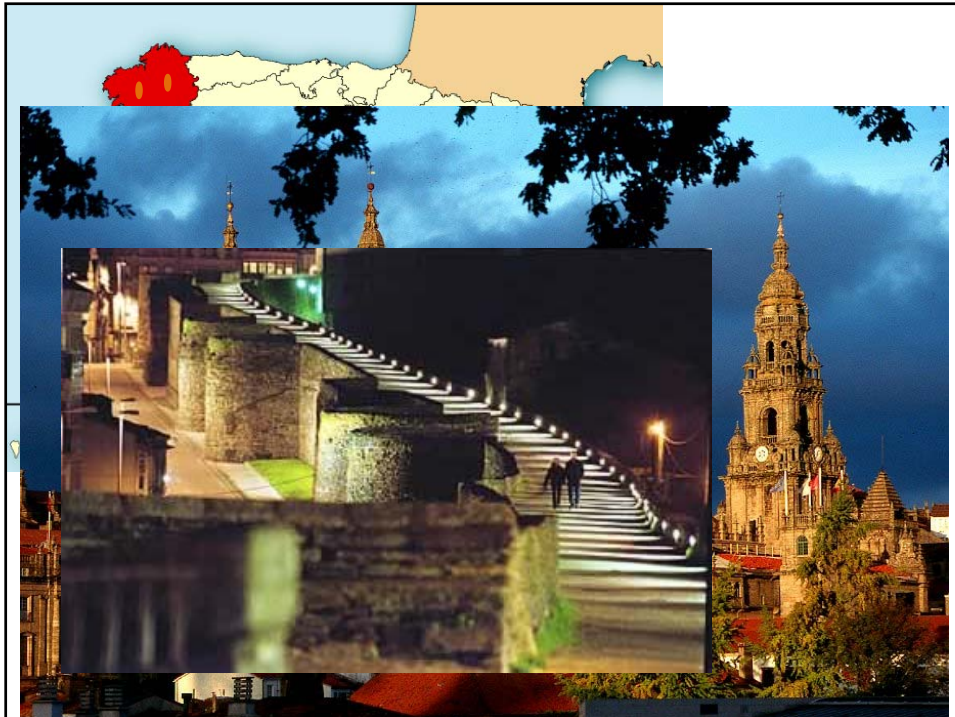


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***Land banking and land mobility in Galicia in  
the frame of New Institutional Economics***

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Land banking and land mobility in Galicia in the frame of New Institutional Economics  
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Some areas *suffer* **land abandonment**, without any kind of management:

- Lost of biodiversity, economic value, cultural landscapes...
- Increase of Risk of forest fires

**Biophysical aspects** (with regard to economic and technological context)?

**Structural constraints** (land structures, rural infrastructures)?

Classical target of public action during second half of XX century



**Talking about Land in Galicia is talking about Fragmentation:**

- 1. Internal fragmentation:** small parcels, inefficient shape, dispersion or distance among all the parcels belonging to one owner. (13.000.000 parcels)
- 2. Ownership fragmentation:** a great number of land owners and/or the little surface of land they own. (1.700.000 owners)
- 3. Land Use fragmentation or the small size of land-use units:** a large number of users (i.e. farms) that may own or not all or part of the land that they manage. (80.000 farms + ?)

...



**Biophysical aspects** (with regard to economic and technological context)?

**Structural constraints** (land structures, rural infrastructures)?

Classical target of public action during second half of XX century

**Low Land mobility** (re-organization of property rights on farmland; [mainly] through land and rental markets)?

**Change in rural agents (owners)** owners remain, inhabitants and farmers change...



Traditionally:

- Instrument driven analysis
- Market vs. government
- Land Banking as a new player
- Attention to operational aspects

Land mobility from institutional economics perspective...

- Taking into account institutions
- Focusing on transaction costs
- Not only markets as coordination mechanisms: markets, hierarchies, bureaus, hybrids, networks... looking for improvements when transacting.



- **Informal Institutions**

(property rights themselves are institutions):

- **Informal institutions**, such as family traditions and cultural issues, play a role: frame transaction of property rights
- Transfer strategies, prices, relation with land

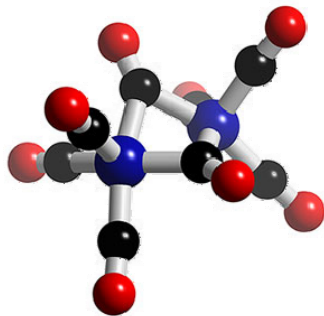
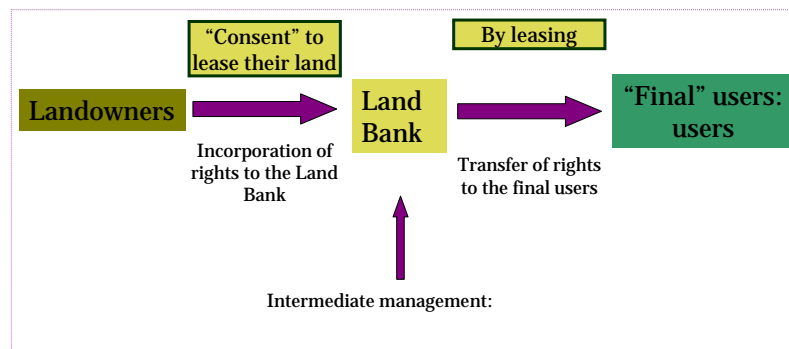


Both sale and rental markets:  
**High transaction costs [in fragmented areas]:**

- Information
- Negotiation
- Guarantee/Enforcement



## Land Bank of Galicia



Seen as new governance mechanism, not single player

Agents may select on transaction cost basis..



Leasing model: stickiness to institutional matrix

- regarding options to transfer
- perception of use

Starting from what is there...

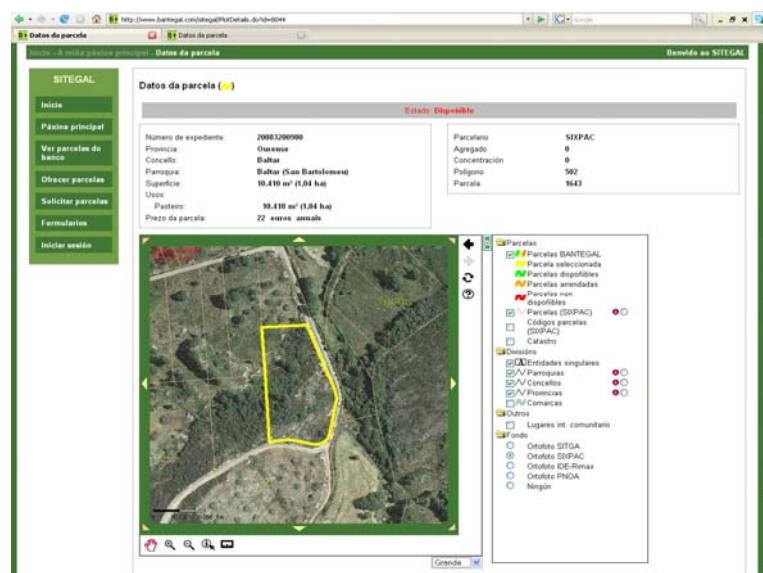
Connection supply-demand  
(Sitegal), clarification of object,



Referential contracts (liability  
balance), referential prices..  
But flexibility



Guarantee for contract contract  
duration, collection of rent,  
vicariously liable for any  
damage



Land abandonment is also a problem

...triggered by low land mobility (land tenure structures do not adapt)...

Institutions and transaction costs may be key point

Thinking land banking from that perspective may help to address the issue

GLB is useful as an example

