

Roundtable Discussion: “Open Land Data and Financial Inclusion in India: Prospects and Challenges”

4th India Land and Development Conference (ILDC 2020)

3rd March, 2020

India International Centre, New Delhi

3:15 – 3:30pm: Presentation

3:30 – 4:30pm: Discussion

4:30 – 5:00pm: Q&A

Indian households hold a greater share of their wealth in land and property than any other major economy around the world (77% vs. 62% in China, 44% in the US and 37% in Germany).¹ At 150 lakh crore, the total value of housing assets in India is substantially larger than the net capitalization of the equity market.² Despite its dominance in the household portfolio, real estate remains highly under-leveraged as an asset class in India: the Mortgage-to-GDP ratio, the metric that measures mortgage penetration around the world was only 10% in 2017 in India, whereas for China it was 18%, and 56% for the US.³

One reason for this under-utilization of real estate collateral has been attributed to the information asymmetries around title and disputes. With limited land records and long-drawn litigation, lenders avoid properties where it is difficult to ascertain ownership or discover encumbrances.⁴ There has been a long ongoing effort to bring about greater digitization of land records across the country by both the centre and different state governments, but significant challenges remain especially in linking data across agencies.

This roundtable discussion aims to bring together a panel of senior government officials, practitioners from the financial sector, and independent experts to help identify the extent to which limited land data inhibits financial inclusion and identify an action plan to resolve the bottlenecks.

¹ RBI Committee Report on Indian Household Finance, July 2017.

² *Ibid.* Moreover, given the acute and persistent constraints to new housing supply in the core metros juxtaposed with the absence of broad-based manufacturing-led job growth, the value of these assets relative to household incomes is likely to continue to remain high despite greater financialization of the economy.

³ RBI Committee Report on Development of Housing Finance Securitisation Market, September 2019. Mortgages account for close to 60% of the average households’ total liabilities in China, the US, the UK and other large economies, but in India mortgage loans are only 23% of total household debt (RBI Committee Report on Indian Household Finance, July 2017).

⁴ 66% of all civil litigation in India is estimated to be around land and property disputes (Daksh Access to Justice Survey, 2016), and these cases take the longest to resolve – more than 20 years on average (NITI Aayog, 2018).

Discussion points:

- Title discovery and financial inclusion
 - Bank/lenders' perspective
 - Impact assessments
- Transparency vs. privacy
 - First principles around open data
 - How do other countries strike this balance
 - Precedents from other contexts within India
- Regulatory hurdles
 - Legal perspective on compliance obligations
 - Banks vs. NBFCs – scope for regulatory arbitrage and implications
 - Bottlenecks towards catalyzing greater upstream financing
- Implementation challenges
 - Data availability
 - Policy-makers' perspective—challenges on the ground, political pushback
 - Public/political discourse and avenues for change
 - Ideation around alternative approaches

The **4th India Land and Development Conference** will be held at the India International Centre from March 02 - 04, 2020. As India moves a decade closer to meet 2030 UN Goals and gears up to sustain economic growth, ILDC2020 invites attention on critical dimensions of institutions, innovations and information around land governance. [ILDC](#), has become the biggest and only annual inclusive Land Convergence platform in India and South Asia. Established by a collaborative initiative of local and global land-institutions, it promotes inter-sectoral, inter-disciplinary and multi-level conversations on land and development. ILDC helps researchers, practitioners, governments, businesses, entrepreneurs and professionals working around and at interface of land in different geographies, across scales around diverse issues to come together and interact at an open and inclusive platform. By triggering connections and facilitating networking among land-actors and institutions, it contributes to coordinated and impactful research, innovations, advocacy and actions for improving land tenure security and achieving sustainable development goals.

ILDC2020 expects to have about 40 partner institutions: local and global joining together for enriching and interdisciplinary land-conversations over platforms that would include more than 30 technical sessions and panel discussions, two conclaves around SDG land indicators, a common's day, a political panel, two plenaries with key notes and release of a status of land report. Along with intellectual deliberations and engagement, ILDC2020, will also host cultural and artistic expressions around land-connections. There are also exciting pre and post conference events which brings together different land actors around potential convening for action.