

Special Session: Credibility of Informality

PLPR, Hong Kong, 22-23 February 2017



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Postulates of neo-classical thought

- Exogeneity: Intentional design
- Equilibrium: Institutional balance
- Form: Formal, private, democratic = Growth

Paradox: Form \neq Performance

- Formal title no correlation value
- Formal title no impact on investment and income
- Informal arrangements lower transaction costs than formal arrangements
- Found for land, housing, democracy, financial institutions, etc.

(see review in: P. Ho (2016) “An endogenous theory of property rights,”

Journal of Peasant Studies, 43:6, p. 1124)

(SSCI/IF: 4.577)

Contrasting postulates

- Endogeneity: Unintended Intentionality
- Disequilibrium: Continuous change
- Function: supersedes Form

Unified titling



Titling of land, housing,
grassland, forest, waters,
etc.

Deadline 2018



Land ownership title?

土地权属界线

认可书

前进村与村办小学

权属界线具体位置说明

拐点号	拐点位置	界线位置

单位

前进村 (甲方) 与 前进村小学 (乙方)
之间的土地权属界线，经双方人员在现地核对，确认自
拐点至

拐点之间，意见一致，没有争议，特此为据。

(甲方)

(单位公章)

(乙方)

(单位公章)

(甲方指界人)

(乙方指界人)

赵福林

(甲方领导人)

张德梅

(乙方领导人)

赵福林

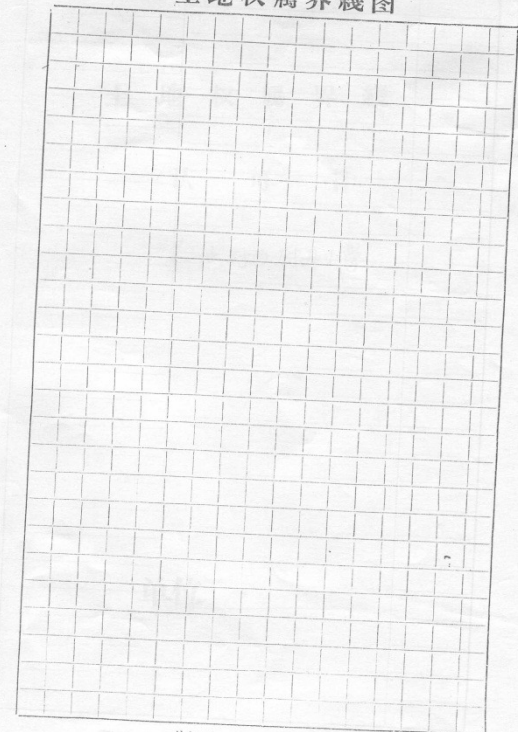
(上级参加人员)

周培兴

(调查人员)

年 月 日

土地权属界线图



比例尺

Empty institution “空制度”

“Formalizes certain rules, yet in such a manner that the newly created institution is ineffective.”

P. Ho, Institutions in Transition,
Oxford University Press, 2005, p. 73

How to prevent empty
institutions?

Credibility thesis

What determines institutions' performance is not their **Form** in terms of formality, privatization, or security, but their spatially and temporally defined **Function**.

When institutions emerge and persist
they are functional,
hence, credible

P. Ho, 2014, "The Credibility Thesis"

Land Use Policy, 40, Sept., pp. 13-4


SSCI/IF: 3.134, downloaded 1,938 times in 9 months

Use of credibility?

- If we can know current level of credibility
- We can better assess what could be done
- Choice not one of formalization versus non-formalization


CSI Checklist (Credibility Scales and Intervention)

in: Ho (2016), An endogenous theory of property rights, JPS, p. 20

Credibility level / trend	Institutional intervention	Desired effect
High 	Condoning	Accepting praxis by non-intervention
Medium high	Co-opting	Formalizing what is done
Neutral	Facilitating	Supporting what needs to be done
Medium low	Prohibiting	Dictating what shall not be done
Low	Ordaining	Commanding what must be done


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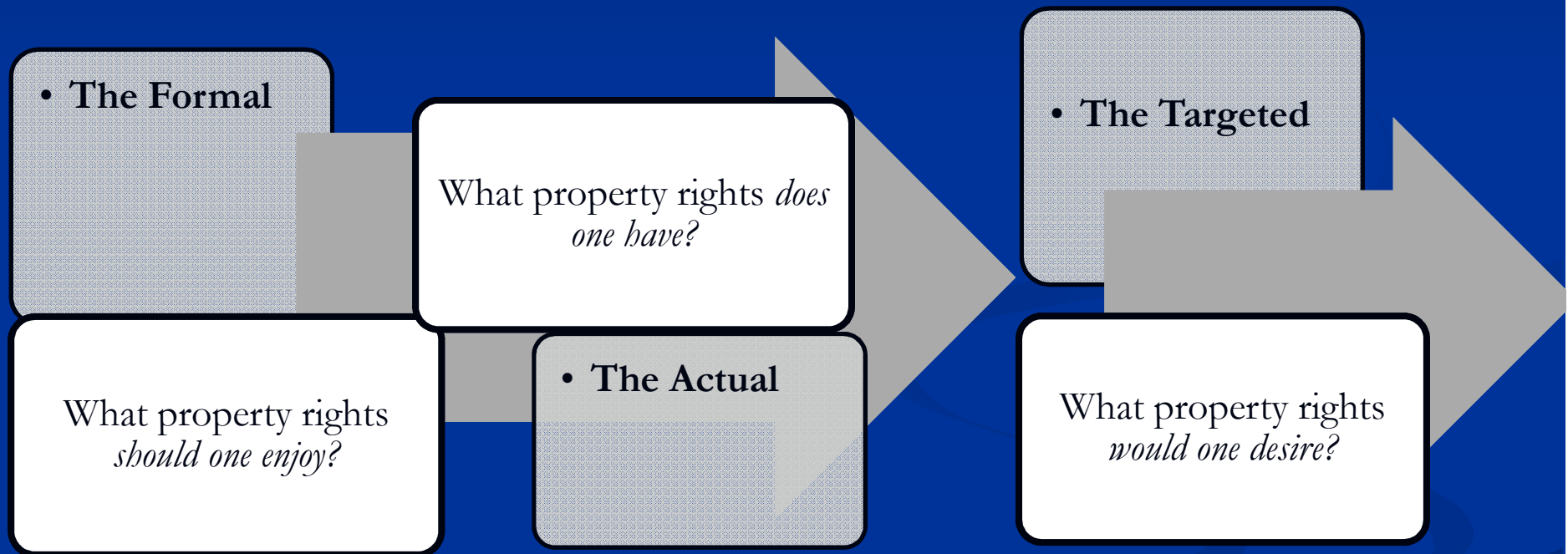
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Credibility proxies

1. Aggregate perceptions of actors on institutions
2. Aggregate perceptions of actors on conflict
3. Relative speed of institutional change

1. Perceptions of institutions: FAT Framework



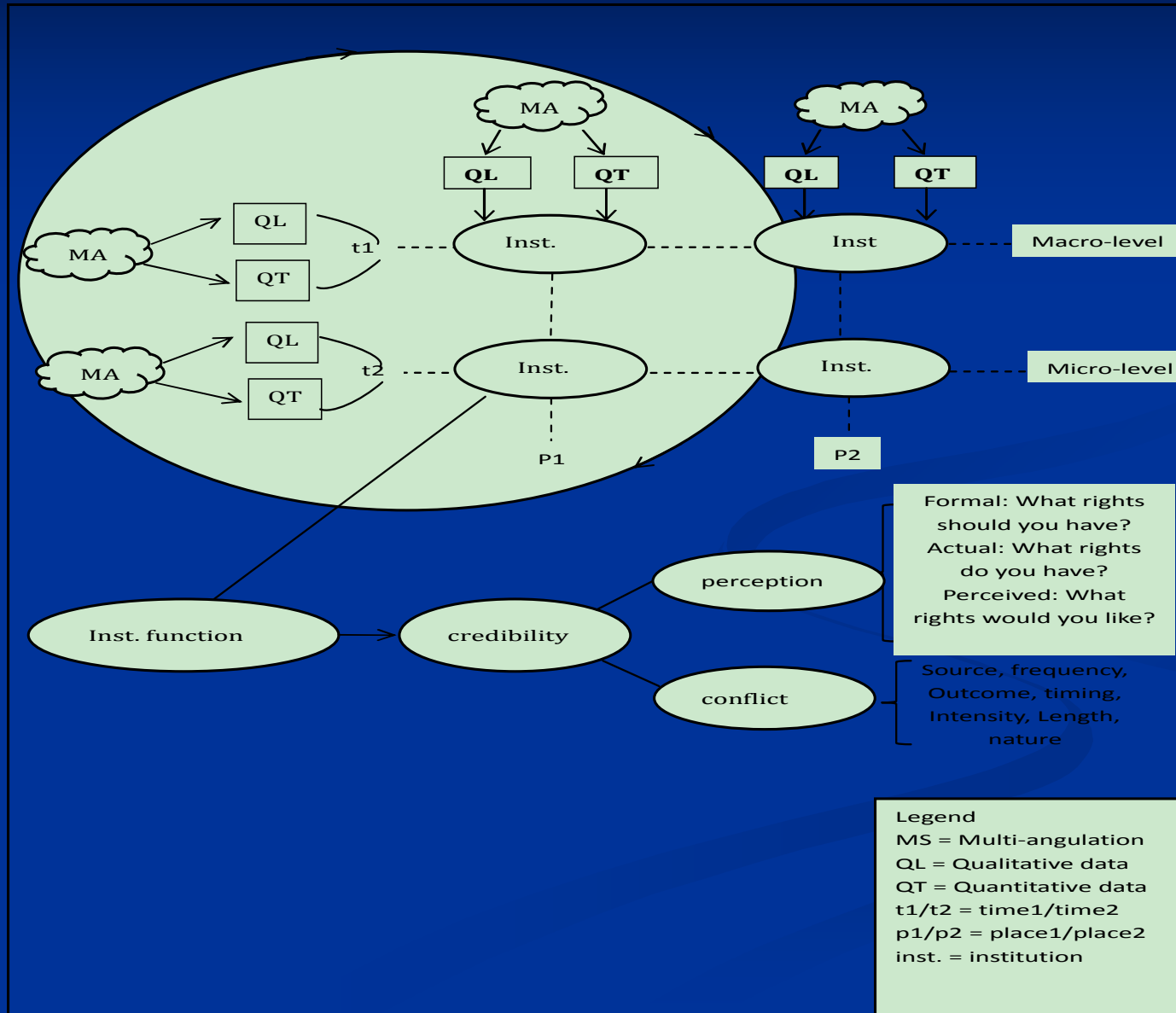
P. Ho (2016), “An Endogenous Theory of Property Rights”, *Journal of Peasant Studies*, Vol. 43, No. 6, in press, **SSCI/IF: 4.311**

2. Measuring conflict

- Origin
- Frequency
- Outcome
- Timing
- Intensity
- Nature
- Length

See: Methodology on conflict and credibility in (Ho, 2014, LUP, p. 18)

Institutional archaeology



Questions of panel

- Can informal arrangements be credible?
- How is that apparent?
- How was that measured?
- Are there parallels and differences with other cases?

Hence our gathering

And your paper!

Hope you'll all enjoy the sessions!