DEVELOPING LAND CONSOLIDATION CONCEPT AND STRATEGY IN THE REPUBLIC OF MOLDOVA

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Abstract
In the paper short data on the results of implementation of pilot land consolidation projects in 6 villages of the Republic of Moldova in 2007-2009 are presented. As a result it became possible to accumulate the experience necessary for extension of these works in scales of all country. Simultaneously a number of difficulties and problems have been identified. It will be difficult to realize these works without elimination of them. In Moldova in 2008 the Government has accepted the Program of land consolidation that was premature step because pilot projects haven't been still implemented, the Concept hasn't been confirmed and Strategy of land consolidation hasn't been developed. Therefore at the present stage it is necessary to concentrate efforts on developing the land consolidation Concept and Strategy and on improvement of actual legal framework in this field.
In the paper the author who participated in implementation of these 6 pilot projects offers some ideas concerning this problem. The factors constraining implementation of land consolidation are considered and some measures on their elimination are recommended. A number of theoretical and practical problems demanding examination and solution in the future are considered.
First of all, it is necessary to answer to the question: what we want to realize—land consolidation or land reparcelling. Then in Strategy it is necessary to define: either land consolidation should be completely voluntary or particularly or comprehensive compulsory and how in this case one may apply economic levers to accelerate this process; what are the limits of the state intervention in regulation of land relations in modern conditions; whether it is necessary to limit the sizes of land ownerships, etc. Also it is necessary to establish Land Bank and united state entity responsible for land consolidation, to identify the demand of land consolidation specialists and to organize their training by launching education courses, to develop land market, to amend legal provisions on land consolidation, to determine sources and to develop administrative rules for financing land consolidation projects.

Key words: land reform, land consolidation strategy, land consolidation concept.

Introduction
In 2007-2009 in the Republic of Moldova the land reparcelling pilot project in 6 villages has been implemented. In 2009-2010 it has been extended on 40 other settlements. These works were financed by the World Bank and the Swedish Agency for the International Development. Besides, even more 20 projects on land consolidation have been executed from the sources of state budget by the State Enterprise “Planning Institute of Land Management”. All these projects were implemented in conformity with methodology developed by FAO, with observance of voluntary and participative principles of all interested persons, but all land transactions were carried out with application of market mechanisms. Basically, they have been directed on development of middle and small peasant farms. This land consolidation project became the greatest one implemented in the post socialist countries from the Central and Eastern Europe (Horjan O, 2010).

The implemented projects have allowed accumulating necessary experience in this field, to identify certain problems and difficulties of an organizational, institutional and legal order. Their analysis will allow to beguine developing of the land consolidation Concept and Strategy as integrated part of the sustainable rural development programs, to start mass land consolidation in the country.

The object of this article was to investigate the results of the pilot land consolidation projects implementation and on this basis to offer the decisions of some problems which have to be considered by developing land consolidation Concept and Strategy.
For research work the following methods were used: monographic, statistical, analogical, logic analysis, induction and deduction, analysis and synthesis.
Discussion and results

In context of the accumulated experience on land reparcelling in the Republic of Moldova developing the land consolidation Concept and Strategy it is necessary to answer on variety of very serious and, at times, difficult to resolve questions which yet don't find the answer in practice of land consolidation. First of all, we should determine what will be realized in the country: land reparcelling or land consolidation. The FAO organization as, practically, all countries of the world in their official documents and instructions use term „land consolidation”. The term „land reparcelling” has been introduced into use by World Bank during implementation of pilot projects in Moldova. Between these two definitions there is a cardinal distinction. Land reparcelling assumes, first of all, a readjustment of land parcels with their partial consolidation. Land consolidation includes not only reduction of number of plots of separate land ownerships and increase in their area, but, what is the most important, developing sustainable rural development plans also, i.e. realization of integrated land management. Though in the projects realized in Moldova formally these plans were developed, actually they have not been realized in the absence of financial means.

The developing of Concept assumes the answer to two main questions (Adri van den Brink, 2005; Stoyanov K, 2007; Marosan S et all, 2008, Eberlin R, 2008):

• what for and for what purpose land consolidation is necessary?
• according to this, what it is necessary to do for achievement of this object?

Further Strategy should concretize the Concept, how it should be done, what ways are to attain the objects in view, what levers are necessary to use for this. Basically, the Concept and Strategy can be united in one document, but thus one should find the answers on these three questions. It is necessary to underline that the Concept and Strategy should be real, based on the financial possibilities of the country, realizable in immediate future, should represent the clear and well thought imagination about the future scenario of actions. Without this accentuation on a reality of the set plans and purposes it simply can to turn to beautiful dream (Adri van den Brink, 2005).

Answering the first of the put questions, it is necessary to give reason absolutely firmly for urgency and actuality of land consolidation. In public consciousness of the largest part of the Moldavian society this idea has already taken roots. Just it will be the first driving power which will allow solving this object in view. Healthy ambitions, desire, as of all branches of the power of various levels so of landowners, should become the second driving power and the guarantor of success in practice. Therefore from this point of view developing the Concept and Strategy shouldn't meet any problems.

Answers to the second question, what purposes should be attained in the course of land consolidation, can be formulated as follows:

• creation of competitive agriculture and process industry;
• protection of natural resources and environment in countryside;
• develop new activities and raise standard of life quality in rural areas.

Each of these three overall objectives can be detailed and concretized in the Concept and Strategy. Unfortunately, the results of implementation of the pilot projects and the projects designed on the same methodology by Planning Institute of Land Management have shown it was not possible to realize consolidation compactly anywhere. Even on those areas where the majority of the parcels have passed to the hands of one landholder, there were some parcels which for whatever reasons remained in the property of old owners (Fig.1).
Fig. 1. Land ownership in part of Baimaclia village in Nisporeni county before (part of Plan I) and after the project (part of Plan II).

From this example it is difficult to say that land consolidation was finished on this area. The main reasons of the creation of this situation were: unwillingness of a part of landowners to participate in the project or they have not found the decision to the desires and intentions; a considerable number of problems with inheritance registration; rather a considerable number of the abandoned lands and absence of their owners, etc (Table 1).

Table 1

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Busauca</th>
<th>Sadova</th>
<th>Bolduresti</th>
<th>Calmatui</th>
<th>Opaci</th>
<th>Baimaclia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identified № of landowners</td>
<td>708</td>
<td>1319</td>
<td>1786</td>
<td>635</td>
<td>1762</td>
<td>1048</td>
</tr>
<tr>
<td>№ of land owners of retired age</td>
<td>183</td>
<td>620</td>
<td>690</td>
<td>160</td>
<td>600</td>
<td>183</td>
</tr>
<tr>
<td>№ of land owners who work abroad</td>
<td>32</td>
<td>30</td>
<td>80</td>
<td>5</td>
<td>200</td>
<td>32</td>
</tr>
<tr>
<td>№ of inheritance problems</td>
<td>63</td>
<td>60</td>
<td>400</td>
<td>140</td>
<td>400</td>
<td>63</td>
</tr>
<tr>
<td>№ of abandoned land parcels</td>
<td>0</td>
<td>20</td>
<td>50</td>
<td>0</td>
<td>100</td>
<td>0</td>
</tr>
</tbody>
</table>

For this reason in 6 pilot villages from 3578 land owners, or 49% from their total, only 2908 of them, or 40%, could participate in the project. Therefore without decision of these problems it will be impossible to realize the compact land consolidation. That is why it is very important to determine accurately in the Concept and Strategy if land consolidation will be absolutely voluntary and last tens or hundreds years or nevertheless it should carry the elements of influence and economic compulsion i.e. to find real legal, financial, economic and other market instruments for regulation of land relations and acceleration of land consolidation implementation. Answering this question we should recognize that on one hand, we want to enjoy individual freedom, and on the other, we recognize the need for government action and regulation. Thus, one of the keystones taken as a principle of the Concept and Strategy should become a measure from which the state can and should interfere in the matters of regulation of land property rights and land relations. What in this case should be the levers and the limits of state intervention in regulation of land market? It is clear that these levers of influence should be especially market, as, for example, the mechanism of financing and crediting, a subvention, taxes, payments, etc., without any
noneconomic violence or administrative influence. In this respect it is possible to combine the various investment projects implemented in rural areas (on water supply, construction of roads, land reclamation and others) with land consolidation, as they do it, for example, in Germany (Weiss E, 2005). The problem is: what of these instruments, how and when it is necessary to apply for attaining the object in view (Morosan V, et al, 2008). So, three most appropriate for Moldova consolidation models may be considered within Strategy:

- Absolutely voluntary consolidation.
- Partly compulsory consolidation.
- Consolidation as part of investment project.

Experience of land consolidation in Moldova has revealed one more negative phenomenon—concentration of land in some villages in hands of a close circle of landowners that actually transforms them into modern landlords. If this process will occur uncontrolled further and become mass, for the country it threatens in the near future with social explosion because for the majority of rural population land continues to remain the main and unique source of existence. Created situation demands conceptual reflection in Strategy by introduction of restriction on the area of one landownership. Similar restrictions are entered in some countries already: in Bulgaria-30 hectare, in Czech Republic and Slovenia-150 hectare, in Hungary-600 hectare for physical and 200 hectares for legal bodies, in Romania-10 hectare, in Lithuania-50 hectare. (Gînju V, 2007). Such restrictions have been introduced in Bessarabia, as well as in other parts of Romania, within agrarian reform from 1918r when the big landlord's property has been liquidated, and the area of one landownership was limited with 100 hectares of the land.

Land consolidation is long, continuous process which should be realized by natural way in process of maturing of corresponding conditions. Even after finishing of the first stage of consolidation in any village, immediately there can appear a necessity for its continuation since there may appear new conditions and people who wish to join this process. But here can appear and an opposite tendency. On certain motives any stakeholders may want to get rid of a part of already consolidated land. This is their natural right. But how to be in this case with financial resources already spent for consolidation? How to prevent process of new land fragmentation? This moment should find the reflection in Strategy as it was made, for example, in Lithuania where it is forbidden to introduce this kind of changes in the land tenure within the next 5 years after implementation of land consolidation. Last years there were identified other tendency of buying up the land by different legal and physical persons for the purpose of its subsequent resale in the speculative purposes. As a rule, this land isn't processed and is transformed in a category of virgin and long-fallow land. Land received by their owners as share-equivalents and which for various reasons isn't processed transforms here also. The summary data on dynamics of change of the area of this kind of land is presented in Table 2.

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Land of agricultural destination</td>
<td>3.5</td>
<td>4.9</td>
<td>6.7</td>
<td>12.0</td>
<td>21.7</td>
<td>17.8</td>
<td>19.0</td>
<td>25.1</td>
<td>30.2</td>
</tr>
<tr>
<td>Land of total destinations</td>
<td>6.4</td>
<td>8.3</td>
<td>10.1</td>
<td>15.9</td>
<td>25.7</td>
<td>21.7</td>
<td>23.0</td>
<td>29.0</td>
<td>34.2</td>
</tr>
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</table>

Apparentlly, over the last 10 years the area of this land has grown in 9 times and continues to grow by fast rates. Though in the general structure of the category of agricultural land their share isn't great yet (an order of 1.5 %), in Strategy it is necessary to develop legal instruments of counteraction to this phenomenon, of introducing this land in an agricultural use and process of land consolidation. In many countries Land Banks are used as effective instrument for the decision of the given problem. They play an important role in acceleration of process of land consolidation and regulation of land relations in society. By means of Land Bank in the course of land consolidation can be solved and other problems: taking out from agricultural use of low-productive land (with the grade of fertility less than 40 points) or sale at auctions the land withdrawn legally for debts, non-payment of taxes or for other reasons. Institution of Land Bank would promote development of land market also without which it is impossible to realize land consolidation effectively. As statistical data shows (Bannicov A, 2007,
Statistica, 2010), in years of land consolidation pilot projects implementation number of land transactions and, first of all, land purchase and sale has sharply increased (Table 3).

Table 3

<table>
<thead>
<tr>
<th>Year</th>
<th>Total transactions</th>
<th>purchase-sale</th>
<th>mortgaging</th>
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<tr>
<td></td>
<td></td>
<td>inclusive</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>27158</td>
<td>9765 (36%)</td>
<td>1732 (6%)</td>
</tr>
<tr>
<td>2006</td>
<td>139261</td>
<td>51483 (37%)</td>
<td>2504 (2%)</td>
</tr>
<tr>
<td>2007</td>
<td>157614</td>
<td>62487 (40%)</td>
<td>3944 (2%)</td>
</tr>
<tr>
<td>2008</td>
<td>265279</td>
<td>113403 (43%)</td>
<td>18781 (7%)</td>
</tr>
<tr>
<td>2009</td>
<td>287937</td>
<td>143182 (50%)</td>
<td>12664 (4%)</td>
</tr>
<tr>
<td>2010</td>
<td>249690</td>
<td>101278 (41%)</td>
<td>17220 (7%)</td>
</tr>
</tbody>
</table>

The analysis of the land property turnover by kinds of transactions shows that operations on purchase and sale of agricultural land (36-50 %) or on the average 41 % prevail for these years. It is a positive tendency since prevalence of the given transaction in operations on agricultural land alienation represents the surest way of their consolidation that in its turn promotes development of agriculture and the land market.

The previous problem is closely connected with the problem of access to farmlands. Who should have the right to implement land consolidation, to be engaged in agricultural production: all interested persons or only those who have special training in the field of agriculture, as, for example, in the Netherlands and Hungary (Flachner Z, 2007, Pivcova I, 2007).

Considering that consolidation is complicated, complex and long process, only experts having special knowledge and training should be engaged, probably, even ones should be licensed. As practice has shown, participation in this business of casual, without special training persons, can not do harm only, but even to discredit idea. Therefore in Strategy it is necessary to specify ways of such experts training with their subsequent licensing. In this sense, in the country it ought to constitute the uniform central body responsible for land consolidation implementation (Morosan V, et al, 2008).

However the most difficult is the problem of land consolidation financing. Without its decision there are senseless all discussions on it, and especially all efforts on Concept and Strategy developing. As the results of the first land consolidation projects have shown, only direct expenses on land transactions registration at the cadastral offices are estimated in average near 31000$ USA on each village. But, if to add here the expenses connected with rural development that is an integral part of consolidation this sum will grow on an order and their realization only at the expense of the state budget becomes unreal. Experience of the European countries shows that some thousand Euro are spent for these purposes on 1 hectare of the consolidated land that means tens and hundreds millions Euro annually in each of them (Cihal L, 2007, Dima A, 2007).

Here there is one more hidden reef. If to plan, as some experts recommend, to consolidate annually land in 15-20 villages, then concerning that there are more than 900 primaries in Moldova, it will need 45-60 years for implementation of land consolidation only one time in each of them. Such terms are inadmissible. Therefore in the Concept should be established end of the first stage of consolidation in all villages within 10 years that will cause increase in expenses in 5-6 time else.

For the decision of this of extremely complicated problem, besides use of already available credits, grants, projects from the international bodies, it is necessary to involve private investments. Taking into consideration that majority peasant’s farms have not such financial resources, for these purposes it would be possible to attract investments of the processing enterprises, technological machine stations, and various corporate agricultural enterprises. But for this purpose in the Strategy it is necessary to establish that the state guarantees to all participants of consolidation, independently of the
organizational-economic and legal form, equal conditions for concurrence and only practice should select definitively the most viable and effective of them in the conditions of Republic Moldova.

Conclusions and proposals
Land consolidation is important instrument for agriculture and rural development of every country. For Moldova, as for other transition countries, it has even bigger importance, because it represents a part of political, economical and social reforms. That is why it is very important developing the national and Strategy based on the new Concept that involves a comprehensive and multidisciplinary approach and the fusion of elements of agricultural and rural development.
Proceeding from the above-stated, in Strategy on base of the accepted Concept following compartments should be developed:

- Review and assessment of the modern situation with land fragmentation problems.
- Generalization of land consolidation experience, motivation of its necessity, ambition in the light of agricultural and rural development state policy.
- Purposes and expected results of consolidation.
- Network analysis: structure of participants, their rights, duties and responsibilities, cooperation possibilities.
- Instrumentation development: land consolidation policy, possible scenarios of consolidation and its alternative variants.
- Institutional aspects, including legal and organizing ones.
- Implementation process: consolidation procedures and arrangements between participants.
- Definition of financing sources.
- Publicity, awareness company, and monitoring of land consolidation.

In the Strategy it should be defined as short-term and long-term priorities so realization schedule of land consolidation process.

Land consolidation connected with realization of agrarian and land reforms, have more political, than economic character. Therefore both the Concept, and Strategy, should be based on mutual understanding and the national political consent, on desire of all political forces (or majority of them) to act in common in the chosen direction with support of the international community. It is very important, that this internal political mutual understanding concerning land consolidation would have a guarantee of stability from the international organizations. Otherwise there will be a danger of changing the chosen course in the case of changing governmental teams. Therefore developing of these documents will demand a lot of time for estimation of the received results and consensus achievement on these questions. In some countries (Lithuania, Bulgaria and others) Concept and Strategy have been developing for years, until clear understanding of what was necessary to do and the consent of the majority of a civil society was not reached.

In favor of this conclusion says also the fact that consolidation represents complex and very complicated process. It is connected not only with liquidation of excessive land fragmentation, but also with development of social and economic infrastructure, engineering arrangement of territories, wildlife and environment protection, etc. All this assumes involving in process of Concept and Strategy developing of various experts from different fields of activity, and, accordingly, the organization of their cooperation and coordination activities with corresponding state structures. Attraction at the initial stage to Concept and Strategy developing of the different Ministries is very important from the point of view of their participation in carrying out of the tasks in the future. Thus there would be rational to create special Coordination interdepartmental committee under the aegis of the Ministry of Agriculture and Food Industry which would be engaged in the implementation of the vision and monitoring of the content and progress of the Concept and Strategy developing.
It is necessary to define if we will improve already available legal network on land consolidation or it will be better to develop a new package of legal documents.

References

Резюме
ОЛЕГ ХОРЖАН. К ВОПРОСУ О РАЗРАБОТКЕ КОНЦЕПЦИИ И СТРАТЕГИИ КОНСОЛИДАЦИИ ЗЕМЕЛЬ В РЕСПУБЛИКЕ МОЛДОВА

В статье приводятся краткие сведения об итогах внедрения пилотных проектов в 6 селах Республики Молдова в 2007-2009 годах. В результате удалось накопить опыт, необходимый для распространения этих работ в масштабах всей страны. Одновременно был вскрыт ряд трудностей и проблем, без устранения которых это будет трудно сделать. В Молдове в 2008 году Правительство приняло Программу консолидации земель, что явилось преждевременным шагом, т.к. не были ещё завершены пилотные проекты, не была утверждена Концепция и разработана Стратегия консолидации земель. Поэтому на современном этапе следует сконцентрировать усилия на разработке Концепции и Стратегии консолидации земель, а также совершенствовании действующего законодательства в данной области.

В статье приводятся некоторые соображения автора, участвовавшего в реализации 6 пилотных проектов, по данному вопросу. Рассматриваются факторы, сдерживающие развитие работ по консолидации земель и рекомендуются меры по их устранению. Прежде всего, ставится вопрос о том, что следует реализовывать: консолидацию или репарцелирование земель. В Стратегии необходимо определить: должна консолидация проводится полностью на добровольной основе или следует разработать и применить экономические рычаги для её ускорения; каков могут быть пределы государственного вмешательства в регулирование земельных отношений в современных условиях; надо ли ограничивать размеры землевладений и другие. Ставится вопрос о создании Земельного банка и единой государственной службы в области консолидации, организации подготовки специалистов, развитии земельного рынка, совершенствовании действующего законодательства. Предлагаются пути для решения вопроса о финансировании работ по консолидации.

Ключевые слова: земельная реформа, земельный фонд, консолидация земель, земельный рынок.

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