

Patricia Wright

# The Land Title System in Peru

WITH HERNANDO DE SOTO,  
INTERNATIONAL LAND ECONOMIST



I was fortunate to attend the LTSA luncheon at the International Land Title Conference 2013 in October that featured Hernando de Soto as keynote speaker.

Mr. de Soto is an economist from Peru, included by *Time* magazine as one of the 100 Most Important People of The New Millennium. He has advised many world leaders including Bill Clinton, George W. Bush, Ronald Regan, Vladimir Putin, Vicente Fox of Mexico, and Hamid Karzai in Afghanistan.

Mr. Clinton believes de Soto is the world's greatest living economist. De Soto and his Institute for Liberty and Democracy have set some 400 initiatives and laws into the Peruvian system. The economy in Peru has since soared. His zest for speaking is infectious and his storytelling skills make him a most interesting speaker.

*Forbes* magazine named de Soto 1 of 15 innovators who will change the future. He believes that capitalism can distribute wealth. He focuses on the underground economy that operates in developing countries. He believes the poor accumulate assets in their shanty homes and small businesses but, because they have no property rights without officially recorded ownership, they cannot access credit or have protection through the Courts to safeguard their assets.

He discussed how under the feudal system in many countries, the common person did not own land. The change that has broken the poverty cycle in developed countries is the creation of property rights. De Soto said that in Peru, once property titles were given to more than 1.2 million families, the people felt more secure about their homes and were ready to make improvements or leverage their homes for investment in business or in education. The economy began to flourish.

He notes that all developed countries have gone through a transformation to a formal legal title system. It allows us to own, mortgage, and sell our property and leverage it into wealth.



Hernando de Soto

Photo credit: Ramsay Bourquin



Manny Jules

Of particular interest is his friendship with Manny Jules, Chief of the Kamloops Indian Band for 16 years and a proponent of the First Nations Property Ownership

Initiative. When Mr. Jules came to the microphone, he stated that we hold something he could never have. We can sell and mortgage title to our land and he cannot.

Jules and de Soto are great friends. Jules recognized that the arguments de Soto made mirrored his own thoughts and he travelled with de Soto to the Peruvian jungles to meet with the indigenous peoples in the Amazon. They talked about title and how title could benefit the people through corporate revenues generated from oil and gas on their lands. Property rights ensure control by affirming the rightful owner of the real estate or resource.

The indigenous people had ancestral rights to the territories but did not hold title to their lands, similar to our First Nations. Jules was also instrumental with the Nisga'a Final Agreement that allowed for private ownership of native land, a huge accomplishment for the people of Nisga'a.

If you have the chance to see Mr. de Soto speak, I encourage you to do so. His presentation brought to light issues that many of us had not considered and he is a thoroughly enjoyable speaker. It made me very proud to be a Notary Public with our history of assisting with the recording of titles.

I look forward to following Mr. de Soto's pursuits and reading about his future successes. ▲

**Patricia Wright** is a Notary Public with 30 years of experience. She practises in downtown Vancouver. Her focus is real estate conveyancing and mortgage work.

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