UDC 620.92: 00.67

## WORLD EXPERIENCE OF LAND RELATIONS

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Стаття отримана редакцією 01.09.2016 р.

**Introduction.** Problems solving in the field of developing land relations in Ukraine provides analyzing and evaluating world experience on the issue. Rural appraising for instance is an immanent constituent of the process of providing conditions for market relations development in the country. That's why raising an issue of analyses of peculiarities of forming effective methodological approaches to forming modern market relations in the world countries, in particular those concerning rural appraising, is expectable.

**Research results.** The question about theoretic-methodological basis of land relations development and land prices in the world management practice appears to be appropriate at the current stage of investigation.

Experience of those countries where land market functions for a long time and is successfully developing (the USA, Great Britain, Germany, France etc.), is of great importance for us. Though, the problems of land market formation and land assessment in the countries of the former communist block (first of all in Poland, Czech, Slovakia, and Hungary) are of almost equal interest. In Hungary, for example, only the country residents and the state itself represented by the National Land Fund are eligible for buying land property.

All the participants of the USA natural resources protection and recreation project pursue the aim of maintaining significantly better level of using grounds, water, air and plant world. This task implementation is based on two main approaches which are represented by market and partnership ones. Market approach implication means implementation market principles and security providing mechanisms, which involve strictly defined system of ownership right and using market oriented instruments including state provision of compensation, benefits, payments and loans to land owners to minimize negative externalities in the environment. Partnership approach means mass involvement of the main participants into land protection, i.e. farmers, landlords and those using land; government agencies in the field of environmental protection; specialized local entities known as the grounds and natural resources protection units, their associates; as well as colleges, universities, public organizations, land trusts and so on. The US government owns 40 % of land fund excluding tilled soil. The main part of the US government land fund comprises military training areas, parks and unoccupied land. Only 1% of the entire US land fund is owned by nonresidents.

Despite the fact that ensuring the right for capital free floating, setting up and conducting a business are among the basic principles of the European Union policy referring land holding, in particular for rural appraising, many western European countries have set certain limits for tilled soil disposal. Making a deal concerning the right for land holding assignment is limited and controlled taking national interests into account. In Germany the deals concerning land condemnation are made according to special permission. Legislation has formalized the right for purchasing farming lands by landholders and individuals living nearby the tract of land, and also by the citizens mainly involved in agriculture.

In France, as opposed to Japan and Germany, two types of farmland rental payments are used, i.e. fixed rent apart from the crop yield, and share payment made in a form of the yield part [1]. While taking measures as for effective and rational land using and protection actions, the rent length is of a big importance. The most popular rent in Ukraine is a short-term one (up to five years). Though considering organizing of steady production, short-term rent is an obstruction to investing in long term land improvement.

Around 90% of rental deals in the western European countries are made for more than nine years term including complete crop rotation cycle and main funds payback. It is done through harmonization of rental subjects' interests with the rental terms by means of high rental payment. In Netherlands the rental period amounts 6-12 years, in Luxembourg -6-9, in France -9, in Belgium -9-18, in Italy -15 years. In Portugal the minimal rental period for renters using hired labor amounts 10 years. In the USA the average rental period is equal to 5-15 years, in China -30-50 years.

Wide usage of rental relationships is one of the key factors in agricultural development and land fund effective usage in Belgium. Here a part of land used by farmers on a rental basis annually amounts 67,7%, it

## Economics and national economy management

also amounts 52,7 in France, 37,4 in England, 41 in the USA, 38 in Netherlands, 36 in Germany, 18,8 in Italy, 18,5% in Denmark. Rental payment is a key aspect of rental relationship. It is compared to rent in developed countries agriculture. Thus in Sweden it makes 5-8% of the land value, or 7–9% of the overturn.

In the USA rental payment for tilled soil amounts from 0,6 to 10,55%, and from 0,9 to 10,9% for grazing depending on their market value [2].

The experience of the European Union countries affirms that private land ownership is of protective character for the land using, considering that private ownership is a long-term one, and private owners have legal responsibility for its using. Low allows owners to sell, buy, give away, or legate patch of land to other people.

In Denmark the size of land holding and land using is limited (25 ha maximum), business operation is made here by individual producer, family farming group. Such forms are marked with land patches size constancy. Relationships between land owners and land users in the world developed countries are characterized by different forms which are the following: rent bases on labor participation; for cattlebreeding; rent based on shared participation in yield; rent based on participation in the net income, rent based on fixed payments.

Modern land private ownership in the world developed countries differs much from those under capitalism, when it existed in an absolute form and there was no state involvement in the land owners and land users' rights. Gradually the ownership became an object of a bigger state regulation restricting land owners and land users' rights for public ends.

There is a common trend to socializing land relationships and rental form of land using in the Western Europe and China. Citizens have the right to life interest and inheritable use of land patches. Legislation of Denmark, Germany, France, Spain, Switzerland, Italy and Norway sets maximum sizes of land concentration in legal entities and individuals' ownership. Such countries as Armenia, Georgia and Moldova have refused creating businesses and gave land to farmers. There is no land private ownership in Azerbaijan, Kirgizstan, Tajikistan and Uzbekistan. Lands there are given into permanent ownership by the state. Kazakhstan land masses are in state ownership. Land patches in this country are given into private ownership for housekeeping, gardening, and suburban household.

In Belarus citizens voting on nationwide referendum declared against land private ownership. Thus according to Belarus constitution the people own farming lands, lakes, rivers and forests. The state allows their using to citizens and enterprises having responsibility for their preservation and rational use of all natural resources. Agricultural enterprises are leaseholders or long-term land users. Private ownership is allowed only for household plots up to 3 ha.

There is no land private ownership in England, Denmark and Norway. In Israel land is also in state ownership. The state leases land for a small fee for common or individual usage for 49 years with the right of prolongation the term. In China land resources are in common ownership, and the people are considered to be their associate owner. 95% of tillable land given in rent is in state ownership. Households got their land patches on contracts terms during changing to family farming groups.

In Vietnam land is a nationwide ownership under government regulation. The government provides organizations, individuals, households with lands for 20 years term usage to grow non-perennial crops, and up to 50 years for perennial agriculture.

In the USA 25% of lands are in federal ownership. The government buys farmers' land back to make it state or local ownership, and then to lease it to major producers.

Countries having strong governmental influence on land market (the USA, Japan, Canada, and EU countries) get sufficient progress in the area of land using compared to those weakening governmental influence for land relationships regulating under of reforms implementing (Bulgaria, Rumania, Trans-Caucasian republics, Moldova etc.).

Ukrainian farming lands contain a major part of especially valuable lands (37,6% of the total area) [3]. The main farming area is situated on black earth and lands of black earth type (60% of tilled lands). More than 8% of the world black earth type lands are concentrated in Ukraine. Though excessive ploughness which is still the highest among the world developed countries coupled with their extensive usage, have led to their degradation, frustrating the process of soil formation, minimized regulated biochemical part in cultivated lands.

As it is known, land using productiveness is rather defined with effectiveness of its using in agriculture, than with the level of providing each citizen with lands, in particular with tilled lands. Thus in the USA 0,6 ha is occupied by croppers cultivated for foodstuff production per a citizen; 0,4 ha is occupied by technical crops; 0,8 ha is left for settlement and recreation. Tillage area per capita in Germany and Great Britain is only 0,12 ha; in Netherlands and Belgium – 0,14%. Although the mentioned countries not only supply their own needs in foodstuff, but export them in a great amount.

Considering overseas experience, it is useful to develop and to implement in Ukraine complex approach to using land resources, ensuring boost of scientific-technical progress in agrarian sphere. Effective system of land using should be formed.

Review of land relationships in other countries demonstrates the fact that each of them has distinctive

## Економіка та управління національним господарством

land relationships. They represent the system of social and state establishment and consequently their regulation political organizing.

Land private ownership and farming make the basis of land ownership in Western Europe. Though land private ownership further development in European countries is prevented by some unsolved problems, like creating new social farmers class on the basis of large landowning ruining; providing farmers' social security and independence so that they could freely dispose of their land; increasing productivity of agricultural enterprises by means of increasing farmers' interest in production development; providing farmers with opportunity of getting short-term and long-term loans including those on security of land owned; ensuring farmers' right to make independent decisions as for land using, rental it or conveyance by inheritance etc.

International experience testifies increasing in government influencing the development of market land relationships, which is evident in implementing a range of economic instruments contributing to lands concentration, forming steady land owning and land using. That's why institutional development of land legal relationship in agrarian area should define not only the main institutional element and object of legal relation those are land patches, having written their special legal objectiveness and providing their rational and highly effective using by means of adopting new institutional norms concerning land arrangement and lands protection, but consider farmers' public good and social effect of any transformations. Indeed the main assignment of a state and its institutes is increasing people's social standards of living and their welfare.

Institutional formation of a fully valid economical lands turnover in Ukraine, especially those of agrarian assignation, should be integrated and multi featured both in legal and social-economic and political aspects.

There is no purely independent land market and unlimited right for land private ownership in any country of the world. In the Eastern Europe countries where land reform was held at the end of the 20-th century, land market is still being established; special rules of land turnover are implemented here, a system of steady using of agricultural land using is being created. The biggest achievements in farming production have currently those countries having no land private ownership, among which are China and Israel. In Ukraine the third part of farming lands is used by its owners for their own entrepreneur activity [4].

Most countries have moratorium on land sale to foreigners. A part of existing highly effective models of land using and land arrangement in economically developed foreign countries and their unions was built taking into account experience of managing land resources, got in soviet times, as for planning and organizing the territory, rational use and protection the land on large territories, including and combining state, collective and personal interests in this sphere. Foreign countries experience and practice in the area of land resources management ought to be used in the process of improvement land resources management in Ukraine.

**Conclusion.** The conducted research testifies that land reform in Ukraine leads to a change in a land ownership form, contributes to solving problems of providing citizens with the land patches, introducing paid land using, creating conditions for developing land market. Herein land relationships are being changed, land reforms and land market regulatory basis is being formed.

Historical experience in land market relations development in Ukraine has demonstrated that even despite steady immemorial traditions, adopting ill-considered norms and laws had had negative social consequences. Considering potential risks, European countries have formed developed institutional conditions of land ownership. Customary institutional norms of state regulation specify not only land buying and selling, rental relations, but provide lands protection and their rational use.

The world experience confirms that land relationships and resources as an object of management are far more complicated system than commercial structures managing. And it's impossible combining entirely social and economic reasonability in the area of land relationships, taking into account state interests priority, though it is essential requirement of land resources state management.

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### УДК 620.92:00.67

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# Economics and national economy management

Аналіз такого досвіду та його використання в Україні передбачає формування умов ефективних земельних відносин. Ураховано той факт, що найбільшу цінність для нас має досвід розвитку земельних відносин саме в тих країнах, де ринок земель працює давно й успішно розвивається (США, Велика Британія, Німеччина, Франція тощо). Але не менший інтерес викликають питання становлення ринку земель і їхнього оцінювання в країнах колишнього соціалістичного табору (насамперед у Польщі, Чехії, Словаччині, Угорщині). Наприклад, в Угорщині покупцями земельної ділянки можуть бути лише громадянин країни та держава в особі Національного земельного фонду. Головним же завданням збереження й відновлення природних ресурсів у США для всіх учасників цього процесу  $\epsilon$  забезпечення значно кращого рівня використання ґрунтів, води, повітря і біорізноманіття. Реалізація цього завдання базується на використанні двох основних підходів: ринкового та партнерського. Застосування ринкового підходу полягає в імплементації ринкових принципів і механізмів здійснення охорони, що передбачає чітко визначену систему прав власності та використання ринково-орієнтованих інструментів, включаючи надання державою компенсацій, пільг, виплат і кредитів власникам земель для мінімізації негативних екстерналій у навколишньому природному середовищі. Принцип партнерства визначає широке залучення основних учасників цього процесу до охорони земель, а саме - фермерів, власників земель та землекористувачів; урядових агенцій у сфері охорони природного середовища; спеціальних локальних утворень, так званих районів охорони ґрунтів і природних ресурсів, їхніх асоціацій, а також коледжів, університетів, громадських організацій, земельних трастів тощо. У США 40% земельного фонду належить уряду, у цій частині орні землі відсутні. Основна частина земельного фонду уряду США складають військові полігони, парки та вільні землі. У США іноземцям дозволено мати землю в приватній власності. Із всього земельного фонду США 1% сільськогосподарських земель належить іноземцям.

Проведений аналіз свідчить, що земельна реформа в Україні приводить до зміни форм власності на землю, сприяє розв'язанню проблем забезпечення громадян земельними ділянками, введенню платності землекористування, створенню передумов для розвитку ринку землі. При цьому змінюються земельні відносини, формується нормативно-правова база земельної реформи та ринку землі.

Історичний досвід розвитку ринкових земельних відносин в Україні показав, що навіть усупереч стійким споконвічним традиціям прийняття не виважених норм і законів мали негативні соціальні наслідки. Ураховуючи наявні ризики, країни Європи сформували розвинені інституційні умови власності на землю. Загальноприйнятні інституційні норми державного регулювання регламентують не тільки купівлю-продаж земель, орендні відносини, але й забезпечують охорону земель та їхнє раціональне використання.

Світовий досвід підтверджує, що земельні відносини і ресурси як об'єкт управління є значно складнішою системою, ніж управління комерційними структурами. А поєднати, враховуючи пріоритетність державних інтересів, соціальну та економічну доцільність у галузі земельних відносин повністю неможливо, але це необхідна умова державного управління земельними ресурсами.

*Ключові слова:* земельні відносини, оцінка землі, ринок землі, рента, оренда землі, рентні платежі.

UDC 620.92: 00.67

Victor Dubischev, DSc, Professor. Grigorii Shary, Phd. Associate Professor. Poltava National Technical Yuri Kondratyuk University. World experience of land relations. The given article represents analyzing and evaluating world experience in land relations development including rural appraising. The analyses of the mentioned experience and its implementation in Ukraine provide effective land relations formation.

*Key words:* land relations, land assessment, land market, rent, land rentals.

УДК 620.92:00.67

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**Ключевые слова:** земельные отношения, оценка земли, рынок земли, рента, аренда земли, рентные платежи.