

PROMOTING LAND REGISTRATION EQUITY THROUGH SUBSIDIES AND LOW-COST FINANCING MECHANISMS

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Abstract

This study aims to analyze the effectiveness of government subsidies and low-cost financing mechanisms in improving equal access to land registration, especially for low-income groups and rural communities. Using a descriptive qualitative approach, data was obtained through in-depth interviews, observations, and documentation of subsidy recipient communities, land officials, and local governments. The results of the study show that the subsidy for land registration fees significantly reduces the financial barriers that have been the main barrier for the poor in obtaining land certification. Meanwhile, low-cost financing mechanisms such as incremental payments and microcredit have been proven to help households manage the cost burden without interfering with other economic needs. Nevertheless, the effectiveness of these two instruments is strongly influenced by local institutional conditions, including bureaucratic complexity, administrative capacity, and level of transparency of land services. Geographical and social inequalities were also found, where remote areas and vulnerable groups benefited less than areas with stronger institutions. These findings confirm that cost interventions need to be accompanied by institutional improvements and increased community land literacy so that subsidies and cheap financing can function optimally as an instrument for equitable access to land registration.

Keywords: Land registration subsidies; low-cost financing; equity; land administration; tenure formalisation; public policy.

Introduction

Access to land registration is a fundamental element in economic development, legal protection, and poverty reduction. Tenure security obtained through land certification has been proven to increase household investment, improve land productivity, and expand people's ability to access formal credit (de Soto, 2000). In many developing countries, land registration processes are still complex, expensive, and uneven, so low-income groups and rural communities are often left behind in obtaining legal land rights. This condition creates a structural gap in asset ownership and economic opportunities.

One of the biggest obstacles to land registration is the high administrative costs, mapping costs, taxes, and legal fees that are often difficult for poor households to reach. Research from UN Habitat (2019) found that the cost of land registration can reach 5–15% of land value in some low-income countries, making it unaffordable for vulnerable communities. The World Bank (2020) also emphasized that high costs significantly reduce land registration participation rates and exacerbate inequality in access to land services.