

The efficiency of the titling system: Perspectives of Economics

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Abstract□ The problem of land with unknown ownership is becoming increasingly evident with Japan's declining population, low birth rate and aging population. This paper examines the need for the titling system using perspectives from economics and considers what sorts of titling system works for which types of society and looks at ways to deal with the problem of land with unknown ownership.

A series of previous researches such as Miceli et al. (1998) and Miceli et al. (2000) categorize the titling systems used in many advanced countries as either registration systems or recording systems. The result of selecting the recording system in Japan, which is a system with a very high strength, could explain why nobody takes insurance to cover the risk of title litigation.

In Japan, it is highly likely that the full-fledged population decline, low birth rate and aging population will lower the profitability of land. In that case, a titling system with low strength is likely to be the best for society as indicated in the analysis above. □