

Drivers of Private Urban Land Investments in a Developing Country: The Case of Kabale Municipality in Uganda

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Land tenure security, financial capability and supportive land policy seem to correlate with increased willingness of private landowners to undertake land development investments in urban Uganda. This paper employed a logit model to examine the influence of measures of land tenure security, economic status, age, and gender on the land development propensities of urban landowners in Kabale Municipality in Southwestern Uganda. The results show that improvements in tenure security and the economic status of the landowners increase the odds of active land development investments by 67% and 3% respectively, while gender and age, do not. In policy terms, these findings underscore the importance of land tenure security derived from effective property rights policy as a key motivating factor in urban land development investments. The paper underscores the urgency of appropriate policy to manage urbanization, and avoid rising urban congestion, slums and squalor in Uganda.

Keywords: tenure security, urban development, land development investment, logit model, land policy

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INTRODUCTION

Land policy that promotes tenure security and ease of land market transactions appears to be associated with increased land oriented investments (Darin-Drabkin, 1977; Deininger, 2003; Roth & McCarthy, 2014). In urban settings, investments in land developments, for example, in the form of commercial and social infrastructure, drive urban growth. Prevailing perspectives on urbanization now appear to be shifting toward acknowledging both the static efficiency benefits but also the dynamic productivity and growth potential of urbanization and agglomeration (Duranton, 2009; Henderson, 2003; Quigley, 2009; UN Habitat, 2018).

As a key factor of production, land is instrumental in economic development (Roth & McCarthy, 2014). Its role in agricultural production, household livelihoods and food security have been highlighted by many studies including but not limited to Ghebru & Holden (2016), Deininger (2003), and UN Habitat (2018). In urban settings, land is critical for the development of commercial and social infrastructure (Duranton, 2009; Quigley, 2009). The value of land is often associated with such factors as strategic location, physical attributes, possible types of use, access to utility and other services, land transforming investments, type of neighborhood, aesthetics, security of tenure, and the ease of transaction of land in the real estate market (Gwamna et al., 2015; Kilic et al., 2019), among others.

In many countries, land development investments by private landowners, form part of the urban growth

and development process (Duranton, 2009; UN Habitat, 2018). A number of factors, seem to be associated with such investments including perceptions of the security of tenure of the associated parcels of land, the cost of the investments, the expected return, and the ease of land transaction in the land market. Additionally, the economic statuses of landowners seem to influence their propensity to invest (Lall et al., 2017; Olayinka, 2018) and in some cases, the age and gender of the land holder seem to be important factors in the investments (Cherly & Meinzen-Dick, 2020). Many of these factors are also interrelated and mutually reinforcing. For instance, tenure security facilitates collateral financing possibilities, and encourages land development investments and transactions (Muinde, 2013; Schwartz, 2008).

Africa is undergoing rapid urbanization but with questionable planning. Over the next three decades, the UN projects that the developing world will see a population growth of nearly 2 billion, and comprise 90 percent of the world's urbanization (UN Habitat, 2018). Collier (2017) similarly observes that Africa's urban population is likely to triple by the year 2050. Rather than spur economic development, this could easily aggravate concentrations of urban squalor and instability unless accompanied by appropriate long-term urban planning. Properly planned, urbanization improves delivery of services and seems to correlate with productivity enhancements and economic development through "agglomeration" and "network" economies of business concentrations (Collier, 2017). The latter refer to the benefits that accrue from spatial clustering and networking of firms respectively (Quigley, 2009).

The rapid pace of population growth and urbanization in Africa, however, also implies that the window of opportunity to ensure appropriate urban development is limited and calls for urgent intervention to ensure appropriate urbanization. Without the proper planning and regulation of urban development, time is fast running out to avoid slums, congestion, poor drainage, and attendant problems of unemployment, homelessness and squalor in Africa's urban communities. In view of this, proper planning and the regulation of urban development are some of the most urgent issues in developing countries. Failure to do so could result in growing impoverishment in African cities.

A number of factors drive urban growth. These include population growth, and rural to urban migration (Duranton, 2009; Lewis, 1954). Uganda's population growth rate is one of the highest in the world. It has grown at over two percent since 1931 and at three percent or more since 2002. Currently estimated to be around 43 million, the country's population is expected to double in the next 23 years. Uganda's upward population momentum has been strong but is expected to level off in a couple of decades (UBOS, 2021). The country may reap a demographic "dividend" driven by accelerated economic growth due to rising productive labor force from the population momentum, as fertility and mortality rates level off. Uganda's rapid population growth has also been accompanied by a strong growth in the urban population (Figure 2), partly driven by the attendant rural to urban migration (UBOS, 2018). In view of this, there is critical need for an appropriate policy to ensure well planned urban development to ensure efficient and livable urban centers. In general, the government in Uganda develops the policy framework and the regulatory standards to ensure appropriate urban development (Republic of Uganda, 2013).

To guide urban development, Uganda has put in place a number of policy initiatives. These include the Uganda Land Policy 2013, Land Sector Strategic Plan 2013-2023, the Uganda National Urban Policy 2017, National Land Policy Implementation Plan 2015/16-2018/19, Sustainable Urbanization and Housing Programme Implementation Action Plan FY2020/21-2024/5, National Physical Planning and Standards Guidelines 2011, and the National Physical Development Plan 2019. The Uganda Land Policy (Republic of Uganda, 2013) represents the official policy framework on land issues, and addresses such issues as the ownership of land, its acquisition and disposal, and its utilization and development in Uganda. The policy describes the existing land tenure systems, and how they guarantee ownership in the country.

The available policy framework notwithstanding, it is imperative for policy analysts and urban authorities to understand the dynamics of urban land related transactions. This requires research that address the evolving

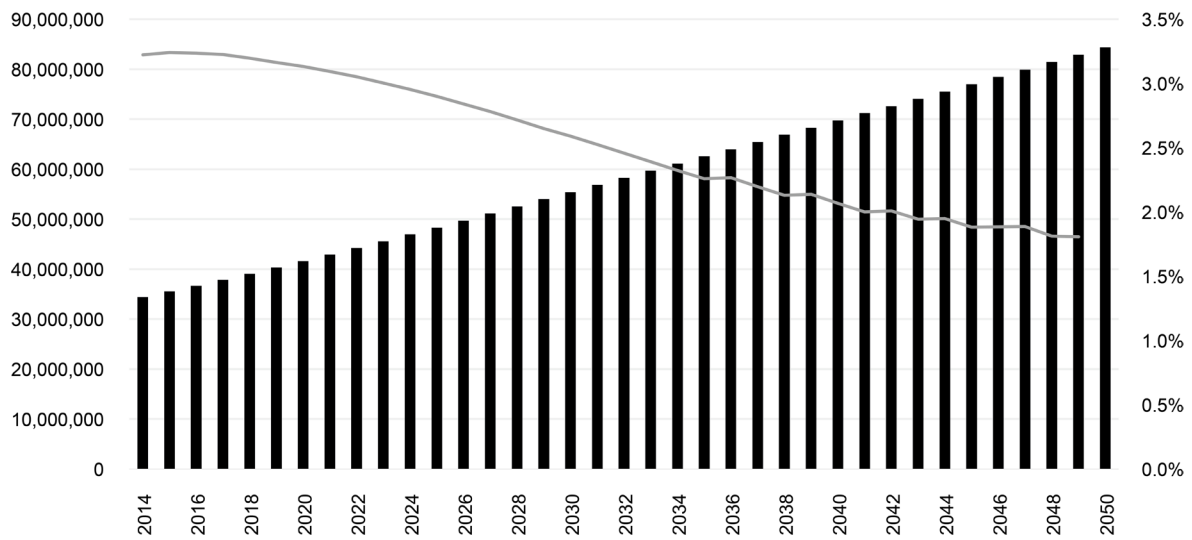


Fig. 1. Uganda's projected population total and growth rates, 2014-2050

Source: <https://www.ubos.org/explore-statistics/20/>

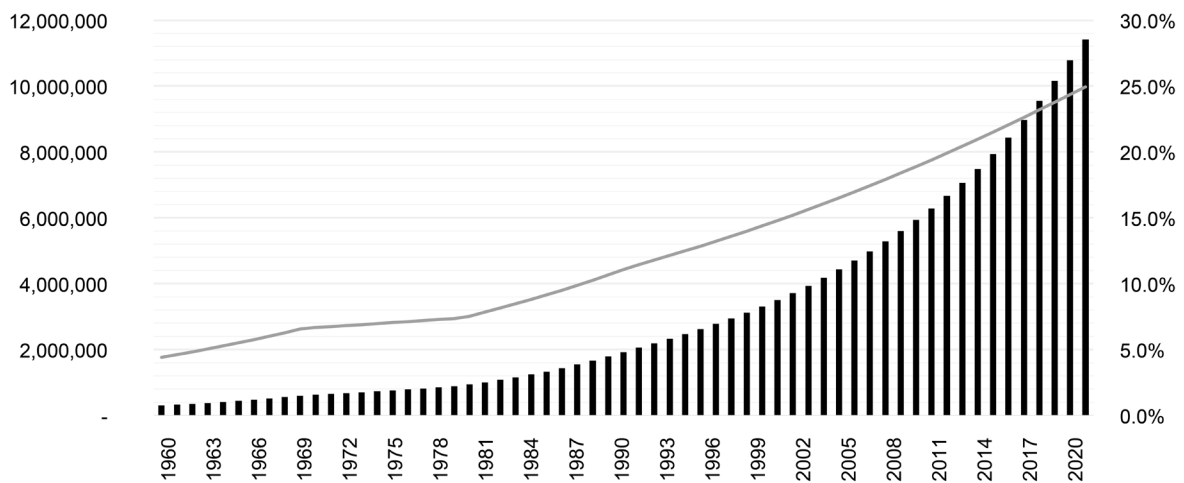


Fig. 2. Uganda's urban population (in absolute numbers and as percent of total population)

Source: UN (2018).

priorities of urban development in developing countries. In general, the vast majority of studies on urbanization and land issues have focused on the advanced economies or on macro-level policy and patterns of urban development. This paper attempts to examine the evidence on the drivers of urban land development investments in the unique context of Uganda, with its multiple and complex land tenure systems, looking at micro-level data drawn from Kabale Municipality in the southwest.¹

¹Kabale Municipality is located at the coordinates of 1° 14' 31.0416" S and 29° 59' 8.2176" E. Its elevation is approximately 2,000 m above sea level. It is the headquarters of Kabale District Administration in the Kigezi sub-region of Uganda and has an estimated population of 53,200 people in 2020 (UBOS, 2020). Kabale Municipality currently comprises three (3) divisions and twelve (12) wards.

LITERATURE REVIEW

Land development investment represents human activity that adds value to land. It includes public sector development investments in useful economic infrastructure like roads, railways, bridges and utility service networks, but also investments in buildings and other commercial infrastructure undertaken by private landowners.

In general, land development investments are aimed at boosting productivity and national output, and at facilitating social services delivery (Collier, 2017; Republic of Uganda, 2013; UN Habitat, 2018). Literature on private urban land related investments attribute the phenomenon to a diversity of factors including but not limited to land policy, physical attributes, location characteristics, perceived tenure security, the utility of the investments, owner economic status, entrepreneurial capabilities, level of education of land owner, loan accessibility, the environmental policy, and others (Collier, 2017; Duranton, 2009; Henderson, 2003; Kim et al., 2020; Quigley, 2009; UN Habitat, 2018). On the other hand, the literature on Land Change Models (LCMs) sees the underlying drivers as topography, amenity, transportation, land use, job location, location of services, and the socio-economy (Kim, Newman & Güneralp, 2020). Kim et al. (2020) focus on the distance of the piece of land to roads, coastline, forest, highways, railways, public transportation, urban centers, schools, and hospitals, as well as to job location, land use plan, property value, population density, and plan policy.

In cases where the plots of land under consideration are situated in a location such as a municipality, as is the case in Kabale, the location factors may be uniform for most of the plots of land and not duly influence investment decisions. However, a range of other drivers such as level of land policy support, perceptions associated with tenure security, owner economic status, entrepreneurial capability, level of education of land owner, loan accessibility and other socioeconomic demographics have been hypothesized as considerations for land change investments (Collier, 2017; Deininger, 2003; Fenske, 2011; Mukabayi & Musinguzi, 2015; UN Habitat, 2018).

Capital investments in land are normally owner-driven, and sensitive to economic efficiency and anticipated economic returns from the investments (Ahmed & Dinye, 2011; Kgoshi, 2017). Thus, land development investments are associated with the financial capability of the landowner or ability of the landowner to identify and attract investors (Fenske, 2011).

The economic status of private landowners is therefore a key factor in land-oriented investments. Many studies highlight the importance of the landowner's economic status in urban land development investments (Tao et al., 2017). Specifically, financial capability enables landowners to invest in the land and in so doing, further strengthen the security of tenure by discouraging potential encroachers since active investment is going on. In addition, land oriented investments tend to reflect the income bracket of the landowner. On the other hand, disputed land tends to have low levels of investment (Obala, 2012).

The role of tenure security is therefore an important factor. Land tenure security is seen to derive primarily from legal ownership status and the attesting documentation that conform to the laws of the country. Land Tenure Security refers to a person's ability to hold land without the risk of losing it to another person (Ghebru et al., 2016). Tenure security grants the landowner ownership rights and rights to invest on the land, or to make transactions relating to the land over a stipulated period (Bezabih et al., 2011).

The term *land tenure system* refers to the terms and conditions governing the holding, use and transaction of land. Uganda has four types of land tenure systems, as specified in Article 237 (8) of the constitution (Republic of Uganda, 1995). These are freehold, leasehold, mailo, and customary systems (Ali & Duponchel, 2018; Mugambwa, 2007; Republic of Uganda, 2013). The freehold land tenure system grants the landowner "full powers of disposition and compulsory registration of title in perpetuity". Leasehold, on the other hand is land leased to individuals for 99 years (citizens) and 49 years (non-citizens) and may be converted into freehold or may revert to the state on behalf of the public (Republic of Uganda, 2013). The mailo system of tenure which is largely restricted to Buganda region, is similar

to freehold but allows dual ownership for registered title holders and *bona fide* occupants. Finally, the customary system of tenure regulates nearly 75% of the total public land that has not been registered (Republic of Uganda, 2013).

The link between tenure security and private land development investments has been recognized and highlighted, especially but not only in the African context, by a number of studies including Ali et al. (2014), Obala (2012), Chankrajang (2015), Boudreaux & Sacks (2009) and Ghebru et al. (2014). The possession of documented tenure rights has been shown to facilitate access to credit and land-oriented transactions (Ali et al., 2014). Mukabayi and Musinguzi (2015) found a correlation between evidence of ownership and land development in form of permanent structures in urban settings.

Conversely, Obala (2012) shows low property development on untitled lands. Within such a land tenure “insecurity” framework, landowners are left with no option but to settle for temporary structures and activities (Cotula, 2014; Obala, 2012). Similarly, Helle et al. (2013) underscored the vital role of tenure security in land development. Mukabayi and Musinguzi (2015) also found an association between tenure security and land investments.

In the case of Uganda, a recent study by Muinde (2013) revealed that lack of land tenure security or its perception also constrained urban development in the capital city Kampala. In Uganda, urban development regulators stipulate minimum standards and time frames for private land developers to comply with. These minimum standards are employed by the urban authorities to ensure appropriate urban development that is consistent with the socioeconomic development objectives of the nation. Development efforts in Kampala have often been halted either by the urban authorities due to non-compliance with minimum standards or by disputes relating to unclear or contested tenure entitlement (Helle et al., 2013).

METHODOLOGY

The paper adopts an analytical model that acknowledges the multiplicity of factors that influence land oriented investments by private households in the Ugandan context (Figure 3).

The *a priori* expectation is that high levels of tenure security would have a positive influence on investment; a strong economic status (or capability) in terms of high levels of income or wealth would also have a positive effect on investment; advancement in age is expected to have a positive effect on land ownership and investment; gender is expected to show some bias given the patriarchal cultural context of the municipality. It is included as a dummy

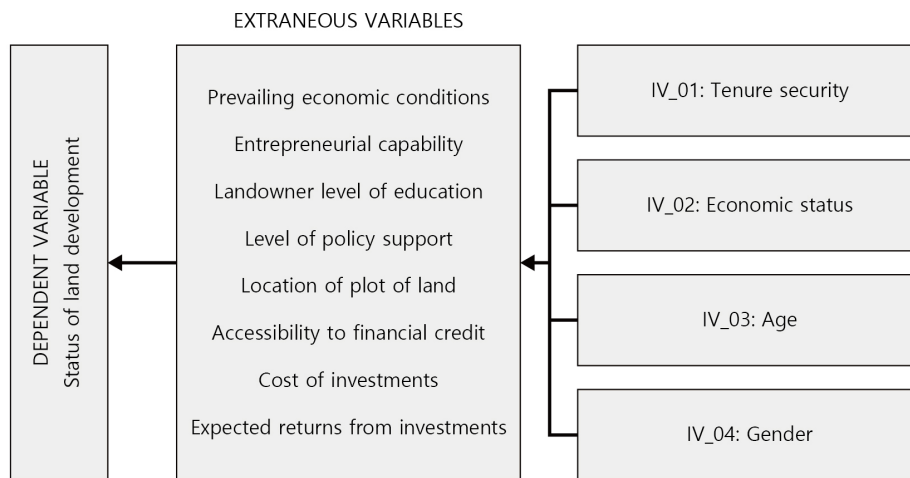


Fig. 3. Conceptual framework

Note: Constructed by the authors with reference to Ali et al. (2014), Obala (2012), Chankrajang (2015), and Collier (2017).

variable in the model (Figure 3).

Land tenure security is reckoned in terms of the possession of the legal instruments of ownership for all four types of tenure system – freehold, leasehold, mailo or customary. This was measured on 5 point Likert scale with 1=very low level of tenure security (no formal/legal documentation/queries relating to ownership claims and 5=very high perception of tenure security/has all relevant legal documents/has required evidence to process documents. Economic status is reckoned in terms of the midpoints of annual income brackets as shown in Table 2. Gender is measured as a dummy variable. Age was measured in terms of the midpoints of age brackets.

The data collection instruments were reviewed and approved by the Research Ethics Committee of the Uganda Christian University and data quality was ensured through tests of validity and reliability of the instruments in line with Kombo & Tromp (2006). Two aspects of validity, namely content and face validity were checked by appropriate experts. After the validity tests, the instruments were further adjusted by removing items considered irrelevant. The average CVI measure for the constructs was 0.87. The reliability of the instruments was determined through the Cronbach Alpha Coefficient (CAC) computed using the Statistical Package for Social Sciences version 23. The computed Cronbach's alpha value was 0.81.

In the analytical model, the dependent variable function is developed from the binary outcome variable land development (LD) which is scored one (=1) when there is ongoing development activity and zero (=0) when there is no development activity going on. The independent variables (IVs) are measures of *land tenure security*, measures of *economic status*, *gender* and *age* bracket of the landowner. The IVs are hypothesized to influence the odds of the decision of whether or not to invest in developing the plot of land.

In postulating the above model, we acknowledge that there are a number of other potential variables that maybe influencing the propensity of landowners to develop their plots of land but are unable to incorporate them in the present paper due to lack of good quality data on the suitable indicators. These include entrepreneurial capability, level of policy support, accessibility to financial credit, location of the plot of land, level of education of the landowner, and others (Figure 3). Some of these potential IVs have been addressed elsewhere (Kim et al., 2020). The others, such as the level of policy support, and the location of the plot to social and economic amenities and other socioeconomic infrastructure may be assumed to act fairly uniformly on the sampled plots since these are located in the same central business district of Kabale municipality. We recognize that controlling for them could improve the model specification and validity of the conclusions.

Kabale Municipality comprises three (3) divisions and twelve (12) wards. The study canvassed all of the three (3) divisions of the municipality. From the three divisions, a sample of nine (9) wards, three (3) from each division, was drawn from a total of twelve (12) wards using stratified random sampling. From the selected nine (9) wards, a total of 108 plots of land were sampled using the multistage random sampling procedure.

Primary data on Uganda's land policy framework, including its implementation and regulation, was obtained from officials of Kabale Municipal authorities through interviews and focus group discussions. In addition, the selected landowners were canvassed and their responses on the indicators of land tenure security, income, gender, and age bracket were scored on structured questionnaires and interviews. The sampling information is presented in Table 1.

Table 1. Categories of respondents sampled

Category	Sample	Total	Sampling technique	Response rate (%)
Landowners	98	108	Multistage random sampling	91
Municipal council officers	5	5	Census	100
MLHUD*	3	10	Purposive	100

Source: Primary data, 2019. *Ministry of Lands Housing and Urban Development

The district land registry and map of Kabale District revealed 236 registered plots of 50 feet by 100 feet or 5,000 square feet, or more (KMC plan, 2017). The plots constituted the unit of analysis and the landowners, the unit of inquiry. The information provided was verified by officials in Kabale Municipal Council, Kabale Municipal Zonal Office, and officials at Ministry of Lands, Housing and Urban Development (MLHUD) headquarters. By June 2019, a total of 150 of these plots were categorized as having “no active development” (Kabale Ministerial Zonal Office, 2019).

The development statuses of the plots (LD) were investigated using both observations and interviews of the landowners. These were categorized into “ongoing active development, LD=1” or “no ongoing active development, LD=0” forming the binary choice outcome for the estimation model. The level of tenure security was measured using a 5-point Likert scale ranging from no ownership of legal documentation (=1), to full ownership of documentation or uncontested evidence for processing the documentation (=5), regardless of the type of tenure. Economic status and age were measured as ratio data using the midpoints of the respective income and age groups. The implicit function to be estimated is therefore of the form:

$$LD = f(LTS, ES, AGE, GEN) \quad (1)$$

The analytical model comprised of a logit model formulated in the framework of decision theory to gauge the effect of the four predictor variables on land development in the municipality. The dependent variable is the logarithm of the odds of investing on the land (logit). The log odds of investment are modeled as a function of the explanatory factors – tenure security (TS), owner’s economic status (ES), the gender of the owner (GEN), and the age of the owner (AGE). Thus, letting “ p ” represent the probability of undertaking investment activity, then “ $1 - p$ ” is the probability of not undertaking any investment activity on the land. Hence $p/(1 - p)$ then represents the odds of land development investment. A logit model is adopted to operationalize the functional relationship giving the following estimation model,

$$\log\left(\frac{p}{1-p}\right) = \beta_0 + \beta_1 LTS + \beta_2 OES + \beta_3 AGE + \beta_4 GEN \quad (2)$$

The model was used to test the following null hypotheses:

Ho1: There is no statistically significant relationship between Land Tenure Security and land development.

Ho2: There is no statistically significant relationship between the landowner economic status and land development.

Ho3: There is no statistically significant relationship between the age bracket of landowner and land development.

Ho4: There is no statistically significant relationship between the gender of the landowner and land development.

EMPIRICAL RESULTS AND INTERPRETATION

A description of the respondents is presented in Table 2. The random sample captured more male than female landowners (Table 2), possibly reflective of land ownership distribution by gender in the general population of the municipality. This may be the result of the prevailing cultural land ownership distribution. The ratio of male to female landowners in the sample was approximately 7:3. Table 2 also presents the income brackets of the respondents sampled. The distribution of the incomes is close to normal though slightly skewed to the right.

One of the cultural principles that seem to account for the skewed ratio may be the fact that women do not assume land ownership unless they are widows, business persons, or family heads or where they directly inherit land from parents, husbands, or other relatives.

It was hypothesized that the variable “age” would play a role in predicting land development capability given it usually takes time for a person to accumulate enough financial resources to purchase a parcel or parcels of land and develop it. The age structure of the respondents is presented in Table 2.

The modal age bracket of land ownership is 31-40 representing 39.8% of the sampled landowners and the least active age bracket is the under 20 bracket. Additional observational information suggests that in the majority of cases, many landowners start land development around 50 years of age. This observation is however further examined through the inclusion of age as a predictor variable in the model.

Table 2. Demographics of the respondents

Variable	Number	Percent
Gender of landowners		
Male	69	70.4
Female	29	29.6
Age (years)		
< 20	01	1.0
21-30	21	21.4
31-40	39	39.8
41-50	19	19.4
> 50	18	18.4
Income brackets (UGX)		
< 10m	55	56.1
10m - 150m	32	32.6
> 150m	8	8.2
Tenure systems		
Freehold	130	55.1
Leasehold	82	34.7
Customary	24	10.2
Status		
Active development	86	36.4
No active development	150	63.6

Source: Primary data, 2019.

Kabale District has three of the four types of land tenure systems in Uganda: Freehold, Customary, and Leasehold. The relative proportions of these three types of tenure in the sample drawn from Kabale Municipality are 10%, 35% and 55% respectively. The Freehold system is fully private and associated with maximum freedom in the use and disposal of the land compared to leasehold and customary tenure systems. Leaseholds on the other hand are associated with restrictions, for example, the duration of ownership is 49 years and regulated by Kabale Municipal Council. Of all the plots in the municipality, the relative proportions of the plot with active development is approximately 24% while those without active development activity are approximately 74%.

According to the Kabale Municipal Council Development Plan 2010-2018, landowners must initiate development on plots of land in the municipality within five years of acquisition. The survey also found that many landowners benefited from a 5-year grace period by KMC before the sanction of compulsory development of plots. In a number of cases, however, freehold landowners seem to prioritize the acquisition of more land rather than developing their existing plots. This would suggest that the aims of the landowner in acquiring the plots may be real estate speculation rather than development.

The idle plots were found to be characterized by bushy fields, grazing animals, abandoned structures and unused heaps of sand. Focus group discussions held in 2019 revealed some typical reasons that development had

not commenced. These included delays in approving development plans by the municipal authorities (50%), low motivation to develop the land (27%), limitation of financial resources to develop the plots (17%), and to a lesser degree, ownership contestation and other factors (6%) as revealed in the focus group discussions (2019).

Table 3 shows the results of the binary logistic regression using SPSS. The dependent variable, the log of the odds (logit) of investment activity as a function of the predictor variables land tenure security (LTS), owner economic status (OES), Age (AGE), and gender (GEN). The estimated model is equation 2, here restated:

$$\log\left(\frac{p}{1-p}\right) = \beta_0 + \beta_1 LTS + \beta_2 OES + \beta_3 AGE + \beta_4 GEN \quad (2)$$

Where β_0 is the intercept term and $\beta_1, \beta_2, \beta_3$, and β_4 are the slope coefficients of the land ownership status, owner economic status, age, and gender dummy variable, respectively.

Table 3. Results of the logistic regression

Variable	B	SE	WALD	df	Sig	Exp (B)
Constant	-4.658	1.475	9.975	1	.002	.009
LTS	.515	.259	3.941	1	.047	1.673
OES	.025	.007	13.637	1	.000	1.025
AGE	.132	.301	.192	1	.661	1.141
GEN	.160	.719	.050	1	.824	1.174

Source: The authors.

The estimated equation becomes:

$$\log\left(\frac{p}{1-p}\right) = -4.658 + 0.515LTS + 0.025OES + 0.132AGE + 0.160GEN \quad (3)$$

The first null hypothesis tested is that land tenure security does not influence land development, that is, $\beta_1=0$. The results in Table 3 show that $\beta_1=0.515$ and therefore $\neq 0$ and statistically significant at 5% ($p=0.047$). Thus, we reject the null hypothesis that land ownership status has no effect on land development and accept the alternative hypothesis that land tenure security influences land development effort. Specifically, a unit positive change in land tenure security raises the odds of development investment activity on the plot by $\exp(\beta_1)=1.67$, or 67%. The positive value of β_1 shows that an improvement in the measure of tenure security increases the odds that the owner undertakes development activity on the plot of land.

The second hypothesis relates to the effect of the landowner's economic status on land development captured by the slope coefficient β_2 . The analysis returned the estimated value of β_2 as 0.025 and therefore $\neq 0$ but also statistically significant ($p=0.000$). Similarly, we reject the null hypothesis of no relationship between economic status and land development effort and accept the alternative hypothesis that the owner's economic status influences the odds of land development by $\exp 1.025$ or 2.5 percent per unit change. A unit increase in the land owner's economic status increases the odds that the owner undertakes investments to develop the plot of land. It is important to note that tenure security and economic status are complementary. Land title without finances does not lead to investments and vice-versa. The results dovetail with those of Boudreaux & Sacks (2009), El-Barmelgy et al. (2014), and others.

On the other hand, both age and gender turned out to be statistically insignificant. This is not surprising in terms of the *a priori* expectation that the correlation between age and investment, and between gender and investment, is not as strong as that between wealth and investment. More interestingly, the lack of a negative correlation suggests there is no

inherent age or gender bias in land oriented investment activity per se. However, the lower representation of women landowners (30%) in the random sample may be indicative of possible lower proportion of women landowners in the population of the Municipality, something that may be rooted in gender related cultural practices of land acquisition and inheritance.

As mentioned earlier, the Land Act Cap 227, the National Land Policy 2013, the Physical Planning Act 2010, the Building Control Act 2014 comprise Uganda's legal framework governing land use and urban development. These findings underscore the complementarity between policies that strengthen tenure security and the facilitation of land-oriented investments but also the use of land as collateral in financing (Schwartz, 2008). All these tend to be realized without any constraints in a freehold tenure system. Focus group discussions also revealed the preference for free hold tenure among the majority of participants. Hence, where possible, the land policy framework should facilitate transition to freehold in order to enhance the associated property rights, the security of tenure, and land-based transactions.

Interviews of the landowners and focus groups in 2019 revealed the key reasons for the sub-optimal rate of private land development activity. These included the landowners' inadequate financial resources, non-compliance of development plans of the landowners with the standards of urban development, lingering ownership queries and contestations, uncompleted process of acquiring ownership documentation, inadequate legal instruments to enforce appropriate policy, corruption in land offices and bureaucratic inefficiencies, and delays by the urban authorities.

Another challenge that emerged in the interviews and focus group discussions is that of the unplanned urban expansion by private players that has already taken place. This problem is not restricted to Kabale Municipality but widespread throughout the country including Kampala city. Municipalities and cities have already expanded in an unplanned manner with characteristically narrow roads and streets and substandard buildings. The challenge is therefore to redesign and redevelop the municipalities and cities in line with their infrastructure master plans. This will require appropriate additional legislation to give effect to Article 26 of Uganda's Constitution aimed at the compulsory acquisition of land by government for priority government development programs and projects but after prompt, fair and adequate compensation of the affected persons.

CONCLUSIONS AND POLICY RECOMMENDATIONS

The empirical results show that tenure security and economic capability of private land owners positively influence private land development investments in Kabale Municipality in Uganda for the selected sample of land owners. These findings are largely consistent with the conclusions from studies like Deininger (2003), Obala (2012), and Hosaena et al. (2013). The variables age and gender turned out to be statistically insignificant for the same sample of landowners suggesting that there is no inherent age or gender bias in land oriented investment activity per se.

The main policy implication is the need for government to strengthen property rights and tenure security but also to ensure transparent, reliable and comprehensive land registration and proper land record keeping. This represents an important part of building a dependable system of property rights and tenure security and should build confidence in the land registration process but also address the question of delays in information processing, malpractices and corruption in land offices. The government has already initiated steps toward proper land registration and digitization. However, this needs to be fully implemented and operationalized transparently.

Focus group discussions further revealed that the freehold tenure system is the preferred system of land tenure as it enables ownership in perpetuity and the full range of land related transactions. It is important to note that tenure security and economic status are complementary. Land title without finances does not lead to investments and vice-versa. Thus, to further enhance private investment, it is advisable for government to put in place the necessary policies and legislation to transition tenure systems to the freehold system where feasible.

Another important finding of the study is that there is a relatively strong policy framework for governing land issues and implementing and the regulating the process of urban development at both the national and local levels. The main challenges appear to be with implementation and regulation. In a number of cases, there are still delays in processing land titles and approvals of housing plans. This delays can be addressed by the policy of comprehensive and transparent land registration, digitization and record maintenance but also reforms in the management of land development plan approvals.

The findings also revealed that in a number of cases, unplanned expansion of the Municipality (and indeed other Municipalities and cities in the country) has already taken place outside the urban development and infrastructure master plans. In such cases, there is need to invoke article 26 of Uganda's Constitution that permits the compulsory acquisition of land by government but only to redress the discrepancies from appropriate urban development. There is, however, a need to safeguard against the possible abuse of this provision. The exceptional nature of the proposed acquisitions and the conditions and type of projects and programs that are eligible should be made unambiguous. Also, affected persons need to be promptly, fairly and adequately compensated before the said acquisitions take place.

The rapid pace of urbanization and the limited window of opportunity for preventing urban slum and squalor means there is urgent need for a strong and timely policy guidance to encourage private land development activity. Policy should ensure that urban development, overall, is organized, inclusive, productive, and sustainable.

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