, which together shape both the need for investments and the resources available to finance them. Based on the survey, resort to formal credit as a way to augment limited means has not yet emerged as much of a factor. Credit markets generally remain too immature and formal credit

availability too limited as indicated by the fact only seven credit applications were reported in the survey.* Thus, when one speaks of "resources," this essentially refers to family income or inherited wealth (see Appendix 1 for a discussion and data on estimated levels and income distribution, based on sample household data).

Since the survey did not directly ask people about their incomes, only rough approximations are possible (see discussion of this in Appendix 1). Previous studies suggest that family income and poverty are closely linked to demographic features of households and their sources of income. Families most likely to be poor according to a 1996 World Bank study on poverty in Albania (*Albania: Growing out of Poverty*) included multi-generation households, especially those headed by a woman whose adult children were unemployed; also more likely to be poor were households in which the household head was unemployed and where the household relied entirely on state transfers. On the other hand, those drawing market income from businesses and, most importantly, those able to draw on remittance income supplied by family members working abroad tended to be much better off.

Echoes of these basic findings are detected in the IPRS urban survey where estimated per-capita income† also seems to be closely linked to demographic and income source profiles of households (see Appendix 1c). Overall, for the pooled sample, income per capita is negatively related to dependency ratio (i.e., percentage of family members below 15 and over 65; r = -.22798, P=0.0000) and positively related to the total number of earners (r = +.2152, P=0.0000). Remittance income also figures importantly (r = +.1245, P=0.000‡). Results of regression analysis of these three factors' relationship to estimated per-capita family income is displayed below in Table 26.

* Notably, of those (n=6) who were successful, three said that the purpose was to finance construction of a new house, and two, a new business.

† Salaries plus net self-employment and disposable remittance income. See Appendix 1 for details on how these were estimated.

‡ R = +.4374, p=0.000, using the high $250-per-month estimate for remittance income.

Table 26. Some determinants of family income per capita

Dependent Variable: **Family income per capita**[*] [649 Valid Records]

Coeff of Determ:	0.0752093		
Adjusted R Square:	0.0709080	Estimated Constant Term:	39.9614
Multiple Corr Coeff:	0.274243	Standard Err of Estimate:	33.9926

Analysis of Variance for the Regression:

Source of Variance	Degrees of Freedom	Sum of Squares	Mean of Squares	F Test	Prob
Regression	3	60611.6	20203.9	17.4850	0.0000
Residuals	645	745294	1155.49		
Total	648	805905			

Variable	Regression Coefficient	Standardized Coefficient	Standard Error	t	Prob
DEPENDENCY RATIO	-21.8722	-0.169697	5.31577	-4.11459	0.0000
NO. IN FAMILY WORKING ABROAD	5.80172	0.0716134	3.19068	1.81833	0.0695
EARNERS IN FAMILY[†]	3.57992	0.128265	1.19075	3.00644	0.0027

Just as they did on the matter of possession of property documents, urban and peri-urban sub-samples also vary greatly in terms of both their family structures and their income sources.

Peri-urban households tend to be larger with more income earners and headed by younger, somewhat less educated people (see Table 27). Urban sub-sample property owners tend to consist of long-term resident, older people with smaller families (Appendix 1c).

[*] This is the estimate using the $100 per month figure for remittance income.

[†] This is the total number of earners adjusted by counting pension earners and part-time workers as "half an earner."

Table 27. Differences in family structure between peri-urban and urban sub-samples

Zone	Median family size* Chi square/ r	Mean income earners*[*]	Median age of household members*[†]	Mean education of head*[‡]
Peri-urban	5	3.2	24	3.5
Urban	4	2.8[§]	36	4.2

***** Statistically significant difference at > than 0.05 level.

As already indicated, the age of urban heads of household and the average age of household members is substantially higher than among peri-urban households. This is important in defining relative income prospects since in the urban zone, advancing age of the households seems to be associated with smaller families and fewer income earners as dependency ratios go up and the percentage of two-generation households goes down.[**] The apparent net effect of these differences seems to be a decline in per-capita income as urban heads of household get older. This tendency helps to explain why such a higher percentage in the urban zone relies on pension income. It was the only source of income for 14% of the urban sample compared to a much lower 5% in the peri-urban zone; on average, the percentage of total income represented by pensions was 27% versus 11% in peri-urban areas (F=19.74, P=0.000).

Other income source differences between the two sub-samples that appear in Figures 5 and 6 include a greater reliance on state employment in the urban zone and a much higher reliance on remittance income and part-time work in peri-urban areas. Remittance income is particularly significant since it is widely regarded (e.g., the 1996 World Bank poverty study) as a major determinant of higher family incomes. On average, an estimated 20% of total family incomes came from remittances in the peri-urban versus only about 3% in the urban zone (F=66, P=0.000).

[*] Adjusting total earners by counting pension earners and part-time workers as half, the difference is 2.6 for the peri-urban zone versus 2 for the urban zone.

[†] Significant for mean difference.

[‡] Education coded as follows: 1=none, 2=primary, 3=middle, 4=second, 5=university

[§] 2.6 for apartment property owners.

[**] Total earners do go up slightly with age of the household head but this connection is much weaker than it is in the peri-urban zone, suggesting perhaps that once children marry they are less likely to remain part of the parental household.

Figure 5

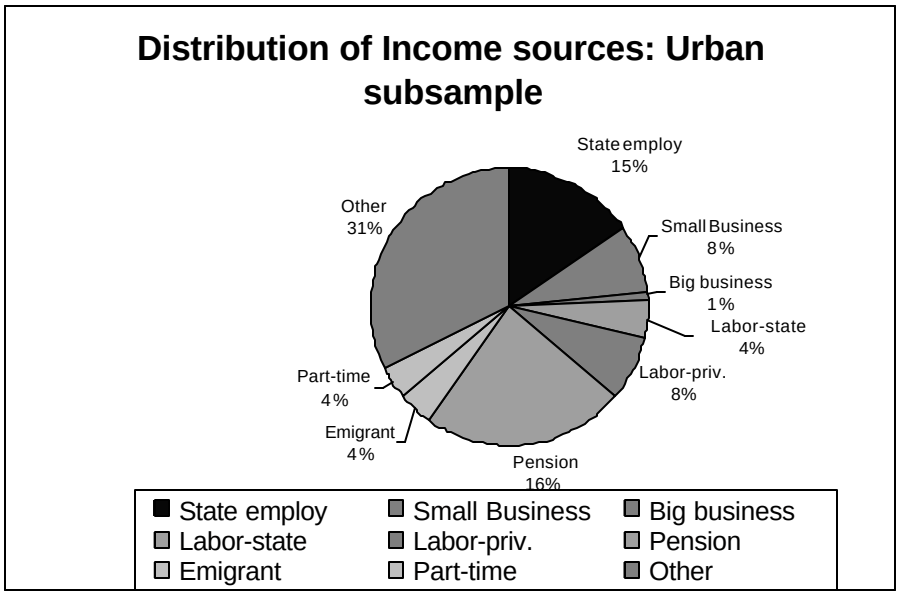
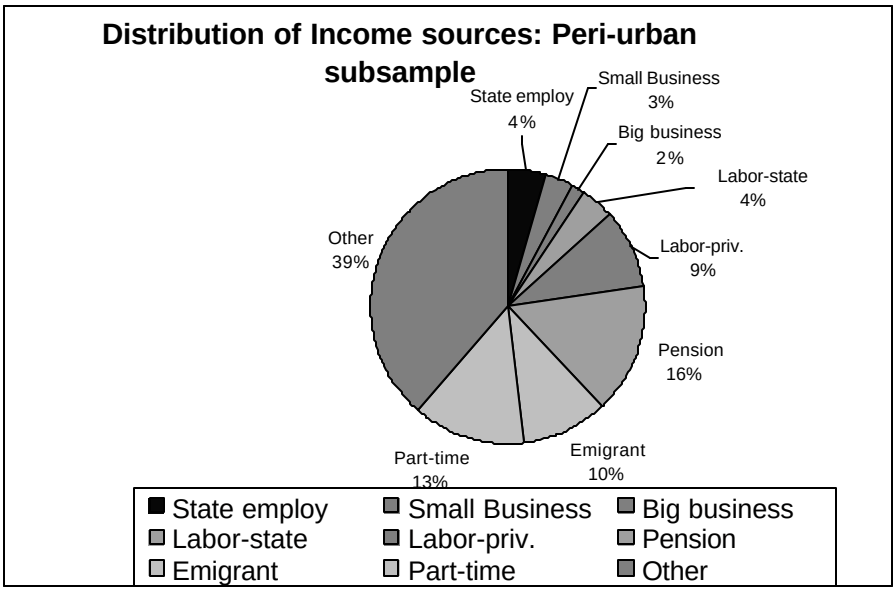


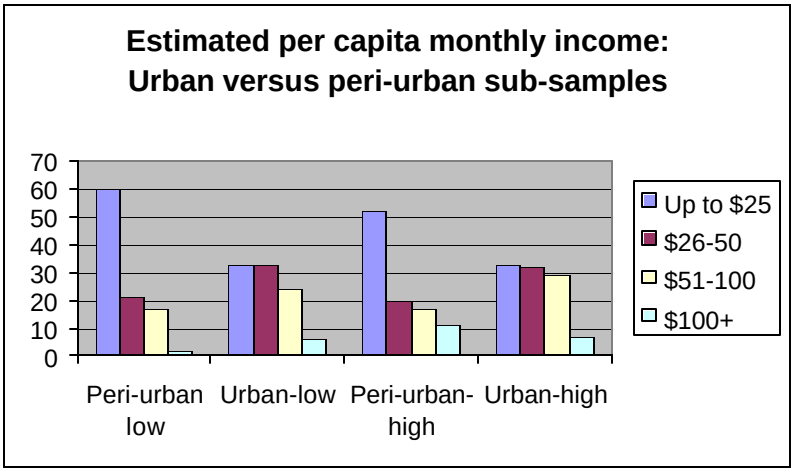
Figure 6



Again it should be kept in mind that these are only very rough estimates. Figures derived for total income depend greatly on average incomes imputed to business and remittance income (see discussion of this in Appendix 1), which are the most variable categories and for which uncertainty over estimates used is greatest. Using both a higher ($250) and lower ($100) estimate for monthly

remittance income, yields the income distribution patterns displayed in Figure 7.

Figure 7



According to both sets of estimates, peri-urban households are more clustered at the lowest end of the income scale than uban zone families. However, using the higher remittance estimate reduces differences between urban and peri-urban sub-samples at the highest ends of the income distributiion spectrum; no statistically significant income difference exists between the zones using this higher estimate. This would suggest that to the extent that higher investment is correlated with higher income (which Table 27 below indicates* to be the case), not enough of an income difference seems to exist between the two sub-samples to account for investment differences. Certainly, people in the peri-urban zone do not appear to be investing more because they are better off than their counterparts within Tirana's city limits.†

6.1 RELATIONS BETWEEN INVESTMENT, INCOME, FAMILY DEMOGRAPHIC STRUCTURE, AND POSSESSION OF DOCUMENTS

Aggregating over the entire sample, per-capita gross household income does indeed correlate positively with the value (r= +0.1534, p=0.000) of investments. Tables 28A-28C detail how income and investment are related for the entire sample (Table 29A) as well as for differences in patterns by zone and by property type.

Among the differences that emerge are:

* Correlation between income per capita (remittances $250/month) = 0.18378, P = 0.0000 (n = 646

† Using the lower remittance estimate, the average family income per capita in the peri-urban zone is lower: $64 versus $92 per month (F=5.17, P=0.02).

- A very strong connection exists in the peri-urban zone between per-capita income and the value of investments (r = +.47802, P=0.000).*
- In the urban zone the connection to income is notable only for the house properties sector but not in terms of investment value, only in terms of whether or not investments were made (r = +.1992, p=0.01).
- For the urban apartment sector (Table 28C), income differences play little apparent role; demographic differences, not relative income, appear to be the main factors driving investment.

This last point is supported in a series of regression equations (summarized in Appendix 2) that incorporate all of the major factors discussed thus far: income, household characteristics, and the presence or absence of documents.

- In terms of whether or not investments are made in apartments the only significant factors to emerge are the dependency ratio, to which investment is negatively related, and family size, to which investment is positively related. One way to interpret the data would be that higher-value investments are being made by growing families with heads in their early to mid-forties composed of some non-working children in their teens plus perhaps younger children or an elderly parent or parents. These same variables relate to value of investment.†
- While remittance income is positively related to the value of investments, it is not related to whether or not investments were being made.
- Investment is as already noted negatively related to the possession of documents, but only when the sample is pooled; this relationship merely reflects the fact that more investment is going on in the peri-urban zone where most of the people lack documents.

* This is using the low per-capita estimate; with the higher estimate r = +.3173, p=0.000.

† Another variable negatively related to investment value is the number of income earners in the family (see Appendix 2). It is unclear what that particular relationship means.

Table 28. Income and investment by zone and property type

A. URBAN AND PERI-URBAN

(shows adjusted percents)			Total investment grouped into categories: No investment or < $100	$101-$2,500	$2,500+
TOTAL RESPONDENTS		674	281	115	278
	R	100%	42%	17%	41%
	C	100%	100%	100%	100%
Apartment or house					
House		300	105	42	153
	R	100%	35%	14%	51%
	C	47%	41%	39%	58%
Apartment		333	153	67	113
	R	100%	46%	20%	34%
	C	53%	59%	61%	42%
Chi Square			19.0105		
Chi Deg of freedom			2		
Chi Probability			0.00000		
Zone					
Peri-urban		147	29	13	105
	R	100%	20%	9%	71%
	C	22%	10%	11%	38%
Urban		524	252	101	171
	R	100%	48%	19%	33%
	C	78%	90%	89%	62%
Chi Square			71.40		
Chi Deg of freedom			2		
Chi Probability			0.0000		

Per capita income

(shows adjusted percents)			No investment or < $100	$101-$2,500	$2,500+
TOTAL RESPONDENTS		674	281	115	278
	R	100%	42%	17%	41%
	C	100%	100%	100%	100%
Up to $25		223	104	37	82
	R	100%	47%	17%	37%
	C	37%	42%	35%	32%
$26-50		177	67	40	70
	R	100%	38%	23%	40%
	C	29%	27%	38%	28%
$51-100		156	58	26	72
	R	100%	37%	17%	46%
	C	26%	24%	25%	28%
$100+		49	17	3	29
	R	100%	35%	6%	59%
	C	8%	7%	3%	11%
Chi Square			15.42		
Chi Deg of freedom			6		
Chi Probability			0.0170		

(continued)

B. HOUSE PROPERTIES

(shows adjusted percents)			Total investment grouped into categories: No investment or < $100	$101-$2,500	$2,500+
TOTAL RESPONDENTS		300	105	42	153
	R	100%	35%	14%	51%
	C	100%	100%	100%	100%
Zone					
Peri-urban		134	19	12	103
	R	100%	14%	9%	77%
	C	45%	18%	29%	68%
Urban		165	86	30	49
	R	100%	52%	18%	30%
	C	55%	82%	71%	32%
Chi Square			67.15		
Chi Deg of freedom			2		
Chi Probability			0.000		
Income per capita per month					
Up to $25		112	40	13	59
	R	100%	36%	12%	53%
	C	41%	44%	33%	41%
$26-50		73	26	15	32
	R	100%	36%	21%	44%
	C	27%	29%	38%	22%
$51-100		65	21	10	34
	R	100%	32%	15%	52%
	C	24%	23%	26%	24%
$100+		23	4	1	18
	R	100%	17%	4%	78%
	C	8%	4%	3%	13%
Chi Square			10.25		
Chi Deg of freedom			6		
Chi Probability			0.1140		

(continued)

C. APARTMENTS IN URBAN ZONE

(shows adjusted percents)			Total investment grouped into categories: No investment or < $100	$101-$2,500	$2,500+
TOTAL RESPONDENTS		333	153	67	113
	R	100%	46%	20%	34%
	C	100%	100%	100%	100%
Income per capita per month					
Up to $25		101	56	23	22
	R	100%	55%	23%	22%
	C	33%	40%	37%	22%
$26-50		97	38	23	36
	R	100%	39%	24%	37%
	C	32%	27%	37%	35%
$51-100		84	35	15	34
	R	100%	42%	18%	40%
	C	28%	25%	24%	33%
$100+		21	10	1	10
	R	100%	48%	5%	48%
	C	7%	7%	2%	10%
Chi Square			13.82		
Chi Deg of freedom			6		
Chi Probability			0.031		

7. CLOSER LOOK AT TENURE INSECURITY AND INVESTMENT

Although documents per se appear not to be much of a factor in determining investment behavior, other forms of insecurity do appear to be operative in shaping what people feel free to do with their properties. This emerges from responses to survey questions on why people felt constrained in proceeding with plans or desires they had to expand or invest in their properties.

Businesses

As already indicated, businesses, of which there were 33 in the survey, represent perhaps the most fragmented and least well-documented of property categories. Overall, a higher percentage than for the other property types had multiple owners or partners (39% had 3 or more and in almost half the cases, partners were not relatives), or were characterized by a split between ownership of the business structure and ownership of the land it is on (36% owned none or only part of the land) or the absence of documents (of 21 who owned the land, a third lacked any documents to attest to this fact). These features are most notable in the peri-urban sub-sample as highlighted in Table 29 below.

Table 29. Some tenure features of business properties by urban/peri-urban zone

ZONE	Legal owners	Land ownership	Documents
Urban	14% more than 1	48% owned all of land	100% among those who owned all of the land. But don't know if up-to-date
Peri-urban	75% more than 3	None own land	< 10%

About 40% of those interviewed (n=14) said that they had room to expand their businesses and of these, two-thirds (n=10) said that they were thinking of doing so. Of the others who said that they were NOT considering expansion, what could be considered tenure problems accounted for over a third: namely, the expectation that land and/or building owners (2), or most of all neighbors (4) would not permit it; lack of money was given as a reason slightly less often (n=5). Notably, the six who mentioned tenure constraints all had documents for the properties. In the urban sub-sample, the issue of neighbors' permission loomed as the main factor (55%), probably because most of these businesses were appendages to or were integral parts of other larger structures such as apartments or houses.

Land parcels

For land parcel development,[*] only 11% definitively ruled out development plans, saying that they intended simply to leave things as they were. Notably, four of the five with construction plans had no documents for the land. This would seem to indicate that people felt relatively unconstrained to do as they wished. However, only 31% of these property owners indicated that they could proceed with their development plans independently without needing to obtain anyone else's approval. Neighbors are mentioned once, as is the municipality; other reasons are not specified.[†]

House parcels

Some vacant land was reported to exist on about half of the house parcels (152/300). Nothing was planned for about two-thirds of these. Possession or absence of property documents played no role in distinguishing those with or without plans. For those saying they had plans, slightly over a quarter indicated that they felt completely free to do as they wished without the need for anyone else's approval. While only about 40% of those in the peri-urban zone

[*] The survey gathered data on 19 land parcel properties.

[†] Although the numbers are very small, it is interesting that the same percentage of those with and without documents (about a third) indicated that they had full discretion and did not have to consult with anyone.

mentioned that they would need permission from the city before proceeding with their building plans, this was true of many more of those in the city-proper, 70%. Neighbors are not mentioned at all as a constraint. Perhaps this is because development was to be within people's own yards for properties located in less densely settled areas. In contrast, businesses, for which neighbors are a major factor, tend to be located in densely built-up areas, including apartments, and often spill over into other properties or onto public pathways. Relatively large size of house properties may be another factor; compared to a median size of 100 square meters for house properties, business properties (for which it was said that there was room to expand) had a median area of 39 square meters.

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All of this suggests the salience of a different kind of insecurity, not so much document-based as socially based. This is what appears most often to be the critical element dampening investment.

8. CONCLUSIONS

This report has sought to characterize the current state of tenure security in Tirana and the implications this is having or likely to have on investment and on property registration efforts.

On the security-investment link, the basic finding is that most investment appears to be happening not where security is greatest, but on the contrary where security, both formal and subjective, is least, namely, in the peri-urban zones and for properties characterized by the greatest tenure complexity and insecurity. In the peri-urban zone, investment in new structures is a way to establish facts on the ground. As such, it is a strategy to overcome insecurity, not a reflection of pre-existing security. In the urban zone, rather than being a reflection of greater security, investment may actually be paving the way for greater tenure insecurity in the future by placing properties in legally questionable statuses. This applies to the building of apartment extensions as well as to the adding on of commercial uses to what were originally just residences; to subdivisions of house plots and new construction on those plots; and to construction by ex-owners in the open spaces between large apartment blocks, occasionally in violation of building codes and occasionally increasing tension with neighbors.

Weak enforcement of laws (at least until recent moves taken to demolish illegal kiosks) means that having a proper document or not is less important than conflicts or accommodations reached with neighbors, family members, or ex-owners. This goes for the peri-urban areas especially, but applies as well to the urban zone-proper within the Yellow line, where issues may arise among heirs of house properties and among neighbors where extensions to properties are made, particularly for commercial purposes.

As for the possible role of property documents in opening up formal credit access, no definite statement can yet be made because of the immaturity of financial institutions and limited credit availability for making improvements to properties or for starting or expanding businesses. Only a handful of bank loans are recorded in the survey.

As things now appear, and as long as lax enforcement prevails, it seems far more likely that, rather than greatly affecting investment levels, the consequences of tenure insecurity will manifest themselves as a price penalty paid by owners for properties of questionable legal status when they are placed on the market for sale. This is something that deserves further study, since it may mean that perhaps over time the marketplace may emerge as the main force for greater adherence to rules and legal practices.

Several emerging foci of insecurity appear to be accumulating in the Tirana urban environment:

- Mounting levels of tenure complexity in the form of subdivisions, multiple uses, splits between land and building ownership.
- Rapid deterioration in the quality and accuracy of documents as undocumented or improperly documented transfers and subdivisions due to inheritance or sale proliferate.
- Widespread illegal building and squatting on state and private land; this is mainly an issue in peri-urban areas but is also present in urban areas on a smaller scale as in the case of some apartment extensions, etc.
- Violations of building and planning codes in the form of height and clearance violations, inappropriate or non-conforming uses, and unknown levels of adherence to safe building standards.

The study reveals that factors contributing to insecurity, whether formal or subjective, are not distributed uniformly across Tirana's urban space. This is most obviously true in comparing the urban central and peri-urban areas beyond the Yellow Line. However, even inside the Yellow Line, one sees great differences between the older neighborhoods closer to the center, in which single home-type structures predominate, versus areas further out from the center where apartments assume greater predominance. The older house properties are the ones most frequently beset by factors leading to greater insecurity -- inheritance conflicts and deterioration in the validity and currency of property documents.

8.1 IMPLICATIONS FOR THE IPRS

The survey makes it possible to gauge the scope and nature of issues facing the registration effort in Tirana. This sort of information will be invaluable in developing an appropriate strategy and focusing limited resources on issues with greatest effect.

In the peri-urban areas one can expect the situation to get more confused with the passage of time. There are two primary reasons for this:

- New construction is occurring on a substantial percentage -- about 17% -- of properties, several of which already have structures on them; this was true of only 1% of urban zone properties. Presumably, most of this new construction would be to accommodate relatives, but some could also be earmarked for sale, in which case the chain of vague/illegal rights only threatens to become more difficult to disentangle during any sort of adjudication process connected with future regularization efforts.

- Over time, inheritance and informal, undocumented subdivisions are likely to add to the complexity of the situation.

Project management has already recognized that house properties present a much more difficult registration challenge than apartment properties. For houses in the urban zone, documents tend to be old and often out-of-date; in the peri-urban zone most houses are without any documents at all and illegally built, mostly on state but also on private land. Buying and selling of these properties in recent years has merely been confounding matters further. Properties devoted entirely or partially to commercial or business purposes appear to present some of the most complicated tenure situations of all.

In short, the legal status of increasing numbers of properties is becoming more clouded, documentation less widespread, accurate, or reliable, and contravention of building codes and other regulations, more common. The adjudication challenge of sorting out rightful owners among competing claimants is likely to grow as undocumented inheritance subdivisions and questionable sales proliferate.

Given this emerging and troublesome reality and the realization that the situation is deteriorating rapidly, there may be merit in extending the idea of "regularization," until now seen as relevant only to the peri-urban areas, to areas and property types in the urban zone which present particularly difficult sets of challenges to the registration effort.

“Regularization" is typically resorted to as a way to legalize property rights and extend basic services in a concentrated, focused way, thereby reintegrating into the mainstream sectors of the population already marginalized or likely to become marginalized through planned development. It also tends to be motivated by the desire to reassert governmental authority and planning controls, often amounting to an effort to catch-up with a situation that has already gotten seriously out of hand. It is ideally pursued within a framework established by the authorities, designed to satisfy basic health, public safety and basic service provision concerns. Informal settlement areas such as those mushrooming on Tirana’s outskirts are classic targets for such efforts. However, given the evolving realities of Tirana, the relevance of such an approach would seem also to extend to central areas of the city where increasing numbers of people find themselves at odds with the law and with vague and poorly documented property rights. Preceding registration efforts with a regularization effort selectively targeting problem areas of the city or problematic property categories (e.g., businesses) could perhaps smooth the way for registration to proceed in a more timely and less conflict-ridden way.

To be effective, such a regularization effort would require a combination of legal, institution-building, and community-organization elements and initiatives. The legal angle is critical to clarify procedures and the weight to be given to claims based on their documentation or other evidence presented to support their claims. Some new legislation may be necessary to bring under the umbrella of the law the increasing numbers of people now partially or entirely in violation of it. Just as important, if not more so, would be efforts on the community-level (at the neighborhood, apartment complex, or whatever other levels are viewed as relevant) institution-building, and dispute-resolution fronts: As indicated

some of the major tenure constraints and conflicts are among neighbors or relatives. Lack of an adequate framework for neighbors to resolve differences over development or expansion is particularly serious in the case of businesses.

Creation of neighborhood or local grievance or arbitration mechanisms would be useful in clearing up and adjudicating some of the more contentious situations and issues prior to registration. Other arbitration or quasi-judicial bodies (e.g., a land or property tribunal) could assist in clearing up inheritance or other issues. Promotion of such a community organization and arbitration framework at the neighborhood level could help overcome some of the key barriers to investment and development and will be needed if the hoped-for benefits of registration are ultimately to be achieved.

REFERENCES

Stanfield, David, and Malcolm Childress, with Artan Dervishi. *Immovable Property Markets in Metropolitan Tirana, Albania*. Madison, WI: Land Tenure Center, December 1998.

The World Bank. *Employment and Welfare Survey*. Washington, DC, 1996.

——. *Albania: Growing out of Poverty*. Washington, DC, 1996.

APPENDIX 1. FAMILY STRUCTURE AND INCOME

A. ESTIMATION OF FAMILY INCOME

Since the survey did not ask respondents directly about earned household income, and since people tend to seriously under-report income in any case, it was only possible to come up with some very rough income estimates. Fortunately, information collected in the survey on family structure and employment of family members provided at least some basis for arriving at approximations sufficient for the purposes of this report, namely, to break the sample into categories of relatively high and relatively low income.

Approximate incomes derived from certain employment or job categories used in the survey are relatively uniform and widely known. These include pension income, state employment income, and labor income; part-time income could also be estimated to be about half of what a state employee might be earning.

Per month figures used in the analysis for these categories were:

- Pension: $ 25
- State employment: $125
- Labor: $ 70
- Part-time $ 50

Job categories subject to the greatest income variability and uncertainty were small as were large business and remittances. While many surmise that remittances finance much of the investment that is currently going on and is perhaps the best differentiator between those who are relatively well off and those who are not, data on levels and percentages sent home, etc., were lacking. The only relatively firm piece of information on this came from the World Bank's 1996 *Employment and Welfare Survey*. However, those involved in conducting and analyzing the data from that survey caution that figures reported tend to be very understated, something obvious from the substantial excess of consumption items reported over levels of income reported. This understatement appears to have been particularly great when it came to remittance income. However, to be on the conservative side, income level estimates used in this report incorporate that data. In the World Bank survey, remittance income over the six months prior to the interview averaged 48,044 Lek or about 8,000 Lek per month. Applying an exchange rate of 100 Lek to the $US, this comes to $80 per month. If, as virtually everyone reports, remittance income is such a significant factor in accounting for the wealth of families, this is clearly a low level. So, two figures were used to come up with two alternative monthly family income estimates. The lower figure used for remittances was $100 per month; the other and probably more realistic estimate was $250 per month.

The World Bank survey was also used as a basis for deriving figures for business income.* Median net monthly self-employment

* Acquaintances at the Statistics Institute suggested as reasonable, $714 per month for small businesses and twice that amount for large businesses.

business income reported was 9,000 Lek (1995); the median for people reporting that they had been working in their businesses for the full 4 weeks prior to the interview was 10,000 Lek or about $100. Notably, the survey excluded metropolitan Tirana where self-employment income might be expected to have been higher than in outlying areas. Also, while the IPRS survey distinguishes between "small" and "large" business, this is not done in the World Bank survey. All these things considered, the figure used in arriving at family income estimates was $200 per month for small businesses and $400 per month for what IPRS survey respondents described as "large" businesses.

One aspect of income that could not be incorporated at all was farm income, which some of the respondents in the peri-urban areas may have been earning.

In addition, qualitative features of relatively poor households derived from other studies were referred to. The main source in this regard was the World Bank study issued in 1996, *Albania: Growing out of Poverty*. It was possible to reconstruct many of these household structure and income profile features of households from that survey.

B. DESCRIPTIVE STATISTICS ON FAMILY STRUCTURE AND EMPLOYMENT BROKEN DOWN BY URBAN AND PERI-URBAN SUB-SAMPLES

Peri-urban

154 Records (22.8%) are in this subset

Variable	Valid Records	Number Missing	% Missing	Description of variable
FAMSIZ	154	0	0.0	Family size
MDN_AGE	149	5	3.2	Median age
EDUHEAD	149	5	3.2	Education of Head:1=none, 2=primary, 3=middle,4=second. 5=uninersity
NSTATWRK	154	0	0.0	No. State workers
NSM_BIZ	154	0	0.0	No. in small
NBIG_BIZ	154	0	0.0	business
STAT_LAB	154	0	0.0	Labor for state
PRIV_LAB	154	0	0.0	Labor in private sector
EMIGRANT	154	0	0.0	Emigrant
PARTIME	154	0	0.0	Part-time work
TOTEARN	154	0	0.0	Total earners
ADJ_EARN	154	0	0.0	Adjusted earners*
TWO_GENS	154	0	0.0	Two-generation h.h

* 0.5 for pension and part-time workers.

onlypens	154	0	0.0	Only pension income
onlystat	138	16	10.4	Only state income

Variable	Mean	Std.Dev.	Variance	Std Error of Mean	Coeff of Variation
FAMSIZ	4.90260	1.96296	3.85320	0.158179	40.0391
MDN_AGE	25.3423	9.77916	95.6321	0.801140	38.5883
EDUHEAD	3.34899	0.892356	0.796300	0.0731047	26.6455
NSTATWRK	0.116883	0.360610	0.130040	0.0290588	308.522
NSM_BIZ	0.103896	0.382097	0.145998	0.0307902	367.768
NBIG_BIZ	0.0584416	0.365810	0.133817	0.0294778	625.942
STAT_LAB	0.123377	0.349190	0.121934	0.0281385	283.028
PRIV_LAB	0.272727	0.551560	0.304219	0.0444460	202.239
EMIGRANT	0.324675	0.684880	0.469060	0.0551892	210.943
PARTIME	0.441558	0.800221	0.640353	0.0644836	181.226
TOTEARN	3.14286	1.70132	2.89449	0.137096	54.1329
ADJ_EARN	2.61039	1.47445	2.17401	0.118815	56.4840
TWO_GENS	0.149351	0.357597	0.127875	0.0288160	239.434
onlypens	0.0519481	0.222646	0.0495713	0.0179413	428.594
onlystat	0.0652174	0.247809	0.0614091	0.0210949	379.973

Variable	Minimum	Maximum	Range	Total
FAMSIZ	0	8	8	755.000
MDN_AGE	8	64	56	3776.00
EDUHEAD	1	5	4	499.000
NSTATWRK	0	2	2	18.0000
NSM_BIZ	0	2	2	16.0000
NBIG_BIZ	0	3	3	9.00000
STAT_LAB	0	2	2	19.0000
PRIV_LAB	0	3	3	42.0000
EMIGRANT	0	3	3	50.0000
PARTIME	0	7	7	68.0000
TOTEARN	0	8	8	484.000
ADJ_EARN	0	7	7	402.000
TWO_GENS	0	1	1	23.0000
onlypens	0	1	1	8.00000
onlystat	0	1	1	9.00000

Variable	Median	Mode	Skewness	Kurtosis
FAMSIZ	5.00000	4	-0.243256	2.87307
MDN_AGE	24.0000	15	1.07705	4.72372
EDUHEAD	3.00000	3	-0.569801	3.59420
NSTATWRK	0.00000	0	3.18504	13.1069
NSM_BIZ	0.00000	0	3.86310	17.5543

NBIG_BIZ	0.00000	0	7.15042	55.8784
STAT_LAB	0.00000	0	2.74219	9.94390
PRIV_LAB	0.00000	0	2.14128	7.71970
EMIGRANT	0.00000	0	2.30300	7.96460
PARTIME	0.00000	0	4.18394	31.4781
TOTEARN	3.00000	2	0.598882	2.90431
ADJ_EARN	2.00000	2	0.936679	3.76807
TWO_GENS	0.00000	0	1.96754	4.87122
onlypens	0.00000	0	4.03792	17.3048
onlystat	0.00000	0	3.52180	13.4031

Urban

517 Records (76.7%) are in this subset

Variable	Valid Records	Number Missing	% Missing
FAMSIZ	517	0	0.0
MDN_AGE	500	17	3.3
EDUHEAD	480	37	7.2
NSTATWRK	517	0	0.0
NSM_BIZ	517	0	0.0
NBIG_BIZ	517	0	0.0
STAT_LAB	517	0	0.0
PRIV_LAB	517	0	0.0
EMIGRANT	517	0	0.0
PARTIME	517	0	0.0
TOTEARN	517	0	0.0
ADJ_EARN	517	0	0.0
TWO_GENS	517	0	0.0
onlypens	517	0	0.0
onlystat	464	53	10.3

Variable	Mean	Std.Dev.	Variance	Std Error of Mean	Coeff of Variation
FAMSIZ	3.85300	1.48821	2.21478	0.0654516	38.6248
MDN_AGE	39.0300	13.6475	186.254	0.610334	34.9666
EDUHEAD	4.15417	0.845708	0.715223	0.0386011	20.3581
NSTATWRK	0.537718	0.807564	0.652160	0.0355166	150.184
NSM_BIZ	0.257253	0.623794	0.389119	0.0274344	242.482
NBIG_BIZ	0.0193424	0.185766	0.0345089	0.00816996	960.408
STAT_LAB	0.131528	0.410747	0.168713	0.0180646	312.289

PRIV_LAB	0.203095	0.508980	0.259060	0.0223849	250.612
EMIGRANT	0.0444874	0.285220	0.0813504	0.0125440	641.125
PARTIME	0.0174081	0.169606	0.0287661	0.00745926	974.291
TOTEARN	2.79497	1.25774	1.58191	0.0553154	45.0001
ADJ_EARN	2.04255	1.22242	1.49431	0.0537620	59.8476
TWO_GENS	0.116054	0.320600	0.102784	0.0141000	276.250
onlypens	0.141199	0.348564	0.121497	0.0153298	246.860
onlystat	0.131466	0.338273	0.114429	0.0157040	257.310

Variable	Minimum	Maximum	Range	Total
FAMSIZ	0	8	8	1992.00
MDN_AGE	11	83	72	19515.0
EDUHEAD	1	5	4	1994.00
NSTATWRK	0	4	4	278.000
NSM_BIZ	0	4	4	133.000
NBIG_BIZ	0	2	2	10.0000
STAT_LAB	0	4	4	68.0000
PRIV_LAB	0	3	3	105.000
EMIGRANT	0	3	3	23.0000
PARTIME	0	3	3	9.00000
TOTEARN	0	8	8	1445.00
ADJ_EARN	0	8	8	1056.00
TWO_GENS	0	1	1	60.0000
onlypens	0	1	1	73.0000
onlystat	0	1	1	61.0000

Variable	Median	Mode	Skewness	Kurtosis
FAMSIZ	4.00000	4	-0.432201	3.33374
MDN_AGE	36.0000	36	0.911914	3.42010
EDUHEAD	4.00000	4	-1.10634	4.45910
NSTATWRK	0.00000	0	1.33620	4.01169
NSM_BIZ	0.00000	0	2.87099	12.1489
NBIG_BIZ	0.00000	0	9.97473	103.392
STAT_LAB	0.00000	0	4.10018	26.0417
PRIV_LAB	0.00000	0	2.57787	9.10486
EMIGRANT	0.00000	0	7.47027	64.1388
PARTIME	0.00000	0	12.8116	198.821
TOTEARN	3.00000	2	0.554308	4.33397
ADJ_EARN	2.00000	2	0.377556	4.09669
TWO_GENS	0.00000	0	2.39749	6.74796
onlypens	0.00000	0	2.06073	5.24661
onlystat	0.00000	0	2.18127	5.75792

C. CORRELATIONS AMONG KEY HOUSEHOLD AND INCOME-EARNING FEATURES

Variables

Urbsub	Famsiz	Adj_earn	Depratio	Two_gens	Incaplowb	INcaphw
(1) or peri-urban (0) zone	Family size	Income earners in the family (pension and part-time=.5 earner)	Dependency ratio	Two-generation household	Income per capita using low estimate for remittances	Income per capita using the high estimate for remittance income

1. Urban and peri-urban

URBSUB		1.00000				
FAMSIZ		-0.31939	1.00000			
	Prob	0.0000				
	n	647				
ADJ_EARN		-0.19041	0.66451	1.00000		
	Prob	0.0000	0.0000			
	n	670	649			
ageHH		0.34170	-0.10300	-0.15787	1.00000	
	Prob	0.0000	0.0101	0.0000		
	n	621	623	623		
MDN_AGE		0.39552	-0.54779	-0.44016	0.66929	1.00000
	Prob	0.0000	0.0000	0.0000	0.0000	
	n	647	649	649	623	
DEPRATIO		-0.06963	0.00260	-0.39629	0.09093	0.11756
	Prob	0.0767	0.9473	0.0000	0.0232	0.0027
	n	647	649	649	623	649
TWO_GENS		-0.05540	0.22499	0.05938	-0.19513	0.08205
	Prob	0.1517	0.0000	0.1238	0.0000	0.0366
	n	671	649	673	623	649
incaplowb		0.14064	-0.04187	0.21521	-0.00700	0.04575
	Prob	0.0003	0.2869	0.0000	0.8616	0.2445
	n	647	649	649	623	649
incaphwb		0.02701	-0.02364	0.24157	-0.03615	0.00700
	Prob	0.4928	0.5477	0.0000	0.3677	0.8588
	n	647	649	649	623	649
		URBSUB	FAMSIZ	ADJ_EARN	ageHH	MDN_AGE

DEPRATIO	1.00000			
TWO_GENS	0.18029	1.00000		
Prob	0.0000			
n	649			
incaplowb	-0.22798	0.03244	1.00000	
Prob	0.0000	0.4093		
n	649	649		
incaphwb	-0.24757	0.02440	0.92501	1.00000
Prob	0.0000	0.5350	0.0000	
n	649	649	649	
	DEPRATIO	TWO_GENS	incaplowb	incaphwb

2. Peri-urban

Variables:

FAMSIZ	1.00000				
ADJ_EARN	0.63425	1.00000			
Prob	0.0000				
n	142				
ageHH	0.22313	0.21465	1.00000		
Prob	0.0090	0.0121			
n	136	136			
MDN_AGE	-0.24262	0.02435	0.49486	1.00000	
Prob	0.0036	0.7736	0.0000		
n	142	142	136		
DEPRATIO	0.16381	-0.39070	-0.23383	-0.54191	1.00000
Prob	0.0514	0.0000	0.0061	0.0000	
n	142	142	136	142	
TWO_GENS	0.19216	0.05593	-0.14669	0.27107	0.13181
Prob	0.0220	0.5011	0.0884	0.0011	0.1179
n	142	147	136	142	142
incaplowb	-0.11725	0.14115	0.04294	0.26595	-0.34785
Prob	0.1646	0.0938	0.6196	0.0014	0.0000
n	142	142	136	142	142
incaphwb	-0.15235	0.15385	0.03210	0.21099	-0.41985
Prob	0.0703	0.0675	0.7106	0.0117	0.0000
n	142	142	136	142	142

	FAMSIZ	ADJ_EARN	ageHH	MDN_AGE	DEPRATIO
TWO_GENS	1.00000				
incaplowb	0.03959	1.00000			
Prob	0.6399				
n	142				
incaphwb	-0.01215	0.87004	1.00000		
Prob	0.8859	0.0000			
n	142	142			
	TWO_GENS	incaplowb	incaphwb		

3. URBAN

*** Correlation Matrix ***

Variables:					
FAMSIZ	1.00000				
ADJ_EARN	0.65322	1.00000			
Prob	0.0000				
n	505				
ageHH	-0.08160	-0.21250	1.00000		
Prob	0.0726	0.0000			
n	485	485			
MDN_AGE	-0.57024	-0.51541	0.65535	1.00000	
Prob	0.0000	0.0000	0.0000		
n	505	505	485		
DEPRATIO	-0.08139	-0.44001	0.22129	0.26985	1.00000
Prob	0.0676	0.0000	0.0000	0.0000	
n	505	505	485	505	
TWO_GENS	0.22598	0.04019	-0.20019	0.08081	0.18471
Prob	0.0000	0.3589	0.0000	0.0696	0.0000
n	505	523	485	505	505
incaplowb	0.04304	0.28773	-0.09304	-0.05944	-0.19625
Prob	0.3344	0.0000	0.0405	0.1823	0.0000
n	505	505	485	505	505
incaphwb	0.04740	0.29476	-0.08441	-0.05664	-0.20339
Prob	0.2877	0.0000	0.0632	0.2039	0.0000
n	505	505	485	505	505
	FAMSIZ	ADJ_EARN	ageHH	MDN_AGE	DEPRATIO

TWO_GENS	1.00000		
incaplowb	0.04064	1.00000	
Prob	0.3620		
n	505		
incaphwb	0.04091	0.96182	1.00000
Prob	0.3589	0.0000	
n	505	505	
	TWO_GENS	incaplowb	incaphwb

APPENDIX 2. SUMMARY INFORMATION ON REGRESSIONS BETWEEN INVESTMENT AND POSSESSION OF DOCUMENTS, FAMILY CHARACTERISTICS, AND PER-CAPITA FAMILY INCOME

Standardized regression coefficients

			Possession of Document	Family variables					Monthly per capita income	F	PROB	Multiple correl coeff.	Adjusted R Sq
				Family size	Dependency ratio	Age of HH	Emigrant/ remittances	Total income earners					
All properties	**Any investment?**	All properties	-.1932 **	+.1074*	-.0787*					6.70	0.000	0.2726	0.06378
		Only houses	-.3085 **						+.1417 **	9.50	0.000	0.3961	0.1356
		Apartments in urban zone		+1578**	-.1109 **					1.92	0.03	0.1875	0.0169
	Value	All properties	-.2210 **			-.0880**	+.1102 **			11.78	0.000	0.3446	0.1087
		Only houses	- .2152 **			-.1652**	+ .1542 **			9.32	0.000	0.4361	0.1698
		Apartments in urban zone		+ .1360*	- .1109 **			- .2435**		2.22	0.04	0.2009	0.0222

Prob.> .05 **
Prop < .10 *