

INSTITUTIONAL CONTENT OF THE AGRICULTURAL LAND MARKET

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Introduction. The reform of land relations in Ukraine has one great advantage, that it takes place against the background of many land reforms carried out in the world. Extensive world practice and theoretical knowledge have formed a powerful basis for its implementation. Much has been done in Ukraine on the basis of the traditional understanding of private ownership of land, but there are also those subtleties in the understanding of land relations, the understanding of which is directly and indirectly lacking in modern land reform in our country. At this stage of the study, the article focuses on the methodological approach to understanding land relations on the basis of institutionalism.

Analysis of recent research and publications. Fundamental, theoretical and methodological, and applied aspects of the study of the problems of institutional development of economic relations are reflected in the works of: D. North, T. Veblen, J. Commons, W. Mitchell, A. Oleinik, T. Eggertson, J. Johnson, P. Ballard, G. Barnes, K. Panunzio, F. Jacob, W. Neil and other scientists.

Considerable attention to this topic was also paid by domestic scientists, in particular: in the works of V. Bazylevich, D. I. Bambidra, M. S. Bogyra, M. R. Budzyak, V. P. Galushka, O. I. Gutorov, Y. D. Bilyk, A. P. Verweyk, D. I. Gnadkovich, G. Holovakha, Y. M. Dorosh, V. V. Horlachuk, A. S. Danylenko, L. G. Dmitrievich, D. S. Dobryak, M. M. Demin, O. P. Kanash, I. V. Koshkalda, V. M. Zayts, V. V. Kulinich, O. M. Ivashchenko, O. G. Lozovoi, M. G. Lykhogrud, A. M. Miroshnichenko, L. Ya. Novakovsky, L. I. Nudelman, O. Ya. Panchuk, V. M. Melsel-Veselyak, P. G. Chernyaga, O. V. Ulyanchenko, P. G. Sabluk, A. Ya. Sokhnych, M. G. Stupen, A. M. Tretyak, M. M. Fedorov, M. A. Khvesyk, O. G. Shpykulyak, V. V. Yurchyshyn, A. D. Yurchenko, etc.

At the same time, theoretical, methodological and applied problems related to the economic development of land relations in the agrarian sector of the economy, and their institutional and institutional support, especially in terms of adapting the requirements of modern neo-institutional economics to the agrarian economy of Ukraine, remain insufficiently researched and unresolved. The problem of ensuring effective land turnover in Ukraine in accordance with EU norms on green growth policy remains relevant, which is possible on the methodological principles of institutionalism.

Theoretical aspects of institutional economics are most acceptable when studying economic processes in land relations, where further institutionalization (development) is significantly influenced by social norms, rules and traditions, and institutional analysis in the land sector is the most effective, it generalizes all other methods of analysis using the systematic structuring of economic and social phenomena to regulate these phenomena using institutional normative methods. The starting points for the analysis of the institutional

approach are found in human activity as an internal deliberate activity, oriented towards the actions of others according to the principle of unity of social relations and human activity.

Objectives of the article. The aim of the article is to substantiate the scientific approach to the methodological support of the institutional content of the effective and rational reform of the formation of the land market and its rational turnover in Ukraine.

To achieve the set goal, the following tasks were set:

- to determine the suitability of the principles of institutionalism for the analysis of land relations;
- to substantiate the directions for solving the problems of land reform and land development in Ukraine;
- to determine effective forms of land economic relations in Ukraine.

The main material of the study. Theoretical aspects of institutional economics are most appropriate when studying economic processes in land relations, where further institutionalization is significantly influenced by social norms, rules and traditions, and institutional analysis in the land sector is the most effective, it generalizes other methods of analysis using the systematic structuring of economic and social phenomena of regulation using institutional regulatory methods. The starting points for the analysis of the institutional approach are found in human activity, as an internal deliberate activity, oriented towards the actions of other participants according to the principle of unity of social relations and human activity.

Economic processes in the land sector are not only subject to the economic laws of the market, but are also conditioned by historical traditions, social norms, they have limitations and are carried out according to certain rules, with the predominance of social approaches.

The study takes into account the position that the development of land relations, including in the agricultural sector, is based not only on the need for effective use of land resources – it is aimed not only at the effective functioning of the agricultural sector, but also at sustainable spatial development, the formation of a rational settlement system, that is, at the rational use of land and the progressive socio-economic development of territories.

The category of rational land use is defined as a balance between effective (profitable) and environmentally safe (sustainable) use of land. Economic processes in the land sector are not subject to classical economic, purely market theories, but to institutional economic theory and have a socio-economic, that is, institutional, character. This methodological approach, to a greater extent, corresponds to the norms of the European Union, in particular regarding the European innovative policy of green growth. And the goal of the EU, from the point of view of existential philosophy, is to transform Europe by 2050 into the world's first climate-neutral continent, which, in turn, requires appropriate scientific and technical support.

The main types of green economy models in EU countries can rightfully be classified as: market and idealistic.

The idealistic model is characterized by the most complete reliance on the principles of sustainable development, in which the quality of development, rather than economic growth itself, takes on priority. The idealistic model demonstrates the systemic transition of the national economy to the ecological phase of systemic social transformations, which determines the greatest attraction of small-sized states of Northern Europe, known for their extremely high level of inclusiveness of socio-economic development. Thus, the idealistic model of the green economy has gained the greatest distribution in the countries of the Scandinavian belt, namely in Norway, Denmark, Sweden, as well as in Finland, Iceland, Austria, Malta, whose governments have announced the formation of environmental economic systems in the countries [1].

From a methodological point of view, institutional economic theory emerged as a synthesis of economics, sociology, law, psychology and philosophy at the turn of the 19th and 20th centuries, when American scientists T. Veblen, J. Commons and W. Mitchell, based on the inductive method, studied economic problems using the methods of other social sciences, especially sociology and law.

Such scientists as W. Hamilton, Y. Lopatynsky [2], V. Yakubenko [3] devoted their works to the study of the problems of institutions and institutions. Institutionalization is "approached" by those who want to understand and learn the deep causes of modern problems, the real root causes of human behavior. In our opinion, land relations can also be presented as an institutional complex in which public, social, political, economic, legal, religious and other institutions exist and interact as stable socio-economic, organizational and legal structures, institutions, organizations that support, consolidate and direct the interaction of individuals, legal entities and individuals and regulate social relations in the land sphere on the basis of voluntary or forced consent of the majority of members of society [4].

In turn, the concept of “institution” is defined as a rule, a norm of law, a norm of behavior, a set of traditions, an order that has developed and exists in society and in the state. With the help of institutions, social institutions regulate various relations in society, including land relations. An analysis of the evolutionary path of its development helps to understand the essence of institutional economics. The first scholars of the old institutional school, based on the inductive method, analyzed the actions of not individuals, but collectives and studied economic problems using the methods of sociology, law and political science. On this basis, two scientific schools arose – institutional economics proper and neo-institutional economics. Institutional economics takes sociological approaches as its basis and criticizes the core of the classical theory – the absolute effect of market equilibria, the rational choice model, the stability of individual preferences [5; 6].

Neo-institutional economics does not deny the essence of the classical core of economic theory, but modifies the shell of economic relations, considering not only private, but also other forms of ownership, introducing the concept of transaction costs, etc. [7].

Theoretical aspects of institutional economics are most appropriate when studying economic processes in land relations, where further institutionalization (development) is significantly influenced by social norms, rules and traditions, and institutional analysis in the land sector is the most effective, it generalizes other methods of analysis using the systemic structuring of economic and social phenomena.

In the land sector, the following social institutions are distinguished: macro-institutions, which determine the course of certain processes at the macro level; the state is a public institution to which the people delegate part of the rights through the constitution (constitutional agreement, laws); meso-institutions, which extend their action at the meso-level (industries, districts, etc.); micro-institutions related to decision-making, activities and interaction of organizations (enterprises), as well as interaction between enterprises and subjects interested in their activities; nano-institutions that determine the behavior of individual individuals. In this case, the institutions of agricultural land turnover are: the so-called “rules of the game”: traditions and norms; restrictions.

The institutions that form land relations exist within the framework determined by legal institutions and social traditions. On the basis of institutions, standards, norms and rules are established, which are reflected in regulatory legal acts aimed at unambiguous perception and unity of approach to the provisions specified in them on the economic turnover of land plots, the organization of rational use and protection of land, ensuring the functioning of the land market, environmental safety of land use, etc.

The imperfection, and in some cases the absence of institutions and institutions, gives rise to many problems in the field of land relations. At the same time, some existing legal norms have no practical use and cannot be implemented since the legal mechanism of implementation is either completely absent or has only a formal, not binding nature.

The institutions of land management, the institutions of private ownership of land plots, the institution of protection and rational use of agricultural lands operate within the framework of legal norms that do not provide for modern binding norms of behavior, but are traditionally formed mostly by agricultural producers and land owners. And the institutions of public ownership of land exist and are regulated by traditional norms and rules of conduct.

The introduction of land into full-fledged economic turnover, the capitalization of land relations in the agricultural sector are made impossible due to the lack of institutional development of the land market in Ukraine. There are no conditions to form innovative land legal relations and through them to reach a qualitatively new level of functioning of the institute of agricultural land circulation in order to contribute to the formation of a modern land policy aimed at the rational use and protection of land.

The establishment of a full-fledged turnover of agricultural land in Ukraine is an urgent need for the further development of the agricultural sector. After all, land, as a special means of production, should be in the hands of the most efficient producer, which ensures not only profitability, but also, against the background of high productivity, ensures sustainable socially balanced and rational land use. Ukraine has a unique strategic resource – black soil, which is the main means of agricultural production. Enterprises of the agricultural sector of Ukraine are developing dynamically and have already become noticeable players in international markets. The development of various forms of ownership and management of land without reliable state environmental control, the lack of an appropriate legislative framework have led to a consumer attitude towards land, and in agriculture – to ignoring environmental requirements in favor of economic interests. Thus, the plowing of agricultural land in our country is about 75%, and the formation of new methods of land use and the low

level of financial support for erosion protection measures and the allocation of a significant amount of area for industrial crops is a cause for concern. In modern economic conditions, the issue of land protection is becoming increasingly important.

Among the most fundamentally important tasks that were planned to be solved with the adoption of the Law of Ukraine "On the Circulation of Agricultural Land", it is legitimate to consider the following:

- institutional development and ensuring the circulation and turnover of agricultural land and the formation of institutions regarding the principles and mechanisms of state regulation of the land market; creation of land market infrastructure institutions;
- introduction of mechanisms to prevent unscrupulous actions of land market entities associated with the sale of land plots at reduced prices, as well as with the achievement of a monopoly (dominant) position by market entities;
- detailing the terms of civil law agreements under which the alienation of property rights to land plots can be carried out;
- prevention of speculative transactions with agricultural land plots.

The adoption of a special Law of Ukraine "On the Circulation of Agricultural Land" taking into account the proposed approaches would create institutional prerequisites for the introduction of a full and transparent circulation of agricultural land, which would provide for limited state regulation of the procedure for the alienation of property rights to agricultural land plots by owners while minimizing potential negative socio-economic consequences.

The introduction of a full-fledged agricultural land market and its effective state regulation in Ukraine allows solving important problems:

- full implementation of private property rights and other rights to agricultural land plots by land relations subjects;
- creation of a favorable market environment that ensures the transfer of land rights to the most efficient owners;
- a radical increase in the investment attractiveness of agriculture in Ukraine;
- rational redistribution and optimization of the turnover and use of agricultural land;
- establishment of an objective market cadastral, regulatory and monetary valuation of agricultural land plots in the process of economic turnover;
- rational use of the natural resource potential of agricultural land and ensuring strategic food security of the state;
- free access of Ukrainian citizens to land as a resource for human development;
- creation of jobs in rural areas;
- improvement of the transparency of land relations;
- stimulation of the development of civil society institutions in matters of protecting the rights of land owners.

The land market is launched, but without the necessary institutional norms of balancing and further development. Existing regulatory norms do not allow for the formation of opaque transactions with land.

In Ukraine, the history of the development of agribusiness has contributed to the creation of a system where agricultural production is concentrated in large agricultural enterprises. Some agricultural enterprises have agricultural land with an area of over 100 thousand hectares, and some of them have consolidated a land bank with an area of over 300 thousand hectares. and more. Restrictions on the leased land bank are not economically justified, which may deprive Ukrainian agribusiness of its investment attractiveness.

Restrictions on the use of land as an asset and collateral for loans do not solve the main problem – attracting bank credit resources, thus, users and owners of land plots will not be able to effectively cultivate the land.

On the other hand, transparent state regulation of the agricultural market, based on clear rules, provided that the functions of ownership and regulation are separated, will contribute to the development of the land market.

Along with land tax and rent, one of the sources of filling local and state budgets is the sale of land plots of state or municipal ownership or rights to them on a competitive basis (land auctions). In this regard, on August 19, 2012, Law No. 5077-VI "On Amendments to the Land Code of Ukraine Regarding the Procedure for Land Auctions in the Form of an Auction" came into force in Ukraine [8]. An important innovation in land legislation is aimed at regulating the procedure for land auctions in the form of an auction, based on the results of which a contract of sale, lease, superficies, emphyteusis of a land plot is concluded with the participant (winner) who offered the highest price for the land plot being sold or the highest fee for its use, recorded during the land aucti

The object of sale is land plots of state or municipal ownership or rights to them (lease, superficies, emphyteusis), including with real estate objects of state or municipal ownership located on them. The organizational aspects of holding an auction include several stages, in particular, the selection of land plots of state or municipal ownership, the formation of lots for land auctions, the preparation and procedure for the auction procedure itself, the establishment and publication of the results of land auctions.

The current land legislation of Ukraine on the formation and regulation of civil turnover and circulation of land plots today does not take into account:

- the mandatory social orientation of the land market and the implementation of the economic interests of the rural population;
- the gradualness (phased nature) of including different categories of land in market turnover;
- a differentiated approach to social groups of land market entities regarding their participation in market transactions;
- clear state regulation of the land market, creation of a regulatory and legal framework for transparent land pricing;
- restriction of speculative and "shadow" transactions with land plots.

The creation of effective land use, which would meet the interests of the entire society in modern conditions, should be legally determined not only through free privatization of land, but also by expanding the practice of collecting tax on the value of land without improvements. In this case, land ownership remains with the owner of the land plot and real estate closely related to the land. At the same time, the increase in the value of the land, which is determined by systematic assessment, is reflected in the amount of land rent, and the annual land tax becomes in fact a rent for the land.

State agricultural lands should be leased on the terms of sale of the lease right. The lease terms of state lands should be no more than 20, but not less than 10 years, possibly with the reduction of previously concluded agreements to the same level of lease terms, but with absolute advantages for extending the lease. At the same time, it is necessary to specify a number of restrictions on the prevention of sowing on state arable lands of a number of technical crops and the prevention of deterioration of natural fertility with mandatory constant monitoring by the state of the condition of the land from the transfer to the lease until the expiration of the terms and reporting by tenants on the history of the field in terms of all technological and factual aspects of soil cultivation during the period of land lease. This is especially important for taking into account the effects of pesticides, mineral and organic fertilizers, chemical and mineral additives.

From January 1, 2013, the laws of Ukraine "On the State Land Cadastre" [9] and "On Registration of Property Rights to Real Estate" [10] came into force, which significantly changed the basic principles of regulating land relations. And from January 2, 2013 In accordance with the new legislation on registration of real estate and rights to it, the National Cadastral System has come into operation on the territory of Ukraine – a single geoinformation system that contains information about all registered land plots. It is important to note that the entire technical and software basis of the National Cadastral System is located in Kyiv on a single server for the whole of Ukraine and the exchange of information with notaries or registrars of rights is carried out only electronically through this server.

Thus, the proposed regulatory norms will not only prevent land transactions from harming the interests of society, but on the contrary, will form a highly efficient, rational, sustainable use of agricultural land for the benefit of public interests and, above all, take into account the interests of the most vulnerable part of society – peasants, who in this situation remain the least informed party.

Conclusions. 1. The strategic goal of the state's actions regarding land relations should not be the redistribution of land, but the creation of effective competitive economic structures of a market type and the spread, first of all, of lease relations and mortgage transactions, and the further effective development of land reform consists in stimulating cooperation, improving lease relations and spreading mortgage transactions, which will allow in the future to introduce a full-fledged land market in Ukraine.

2. For further continuation of land reform in Ukraine, it is necessary to ensure institutional and targeted development: institutionalization of land relations, create an appropriate legislative and legal framework for the development of land relations, which would contribute to: the formation and functioning of civilized and full-fledged land turnover; improvement of lease relations; rational use and protection of lands, preservation and restoration of soil fertility; creation of necessary elements of land market infrastructure.

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Grigoriy Sharyi, Doctor of Economic Sciences, Head of the Department of Automobile Roads, Geodesy and Land Management, National University “Yuri Kondratyuk Poltava Polytechnic”. **Viktor Dubishchev**, Doctor of Economic Sciences, Professor, Professor of the Department of Economics, Entrepreneurship and Marketing, National University “Yuri Kondratyuk Poltava Polytechnic”. **Institutional content of the agricultural land market.**

The reform of land relations in Ukraine has one great advantage: it is taking place against the background of many land reforms carried out in the world. Extensive world practice and theoretical knowledge have formed a powerful basis for its implementation. Much has been done in Ukraine on the basis of the traditional understanding of private ownership of land, but there are also subtleties in the understanding of land relations, the understanding of which is directly and indirectly lacking in the modern land reform in our country. At this stage of the study, the article focuses on the methodological approach to understanding land relations based on institutionalism. The author's methodological concept is that economic processes in the land sector are not subject to classical economic, purely market theories, but to institutional economic theory and have a socio-economic, i.e. institutional, nature. This methodological approach, to a greater extent, complies with the norms of the European Union, in particular with regard to the European innovative policy of green growth.

Key words: land turnover, land reform, efficiency, methodological principles, institutionalism, laws of Ukraine.

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Шарій Григорій Іванович, доктор економічних наук, завідувач кафедри автомобільних доріг, геодезії та землеустрою, Національний університет «Полтавська політехніка імені Юрія Кондратюка». **Дубішев Віктор Петрович**, доктор економічних наук, професор, професор кафедри економіки, підприємництва та маркетингу, Національний університет «Полтавський політехнічний інститут імені Юрія Кондратюка». **Інституціональний зміст ринку земель сільськогосподарського призначення.**

В Україні багато зроблено, виходячи з традиційного розуміння приватної власності на землю, але є тонкощі в розумінні земельних відносин, розуміння яких прямо та опосередковано відсутнє в сучасній земельній реформі в нашій державі. На даному етапі дослідження у статті акцентовано увагу на методологічному підході до розуміння земельних відносин на основі інституціоналізму. Економічні процеси в земельній сфері не тільки підкоряються економічним законам ринку, а й визначаються історичними традиціями, соціальними нормами, мають обмеження та здійснюються за певними правилами, з перевагою соціальних підходів. У дослідженні враховано положення, згідно з яким розвиток земельних відносин, у тому числі в аграрній сфері, базується не лише на необхідності ефективного використання земельних ресурсів – він спрямований на ефективне функціонування аграрної сфери, стале просторове розвиток, формування системи розселення, тобто на раціональне використання землі та поступальний соціально-економічний розвиток територій. Категорія раціонального землекористування визначається як баланс між ефективним (прибутковим) та екологічно безпечним (сталим) використанням. Економічні процеси в земельній сфері підпорядковуються

не класичним економічним, суто ринковим теоріям, а інституційній економічній теорії і мають соціально-економічний, тобто інституційний характер. Такий методологічний підхід більшою мірою відповідає нормам Європейського Союзу, зокрема, щодо європейської інноваційної політики зеленого зростання. А метою ЄС, з точки зору екзистенціальної філософії, є до 2050 року перетворити Європу на перший у світі кліматично нейтральний континент. Доведено, що стратегічною метою дій держави щодо земельних відносин має бути не перерозподілу землі, але створення ефективних конкурентних економічних структур ринкового типу та поширення, насамперед, відносин оренди та заставних операцій, а також подальший ефективний розвиток земельної реформи у стимулюванні співпраці, вдосконаленні орендних відносин, поширенні заставних операцій, що дозволить у майбутньому запровадити в Україні повноцінний ринок землі.

Ключові слова: земельна реформа, ефективність, методологічні принципи, інституціоналізм, закони України.