

LAND RESTITUTION AND COMPENSATION PROCEDURES IN CENTRAL EASTERN EUROPE

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INTRODUCTION

Land reforms have been key part of the general agrarian reforms and always a top priority political issue

Land reforms after the World War I and World War II

At the end of the XX. th century

Dramatic political changes in Central Eastern Europe

- - Increasing needs for land by poors
- - Landless rural population in Africa, South-Central America, Asia
- - Demands for land by indigenous people in the former colonies

Land reform procedures have been accelerated in CEECs after 1990

Strong political pressure and economic needs for land reforms in the developing world

It could be several reasons of needs of land reforms and the reasons are very different in different countries, continents, regions

- - social inequality
- - increasing number of rural population
- - historical justice
- - political justice

Land reform procedures also differ among regions, countries depending on

- - historical background concerning the previous economic and political system
- - former ownership situation
- - current legal, institutional framework, land administration infrastructure

LAND REFORMS in CEECs

At the beginning of 90s dramatic changes in CEECs and in the Soviet states

Multiparty democracy and market economy

Countries are still in transition but there have been significant progress concerning privatisation of land properties

Historical background

Political and economic situation before the World War II in the former communist countries in CEE

- 1, Political democracy, market economy
Czechoslovakia, Poland, Hungary, Baltic countries
- 2, Semi feudal countries
Rumania, Bulgaria, former Yugoslav states
- 3, Communist dictatorship
majority of former Soviet states

The ownership situation before the WW II in CEE in Soviet states

1, Private ownership was dominant in
Czechoslovakia, Poland, Hungary, Baltic countries, Rumania,
former Yugoslav states, Bulgaria

2, 100 % of state co-operative ownership
majority of Soviet states

Legal, institutional framework, land administration infrastructure before the World War II and during communist era

1, Traditional land registry and cadastre functioning or partly functioning during the communist era

Hungary, partly in Czechoslovakia, Poland, Yugoslav states

2, There was some legal registry and cadastre before the World War II but not operational during communist era

Rumania, Baltic states, Bulgaria

3, There was no any land registry and cadastre
majority of Soviet states

Common past- the communist era

Russia in 1917

CEECs after the World War II

Collectivisation started

1928 in the former Sovietunion

1947-48 in CEECs and Baltic states

Two types of collectivisation process during the socialist era

- 1, Nationalisation, expropriation of agricultural land, establishing large state farms
- 2, Collectivisation, forming large scale of co-operatives
 - - co-operative ownership
 - - co-operative members' ownership (owners was not expropriated but the land became part of a large co-operative unit)

Collectivisation procedures have been carried out by strong political pressure and systematic way

By 1989 in most of the CEECs the state and co-operatives became the major owners and occupiers of land

There was a single exception, Poland

COMPENSATION, RESTITUTION PROCEDURES

In CEECs and the former Soviet states there was a very wide range variety concerning

- - political, economic background
- - ownership structure, situation
- - different conditions of land administration sector
- - legal, institutional framework

At the beginning of 90s countries have started land reform processes, they faced different problems to be solved

In every country one of the preconditions of implementing land privatisation procedures is the

- Existing legal and institutional framework
- functioning land administration sector, especially land registry and cadastre

The land registry sector is a key component of a market economy whereby the safe and secure transfer of title- resulted by the privatisation- can be freely conveyed in CEECs as in many developed countries

Governments must play a very important role to establish, reengineering or modernising land administration infrastructure

The way of implementation of land reforms, privatisation processes have been very different in CEECs and former Soviet states depended on the historical inheritance and current situation of the land administration sector

In the former Soviet states the task was to establish land administration sector

In some countries the task was to reestablish the land administration sector to make them fully operational
Czech Republic, Slovak Republic, Poland, former Yugoslav states

In some countries, like in Hungary, there was a fully operational land registry, the task was the technical modernisation

The different political, economic historical background, conditions of land administration sector, ownership structure have resulted different privatisation instruments

- Compenstion
- Restitution
- Privatisation

In all cases they require the establishment

- explicit legislation
- - executive body to carry out land privatisation activity
- - local decision maker committees
- - appeal mechanisms
- - organisation who is preparing, implementing processes

Decision must be made

- - Who is the major financier
- - about the registration of new ownership and updating cadastral maps

COMPENSATION

Complete compensation- Hungary

Simple compensation (during restitution processes)

RESTITUTION

Czech- Slovak Republic, partly Baltic states

PRIVATISATION

Poland, partly former Soviet states

LAND privatisation in Poland

- - sale of lands, farms
- - leasehold , tenancy

4,4 million hectares state owned land

till 1995 0,24 million hectares have been sold, 2,7 million hectares of land leased

The result of selling the state owned agric land is very poor

LAND PRIVATISATION processes in Czech- and Slovak Republic

Source: Jiri Trnka (Ministry of Agriculture) ,, Land Consolidation and Land Management in the Czech Republic ,,

The main privatization process is the restitution but compensation is also used

New Land Law 1991

New Land Consolidation Law 1991

Newly established Land Office institutions implemented restitution procedures

THE RESULT of processes till 2002

230 000 restitution claims registered on 1,8 million hectares which is 25% of the total area of the country

97% of claims have been legally settled, but not on the site

LAND CONSOLIDATION as instrument of restitution processes

Simple land consolidation

152 000 claimants, 22 641 projects on 494 490 hectares have been completed

3341 projects on 147 548 hectares started

Complex land consolidation

272 projects on 46 766 hectares completed

480 projects on 233 417 hectares started

NUMBER of participants in projects

Land Offices 76 District Offices 1350 staff

Private sector 2200 professionals

Main problems

- - lack of financial sources
- - restitution completed legally only
- - There are still incomplete regions

LAND PRIVATISATION procedures in Hungary

Started in 1992

Based on former co-operative owned land

3,4 million hectares, 35 % of the whole country

additional 1,8 million hectares used by co-operatives, owned by member of co-operatives

COMPENSATION procedures

- - claimants compensation for past injustice
- - reallocation of land for co-operative member owners
- - allocation of land for co-operative members and employees

18-20 % of agric land remained state property

Entitled claimants received compensation vouchers

The vouchers are stocks, could be used for several purpose

Auctions: 800 000 new owners, 2,1 million hectares

Reallocation: 1,6 million co-operative member owners, 1,8 million hectares

Allocation: 1, 2 million hectares for co-operative members and staff

THE RESULT of land privatisation procedures

4,8 million hectares of land (50 % of the whole country)

2,1 million new parcels

2, 4 million new owners

The implementation of compensation procedures

1, Claimants compensation for past injustice

20 Compensation Offices

116 District Land Offices

Survey work completed in 1997, registration of new owners in 2000.

The procedure was financed by the state

2, Reallocation of lands for co-operative member owners

- - Land Allocation Committees
- - Survey work by private sector
- - Registration by Land Offices
- - 50 % of costs financed by the state

3, Allocation of land for co-operative members and staff

At the end of the year 2000 the land privatisation procedures have been completed

80-85 % of agric land is in private hands

15-20 % of agric land is remained state owned

PROBLEMS resulted land privatisation

- - highly fragmented agric lands
- - bad ownership structure
- - restrictions of buying, selling, owning agric land

LAND REFORM in Lithuania

Source: Romualdas Kasperavicius (Lithuania)

Establishing of land registry and cadastre institution was simultaneous task with the implementation of land reform

Land reform in rural area

10 County Managements

44 District Agricultural Boards

426 Local Authorities

Restitution projects have been carried out by National Land Survey

RESULT of privatisation of agric land

560 000 claimants (former owners, actual land users)

74 000 claims on 629 000 hectares of land was accepted, surveyed, registered

The annual progress is 44 000 claimants- 300 000 hectares of land

Expected completion of land privatisation by the end of 2006

CONCLUSIONS

There are common requirements must be followed in every country

- 1, Comprehensive land policy has to meet the demands by the society
- 2, Establishment of legal and institutional framework is necessary before land privatisation is started
- 3, Establishmnet of land administration sector, especially land registry and cadstre is an essential precondition
- 4, Sufficient number of professionals are needed for implementation of land privatisation
- 5, State must be the major financier of the privatisation procedures