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## THEORETICAL AND METHODOLOGICAL FUNDAMENTALS OF LAND MARKET FORMATION

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In the modern world, one of the most important economic resources, which has a central place in the politics and strategy of economic development of the state are land relations and land resources. In an urbanized world, the lives of the citizens of any country cannot be significantly improved without a rational land policy. This determines the exceptional importance of the land issue for successful sustainability. The study of the problem of land market formation in Ukraine, the development of recommendations and algorithms for the implementation of the experience of foreign countries, these are the issues that are considered in the theoretical and methodological provisions of land relations. The essence and meaning of the concept of «earth», which depending on the context is used in many ways: as a planet, as land, as soil – the upper layer of the «earth» surface, suitable for plant life, as an economic category - a common means of labor and basic means of production in agriculture, as an area with land that someone owns, an area with a legal regime, and so on. Within one comprehension, there may also be different approaches to filling the concept of «land» with specific meaning. Given that the issue of land market formation is quite important and difficult, the main important issue addressed in this article is the definition of the strategic goal and implementation of land policy of the state, which focuses on solving problems of land ownership, market formation land, increasing the efficiency of state management of land resources, improving state control over the use and protection of land. As an example of creating a successful and effective model of the land market, the experience of European countries is reviewed as an example of effective use for the formation of the land market in Ukraine.

## ТЕОРЕТИКО-МЕТОДОЛОГІЧНІ ОСНОВИ ФОРМУВАННЯ РИНКУ ЗЕМЛІ

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### Ключові слова:

досвід, земельна політика,  
земельні відносини, земля,  
ринок, розвиток, ринок землі,  
Україна, формування ринку

У сучасному світі одним із найважливіших економічних ресурсів, що займає центральне місце в політиці та стратегії економічного розвитку держави, є земельні відносини та земельні ресурси. У урбанізованому світі життя громадян будь-якої країни неможливо істотно покращити без раціональної земельної політики. Це визначає виняткову важливість земельного питання для успішної стійкості. Вивчення проблеми формування ринку землі в Україні, розробка рекомендацій та алгоритмів впровадження досвіду зарубіжних країн – це питання, які розглядаються в теоретико-методологічних положеннях земельних відносин. Суть і значення поняття «земля», яке залежно від контексту вживається різноманітно: як планета, як суша, як ґрунт – верхній шар поверхні «землі», придатний для життя рослин, як економічна категорія - загальний засіб праці та основні засоби виробництва в сільському господарстві, як територія із землею, яка комусь належить, територія з правовим режимом тощо. В межах одного розуміння

також можуть бути різні підходи до наповнення поняття «земля» конкретним змістом. Враховуючи, що питання формування ринку землі є досить важливим і складним, основним важливим питанням, яке розглядається в цій статті, є визначення стратегічної мети та реалізації земельної політики держави, яка зосереджена на вирішенні проблем власності на землю, формування ринку землі, підвищення ефективності державного управління земельними ресурсами, удосконалення державного контролю за використанням та охороною земель. Як приклад створення успішної та ефективної моделі ринку землі розглянуто досвід європейських країн як приклад ефективного використання для формування ринку землі в Україні.

### Statement of the problem

The purpose of the article is to determine the steps and goals that need to be achieved for the formation of the land market in Ukraine. Using the successful experience of European countries that have achieved positive results in the development and formation of the land market.

### Analysis of recent studies and publications

Regulation of land relations is the subject of research and works of many Ukrainian and foreign scientists – D. Babmindra, S. Bulygin, V. Budziak, D. Dobryak, V. Drugak, S. Ibatullina, O. Kanash, N. Kuzina, V. Kryvov, A. Martin, L. Novakovsky, T. Salnikov, A. Sokhnych, M. Stupenya, M. Fedorov, A. Tretyak and others. The issue of ensuring the formation of stable land use on the basis of the economic assessment remains relevant. One of the works focuses on the question of the possibility of lifting the moratorium on land sales, the consequences of which this decision may lead. On the one hand, land can be seen as a product to be sold and bought. However, on the other hand, the economic situation in the country is quite difficult, so is it worth enacting such an important law for every citizen right now? Today, Ukraine is the only democratic state in the world where landowners are not able to freely dispose of their property. People who own agricultural land have not been able to sell it for 15 years. The moratorium on the sale of agricultural land slows down the process of forming a land market. The paper analyzes and compares some indicators of land markets in European countries. Prospects for creating a land market in Ukraine are reviewed.

### Objectives of the article

The possibility of its creation at present is defined. The conditions under which it is possible to build a land market in Ukraine are formulated. We define strategic purposes of the state policy for the regulation of the land relations in Ukraine. We will consider experience of the European countries in the field of land turnover, formation of the land market. The experience of countries that set requirements for efficient and ecological land use, which will reflect the national interests of Ukrainian landowners and producers to strengthen Ukraine; competitive position in the international market.

### The main material of the research

Presentation of the main research material A special place in the chain of national wealth is the land. As the

basis of national wealth, land is a part of the earth's surface located above the subsoil within state borders with a fertile layer of soil used for the production of absolute and additional value in agriculture, which must be distributed between agriculture, industry and the state through private and public types of ownership according to the objective natural law of active economic development of society, which ensures the preservation and increase of soil fertility, recovering of human labor and expanded reproduction of capital in order to meet the requirements and interests of every citizen and all Ukrainians. The current state of land policy requires in the content of land management the category of land market; to keep in the status of important. The market is not necessarily the sale and purchase of items in their material, natural and physical form, ending in the alienation of property. It also provides for the alienation of land use rights from one entity to another. The land market is a sphere of commodity exchange in which land is a product. It regulates the redistribution of land and the change of ownership from one landowner to another. According to I. Ikonytska, in the literature the land market is defined as a part of land turnover, in which the determination, change and termination of land rights occur as a result of a legally executed contract and are mediated by cash or in-kind payment. The concept of land market; is a category not only economic but also legal and is understood as a circle of social relations that arise between the subjects of land rights. A. Tretyak notes that the land market, at this stage, is a tool and at the same time a guarantee of the realization of the basic constitutional rights of citizens and legal persons; the right to own land in private ownership, the right to freely (without harming the environment and without violating the rights and legitimate interests of others) own, use and dispose of land; an important tool of land reform; an essential condition for the implementation of economic reforms in general. The market should promote the efficient use of land and the formation of rational land use.

This requires the participation of the state in regulating the use of land resources, not only at the organizational and legal level, but also as an active landowner, stimulating market processes, and their direct participant. A special place in the course of land reform in terms of both amount and importance was occupied by work on privatization of land with the issuance of documents for ownership and permanent use of land. Privatization of land in Ukraine began after the enactment in January 1992 Law «Forms of land ownership», according to along with the state form of land ownership, private and collective were enshrined.

The concept of the Land Code of Ukraine (1992) was based on the fact that citizens of Ukraine should be provided standards free of charge, except for plots that are transferred to farmers over the area of the land share. Changes in the field of land relations during the years of independence in Ukraine have had large-scale socio-economic consequences:

- land privatization was carried out;
- monetary valuation of agricultural lands was carried out;
- payment for land use was introduced; there is a market turnover of land (purchase, sale, lease, gift, inheritance, pledge); – mainly market land legislation has been created.

With the adoption of the Land Code of Ukraine in 2001, the directions of state land policy have been outlined, which concentrates on solving problems of land ownership development, land market formation, improving the efficiency of state land management, improving state control over land use and protection, etc.

Very important for the introduction of the land market in Ukraine was the adoption of the «Law of Ukraine»; On the «State Land Cadaster» which came into force on January 1, 2012. The purpose of this law was to register land plots and organize information about them. Since the beginning of 2015, an electronic land cadaster has been begun in Ukraine. This system officially called the Automated System of State Land Cadaster, provides online access to the public cadastral map makes information on land plots publicly available. The public map is the first step for greater openness of land relations in Ukraine. According to the latest information until January 1, 2019 there was a moratorium on the purchase and sale of agricultural land and it was lifted under the terms of entry into force of the Law of Ukraine «On the Transfer of Agricultural land» At the end of 2019, the Cabinet of Ministers of Ukraine has been submitted bill of Ukraine on amendments to certain legislative acts of Ukraine on the circulation of agricultural land. The Verkhovna Rada of Ukraine has agreed to certain changes to the laws. It was decided to set out Article 130 in a new wording, which states the acquisition of ownership of agricultural land. This article will guide the acquisition of ownership of agricultural land during the implementation of the land market. One of the points to which amendments were expended was the section which testifies that citizens who have the right of permanent use, the right of lifelong land ownership of the state and municipal property intended for conducting peasant (farmer) economy, have the right to purchase such land plots in the property with installments of up to five years at a price equal to the normative monetary value of such land plots, without land auctions.

On March 31, 2020, the Law of Ukraine № 2178–10 «On Amendments to Certain Legislative Acts of Ukraine Concerning the Transfer of Agricultural Land» was adopted, according to which the land market is opened starting from July 1, 2020 and aspects limiting land acquisition opportunities are determined.

Within the framework of the aims presented: operational tasks; conceptual approaches to developing a strategy for state regulation of land relations; implementation of

measures in the field of land relations development, which should be carried out in 2020–2028 in stages.

Within the framework of strategic goals, the following are presented: operational tasks;

- conceptual approaches to developing a strategy for state regulation of land relations;
- implementation of measures in the field of land relations development, which should be carried out in 2020–2028 in stages.

The strategic vector of land market formation is based on the requirements for efficient and ecological land use, which will reflect the national interests of Ukrainian landowners and producers to strengthen Ukraine's competitive position in the international market. This issue is especially important in the context of European economic integration the national market is becoming more open to European counterparties, which has both advantages and disadvantages.

As the experience of European countries has shown the creation of a land market should not be an end in itself. The land market must reflect the interests of all participants' inland relations, which in turn will lead to the creation of an effective economic system in the field of land relations. The formation of an efficient land market is a key factor in economic growth.

A positive example of creating an effective model of the land market is the experience of land formation and functioning in EU member states. Particular attention should be paid to how the market was formed in the young EU member states, as their economic integration and the condition of land relations are quite relevant to Ukraine. In particular, the European integration prospects of the agricultural economy are one of the main factors in the active development of the land market, so it is important to study models of land markets in those EU countries where such a transition to a market system of land relations has occurred recently.

Indicators of land use in EU member states point the effective transformation of land relations and high productivity of available resources in the context of the land market.

For example, the dynamics of income of the agro-industrial complex of Romania and Poland – members of the Eurozone, which includes 19 countries, for the period from 2010 to 2019. Successful examples of land market introduction in the EU are a confirmation of the effectiveness of the land market model for the formation of which several conditions are compiled. The main conditions are:

- a) effective state regulation of land relations;
- b) market mechanism of land valuation and developed market infrastructure;
- c) transparent lease relations;
- d) optimized land cadaster – created a system of land resources management (SLRM);

Practice of land market formation in European countries is quite useful for building an effective land market strategy in Ukraine, it should be taken into account that it is impossible to copy the experience of European countries to achieve stable development and similar socio-economic indicators of the EU countries.

### Conclusions

In general, based on the results of the assessment of the current organizational and legal support of land use management in Ukraine, four strategic goals of the state policy of land relations regulation in Ukraine have been established and substantiated, in particular: reform of land ownership relations; registration and valuation of land

resources as a national treasure; organization of effective land relations management;

- rationalization of land use and land protection.
- Researching the prospects for the
- implementation of the land market in Ukraine, important to take into account the
  - negative factors of land reform faced by EU member states.

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