

# Starting a Business and Registering Property

## *The role of training in facilitating entrepreneurship and property rights*

By keeping records of a company's formal existence and of land ownership rights, business and land registries play a critical role in any economy's business environment. Registering a new company or a property right is best done when registry officers are well trained and knowledgeable. A combination of targeted training and effective communication to both civil servants and the public can improve the overall quality of the public goods and services provided by business and land registries.

For the first time this year *Doing Business* collected data on the training and communication of changes provided to both the officers and the users of business and land registries. Regarding registry officers, *Doing Business* research covered qualification requirements for civil servants, the mandatory training of officers, the frequency and duration of training and how changes in the registries are communicated to them. Data were also collected on training for registry users, including the workshops offered to new business owners and the targeted communication of registry changes to the general public. This case study examines how training contributes to business activity by improving the quality of services provided by business registries (to entrepreneurs) and land registries (to property owners).

### TRAINING REGISTRY OFFICERS

Business and land registry officers play a key role in facilitating the delivery of high-quality services to new entrepreneurs.

The systematic training of registry officers is, therefore, vital for a well-functioning registry system and the effective implementation of government policies to promote entrepreneurship.

### Relevance of training in business and land registries

Well-trained staff are more efficient and less prone to making errors when assessing transactions or assisting entrepreneurs. Business registrars typically undertake a series of training programs and examinations to gain the qualifications required to perform their duties. The Canadian province of Alberta, for example, requires aspiring business registrars to complete three levels of exams to receive the highest accreditation for the Corporate Registry Electronic System. To pass these exams, students complete three online courses (costing 365 Canadian dollars—about \$282—each) through which they learn how to perform procedures such as registering limited liability partnerships and amending corporate structures, among others.<sup>1</sup>



- This year *Doing Business* collected data on training provided to business and land registry officers and users in 183 economies.
- Training opportunities at business and land registries are only provided in a limited number of economies.
- Only 24% of the economies measured for this case study legally require professional training for business registry officers.
- Mandatory training for business registry officers is associated with higher business registry efficiency while annual training for land registry officers is also associated with higher land registry efficiency.
- Communication of changes at the business and land registries—through workshops for registry officers and dissemination campaigns for registry users—is associated with a lower transaction completion time.



**Training registry officers about upcoming changes is associated with a positive impact on the business operating environment.**

Land registrars also play a fundamental role in guaranteeing legal certainty to property rights transactions. To perform their duties local land officers need a range of technical and communication skills that can be attained through staff training programs.<sup>2</sup> Most economies regulate the position of land registrar, typically through minimum skill or education requirements. Of the 183 economies included in this case study, 74% require that land registrars attain a minimum level of education (usually a university degree in law), 47% require a professional qualification and 44% mandate a minimum number of years of experience. Only 15% of economies require a combination of four criteria—typically a minimum level of education, minimum years of experience, professional qualification and being a civil servant. Prospective land registrars in Bulgaria, for example, must have a university degree in law, a license to practice law, evidence of moral integrity and professional standing, no record of intentional criminal offenses, and the candidate must not be an elected member of the Supreme Judicial Council.

### Continuous training in business and land registries

Most economies do not have legally binding regulation that mandates training for business registry officers (figure 3.1). Indeed, just 24% of the economies measured for this case study legally require professional training for business registry officers. Such requirements vary significantly among regions—nearly two-thirds (59%) of economies in Europe and Central Asia have a legal requirement for training, but only 11% of economies in the Middle East and North Africa do.<sup>3</sup> Although group classes are the most common form of training, online learning tools are used in about 5% of economies with a legal requirement to

provide training to business registry officers. The content of the training is diverse, varying from technical skills (legislative changes, types of entities and incorporation requirements, IT skills) to soft skills (professional ethics, communication skills). In Spain, the Professional Association of Registrars offers online and in-person courses free of charge for registry officers. Topics include the legal forms and corporate structure of a company and the processes of registering or dissolving each type of company, among others.<sup>4</sup>

Slightly more than half of the economies that legally mandate training also define a minimum frequency or duration of that training. In China and Romania, for example, mandatory training programs must be held annually. Registry staff typically make decisions on the duration and frequency of training programs.

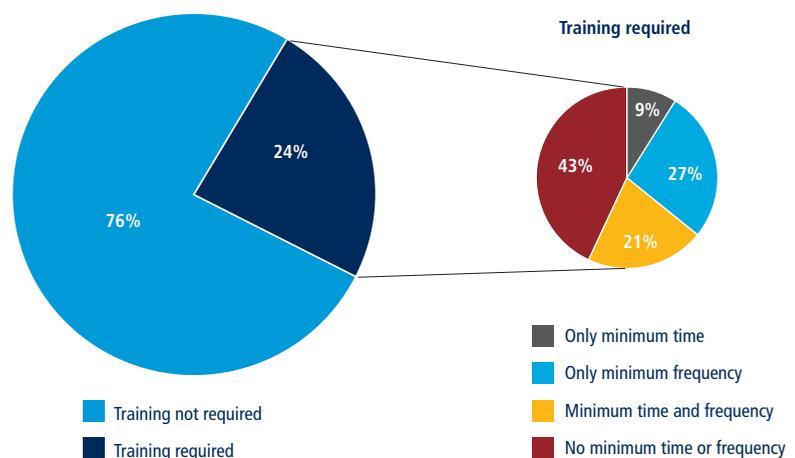
The Land Administration Guidelines from the United Nations Economic Commission for Europe suggest that

continuous training for land registry officers be practical, available to all who require it and range from university-level courses for comprehensive professional training to short-term courses for the introduction of new techniques.<sup>5</sup> Land registries should provide both formal and in-house training for employees and ensure that staff have adequate time to take advantage of training opportunities.<sup>6</sup> Training is essential to convey registry service standards (procedural times, for example) so that staff understand their duties and are equipped to handle problems when they arise.<sup>7</sup>

Training should not be limited to managers and supervisors. Land registry staff that interact with the public on a daily basis should also be well trained. Capacity-building training programs—such as that provided for the staff of Turkey's land and cadaster agency in 2018 or the workshop on land records management in Thailand held in 2017—can be important for maintaining the quality of land registry services.<sup>8</sup>

Although most economies do not legally require continuous training, one-third of economies measured by this case study hold regular training programs on

**FIGURE 3.1** Most economies do not legally require training for business registry officers



Source: Doing Business database.

a variety of topics for land registry officials. Routine training is offered in 45% of OECD high-income economies but just 24% of economies in Sub-Saharan Africa.<sup>9</sup> While the topics of these training programs vary, they commonly include administrative processes (offered in 35% of economies with training), property rights (30%), new systems or innovations (27%) and customer service and coordination with other agencies such as the cadaster or tax authority (22%).

Business and land registry efficiency tends to be higher in economies where training is offered to registry staff. Economies with mandatory training for business registry officers have a score for starting a business that is 6 points higher on average than those without it (figure 3.2). Furthermore, economies with annual training programs at the land registry have a higher score (by 7 points on average) for registering property than economies without it.

### Communicating changes to registry officers

Changes to regulations or processes at business and land registries can be communicated to staff in various ways. At business registries, officers learn about changes to the business start-up process through workshops in 66% of economies; in 39% of economies they are informed via pilot tests. Workshops and pilot tests are also the most common means of informing staff of changes to regulations or processes at land registries; 56% of economies mainly use workshops for this purpose while 24% use pilot tests (figure 3.3).

By using pilot testing, business and land registries can identify and address potential challenges before the full implementation of new processes. Pilot tests are most commonly implemented in registries in Europe and Central Asia, where 55% of business registries and 41% of land registries use pilot testing. A significant share of registries in the OECD high-income economies

**FIGURE 3.2** Economies with training programs tend to score better than those without



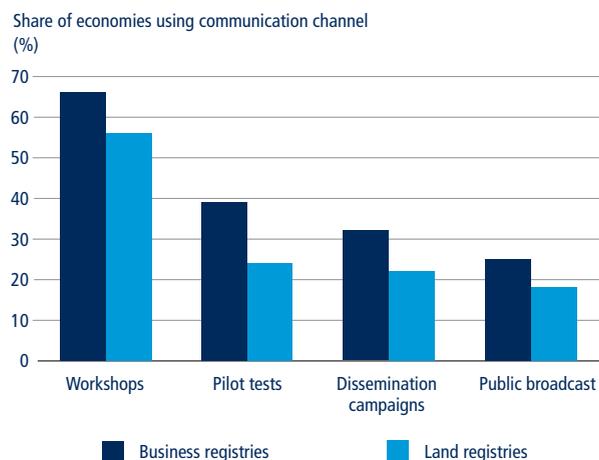
Source: *Doing Business* database.

Note: For training at the business registry, this relationship is significant at the 1% level after controlling for income per capita. For training at the land registry, this relationship is significant at the 5% level after controlling for income per capita.

and East Asia and the Pacific also run pilot tests before implementing new processes. Pilot testing is used in less than 20% of economies in Latin America and the Caribbean, the Middle East and North Africa, South Asia and Sub-Saharan Africa.

Training registry officers about upcoming changes is associated with a positive impact on the business operating environment. *Doing Business* data indicate that it takes 12 days less on average to incorporate a business and 29 days less on average to transfer a property in

**FIGURE 3.3** Workshops are the most common channel for communicating changes to registry



Source: *Doing Business* database.

Note: An economy can use multiple channels of communication as listed above. Economies where changes are not communicated (two economies) are excluded from the sample. Workshops refer to the use of presentations for a group of people. Pilot tests refer to the use of small-scale experiments or tests to introduce changes. Dissemination campaigns refer to the use of social media or billboards. Public broadcast refers to using television or radio transmission to convey changes.

economies where registry officers have received training compared to economies where no training is offered (figure 3.4).

## TRAINING REGISTRY USERS

Registry users also benefit from training. As the popularity of entrepreneurial training programs has risen in recent years governments worldwide have taken steps to develop and expand such programs.

### Relevance of training for entrepreneurs

In 2014 some 230 Entrepreneurship Education and Training (ETT) programs were identified around the world; these include global initiatives like the International Labor Organization's Know About Business and Start and Improve Your Business and regional programs like Injaz Al-Arab.<sup>10</sup>

When EET programs target budding entrepreneurs, results show significant increases in self-employment, household consumption, and income two years after the intervention.<sup>11</sup> Over time, evaluations find positive and significant effects

of EET on business growth such as, for example, enhancing entrepreneurs' access to credit.<sup>12</sup> Training programs also succeeded in teaching new entrepreneurs managerial skills useful to the operation of their businesses.<sup>13</sup> In addition, business-support interventions for small and medium-size enterprises like training programs help improve firm performance and create jobs.<sup>14</sup> However, depending on the national context and on the audience receiving the program, the impact of training programs can vary widely. An experiment in Bosnia and Herzegovina, for example, showed that individuals with an existing business tend to benefit more from training opportunities and make more investments than individuals without a business.<sup>15</sup>

For more than three decades, the New Enterprise Incentive Scheme—a program run by Australia's Department of Jobs and Small Business—has provided accredited training and mentoring to help individuals start a business. Delivered by a network of 21 providers nationally, each year the scheme provides 8,600 people with small business training, income support and rental assistance during their first year in business.<sup>16</sup>

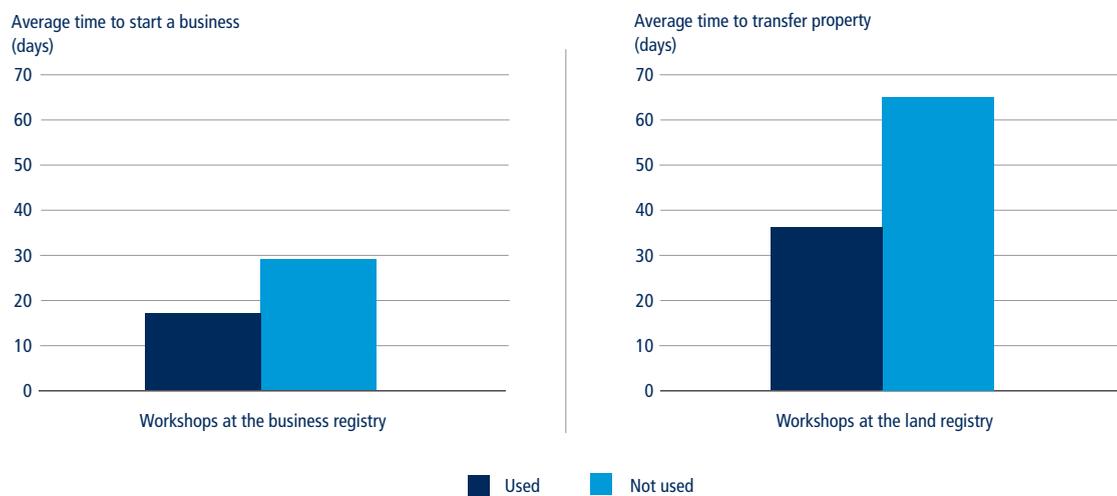
Guatemala's business registry maintains a budget explicitly dedicated to training system users—the registry has an annual budget of 70,000 quetzales (about \$10,000) specifically for training notaries and lawyers. In recent years the land registry spent 208,000 quetzales (about \$28,000) to provide training to more than 3,000 system users, mainly notaries and lawyers.

Skills training programs are more successful when the private sector is involved in curriculum development as well as providing on-the-job training via internships or apprenticeships.<sup>17</sup> Colombia's *Jóvenes en Acción* program, for example, combines classroom instruction with on-the-job training at private companies. This model's short-term outcomes—namely a higher probability of formal employment and greater earnings—were sustained over the long term.

### Training and information opportunities for registry users

Registries offer training to start-up firms in just over one-half of OECD high-income economies, the highest share among the regions measured by *Doing Business*; registries in South Asia offer

**FIGURE 3.4** Starting a business and transferring property tend to take less time in economies where workshops are provided to registry staff



Source: *Doing Business* database.

Note: Both relationships are significant at the 1% level after controlling for income per capita.

the least training to entrepreneurs (figure 3.5). Where training opportunities are offered to entrepreneurs, these usually take the form of group classes, workshops and seminars. Online courses are available in one-third of the economies that offer training.

Training can be offered to anyone starting a business but, in some cases, special learning opportunities are directed to targeted groups, such as youth, elderly and woman entrepreneurs. However, just 17% of economies that provide training implement targeted training programs. In Niger the Chamber of Commerce and Industry and the National Employment Promotion Agency run an entrepreneurship training program tailored specifically to young people, including high school students and other youths who did not complete formal education.<sup>18</sup>

Help desks play a critical role in addressing citizens concerns and inquiries regarding various processes developed by public agencies. By providing access to information help desks act as a strategic educational tool for the public; they allow citizens to have

answers to specific inquiries related to procedures. Of the economies included in this case study, 57% have a help desk specifically for property registration available to the public. In general, economies with a publicly-available help desk tend to have a higher score on the quality of land administration index.<sup>19</sup> The help desk, which is entirely focused on user and customer satisfaction, improves land registry quality by providing feedback on the types of issues raised by customers, which the registry can then address. Since Peru's *Superintendencia Nacional de los Registros Públicos* (SUNARP, the national public registry superintendency) established the Citizen Attention Center in 2014, the help desk has addressed more than half a million inquiries. The center's lawyers, registration law specialists, provide guidance free of charge on registration and general procedures at the land registry. All citizens have access to this service via e-mail, chat and a free hotline, *Aló SUNARP*. Economies that have a help desk at the land registry tend to perform better on the ease of registering property indicator set and have a better score in the quality of land administration index.<sup>20</sup>

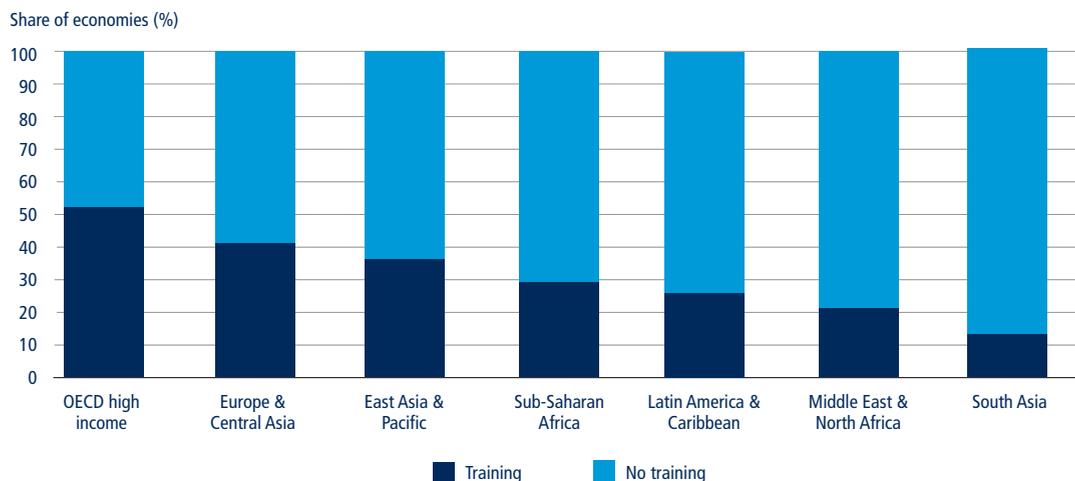
### Communication of changes to registry users

Business and land registries inform the public of changes—for example, to requirements for registering a company or selling a property—using various channels of communication. In a majority of economies, business registries communicate changes to the business start-up process via a dissemination campaign using social media or physical billboards (63%) and public broadcasts on television or radio (65%). Training and workshops are a less-common method of conveying such changes (36%).

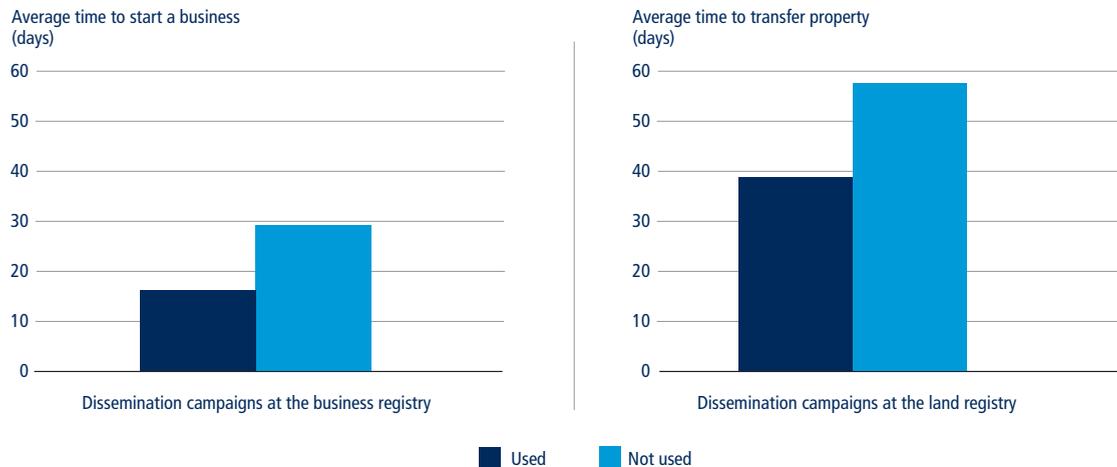
Income level plays a role in determining which communication method is used. Business registries in around two-thirds (70%) of low- and middle-income economies use public broadcasting; those in high-income economies rely more heavily on web-based methods of dissemination, such as publication on the business registry's website.

Similarly, when a new initiative is adopted by the land registry, or when significant changes are made to the legislation or a new system is implemented, registries in 46% of economies communicate those

**FIGURE 3.5** Most OECD high-income economies provide registry training to entrepreneurs



**FIGURE 3.6** Starting a business and transferring property tend to be faster when registry changes are introduced through dissemination campaigns



Source: *Doing Business* database.

Note: For the business registry, this relationship is significant at the 1% level after controlling for income per capita. For the land registry, this relationship is significant at the 5% level after controlling for income per capita.

changes to the public through a dissemination campaign; 61% rely most heavily on television and radio.

When citizens are made aware of the changes implemented at the business and land registries, they may be more likely to assert their rights with confidence. *Doing Business* data show that it takes 13 days less on average to start a business and 19 days less on average to transfer a property when a dissemination campaign is used to communicate changes to the public (figure 3.6).

## CONCLUSION

Training can be important for ensuring the quality of business and land registries. Data collected for *Doing Business 2019* suggest that training initiatives are beneficial to both registry officers and entrepreneurs. Access to training for registry officials and the public can be provided through a variety of channels. Workshops, learning programs, help desks, media broadcasts and awareness campaigns can improve the efficiency of business and land registries and create a well-informed public.

## NOTES

This case study was written by Cyriane Coste, Marie Lily Delion, Fatima Hewaidi, Frédéric Meunier, Albert Nogues i Comas, Nadia Novik, Nathalie Reyes, Erick Tjong and Yuriy Valentinovich Avramov.

- For more information, see the registries training section of the website of the Association of Alberta Registry Agents (AARA) at <http://www.aaratraining.com/index.aspx?tabid=1>.
- Fourie 1998.
- The share of economies (as measured by this case study) with a legal requirement for training is as follows: Europe and Central Asia (59%); East Asia and the Pacific (28%); OECD high income (27%); Latin America and the Caribbean (16%); Sub-Saharan Africa (16%); South Asia (13%); and Middle East and North Africa (11%).
- For more information, see the website of the Asociación Profesional de Registradores at <http://www.apregistradores.com/>.
- UNECE 1996.
- Williamson 2000.
- FAO 2017.
- For more information on the World Bank's Land Registration and Cadastre Modernization Project in Turkey, see <http://documents.worldbank.org/curated/en/774231526581694132/pdf/Disclosable-Version-of-the-ISR-Turkey-Land-Registration-and-Cadastre-Modernization-Project-P106284-Sequence-No-21.pdf>. Additional information on the Workshop on Land Records Management and Information Systems: Community of Learning Exchange can be found at <http://www.worldbank.org/en/events/2017/06/12/workshop-on-land-records-management-and-information-systems-community-of-learning-exchange#1>.
- The share of economies (as measured by this case study) that hold regular training programs for land registry officials is as follows: OECD high income (45%); East Asia and the Pacific (40%); South Asia (38%); Europe and Central Asia (32%); Middle East and North Africa (32%); Latin America and the Caribbean (29%); and Sub-Saharan Africa (24%).
- Valerio, Parton and Robb 2014.
- Valerio, Parton and Robb 2014.
- Valerio, Parton and Robb 2014.
- Dana 2001.
- Cravo and Piza 2016.
- Bruhn 2011.
- For more information on Australia's New Enterprise Incentive Scheme, see the website of the Department of Jobs and Small Business at <https://www.jobs.gov.au/self-employment-new-enterprise-incentive-scheme-neis>.
- Valerio, Parton and Robb 2014.
- Le Sahel. 2014. "Signature de conventions de financement entre le PRODEC, la CCIAN et l'ANPE: près de 404 millions de FCFA pour soutenir la formation professionnelle et l'insertion économique des jeunes." January 30. <http://news.aniamey.com/h/11947.html>.
- This relationship is significant at the 1% level after controlling for income per capita.
- This relationship is significant at the 1% level after controlling for income per capita.