

# **“HOW TO” - A tool box for today’s visionary leaders on how to transform© property rights for a robust property market**

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## **SUMMARY**

In this paper I provide a brief step-by-step guide for political leaders who are concerned about the extent of the informal sector in their country and are searching for the right solutions. Since the necessary reform can be overwhelming – often deemed impossible with no quick wins, this paper will address the five major concerns shared by most leaders.

One starting question is why property rights are necessary to transform informality. The answer is that property rights (ownership, usage etc.) constitute the cornerstone of all the other attributes of the society we want to create. Providing stability and predictability in social relationships, property rights are the anchor of the middle class, the sanctuary for children, the backbone of small business investment and the catalyst for community growth. The paper will outline the main socioeconomic benefits of property rights developed in some of the most unlikely places.

What are the implications for political leaders who introduce a property rights-based transformation in their country? By planting the seeds of transformation based on property rights, political leaders can reap an abundance of rewards and benefits. This paper will draw on the experience in Latin America and elsewhere.

What’s needed to apply the reform and what is the key for a successful outcome? This paper will be a user’s guide for transformation, outlining the principles and analysis that point the way forward, increasing the possibilities of success.

Ultimately, success hinges on the quality of the advice provided for such non-traditional reforms. How can one identify the effective advisers? The paper will examine some rather unfortunate situations in which there is ‘all talk and no result’ and which need to be avoided. Such a predicament creates undue confusion in the market and reduces the leverage of the leader. The case paper will provide the skill tips to steer political leaders off this dangerous path.

The final section of the paper will provide examples of countries where property rights reforms have worked versus other countries where they have failed. In this review, experiences in Greece, Albania, Bulgaria, Egypt, Peru and Haiti will provide a handy point of reference.

Elena Panaritis is an institutional economist who has successfully pioneered the transformation of informal markets into vibrant, growing formal property markets, and economic and social entities. She has been honoured for innovation and international best practice for her work and for her method “Reality Check Analysis”. Her book “Prosperity Unbound: Building Property Markets with Trust” <http://www.prosperityunbound> recounts her experience and expands on her methodology, which is widely considered one of the best practical applications of institutional economics to property rights issues. She has served as a manager and economist at the World Bank, introducing non-traditional economic reforms such as institutional reforms starting with property rights. She founded Panel Group and Thought for Action to apply such institutional reforms

<http://www.thoughtforaction.gr/>). She has worked on implementing strategies of institutional reforms and property rights reforms in various countries. Most recently, she served as the senior economic advisor to the Prime Minister and Minister of Finance of Greece during the Euro-Crisis. She has been teaching economic development, housing finance, and international comparatives of property markets. She speaks five languages and holds degrees from Insead, Johns Hopkins University, and the American College of Greece.