



The consequences of changes of ownership for agricultural land use in Central European countries following the collapse of the Eastern Bloc

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ABSTRACT

One of the key factors shaping contemporary land use in Central and Eastern Europe has obviously been change of ownership, with the collapse of the nationalised sector and restitution of farmland to owners giving rise to such changes. The work presented here therefore considers the main directions to ongoing changes in land use in the above region, under the influence of the processes of privatisation affecting the agricultural sector. Specifically, analyses conducted entailed assessment of the influence ownership processes have exerted on the area and structure of agricultural land, the size structure characterising farms and the situation on the market for land. The work took in five countries of the former Eastern Bloc, i.e. the Czech Republic, Hungary, Poland, Romania and Slovakia.

1. Introduction

The collapse of the communist system in countries of the so-called Eastern Bloc was followed by dynamic processes of transformation that took in all spheres of social and economic life. Particularly far-reaching were the changes affecting the system of ownership, which in general entailed a dispensing with state- or cooperatively-owned assets in favour of private ownership (Cox and Mason, 1999; Lipton and Sachs, 1990; Mejstrik, 1997; Smith and Pechota, 1994). A key indicator of changes in ownership being achieved lay with areas of land, above all agricultural land, which had to a very great extent been in the nationalised sector pre-1989 (Bański, 2014).

To be exact, the agricultural part of the economy in communist countries pre-1989 had been characterised by three main forms of land management, i.e. the cooperative and the state-owned (together capable of being regarded as “nationalised”), as well as the private, which was mostly of limited significance to agricultural land-use structure. The collectivisation of land – by force – succeeded in almost all of the countries required to take up a centrally-planned economic model (Iordachi and Bauerkamper, 2011; Swain, 1985; Turnock, 1989). The ownership of land, and above all the land belonging to the largest farms, was subject to nationalisation, while owners of small farms were mostly compelled to collectivise, by way of membership of a farm cooperative.

Only in Poland and the former Yugoslavia did individual-level farming persist throughout the entire communist era, indeed with this form continuing to have a majority of the area of agricultural land at its disposal, and therefore playing a leading role in the supply of the food

economy in these countries (Bański, 2011; Hartvigsen, 2013; Brouwer et al., 1991). In the case of Yugoslavia, this was mainly a reflection of the different model of communism that country was left free to adopt, under which individual-level farming and private ownership continued to be accepted. In contrast, in Poland, collectivisation was attempted, but met with strong resistance on the part of farmers. The main factors holding the process back were attachment to land – which had not in fact come into the ownership of peasant families that long before; as well as a lack of experience with joint/collective management. Thus, when communism in Poland was at its peak, 76% of all agricultural land continued to be under the management of private farms (Bański et al., 1999).

In the new socioeconomic reality post-1989, farmland came under strong pressure from other sectors of the economy in need of new land for development. As a result of urban sprawl, and above all the associated development of single-family housing and warehousing, as well as technical infrastructure, the area of land subject to agricultural management declined markedly (Bicik and Jelecek, 2009; Balteanu and Popovici, 2010; Janku et al., 2016; Toth-Naer et al., 2014). Moreover, in line with the weakened position of the agriculture sector in the economies of post-communist countries, large areas of the poorest land were now designated for afforestation (Bański and Garcia-Blanco, 2013).

One of the key factors shaping contemporary land use in rural areas has obviously been change of ownership. The collapse of the nationalised sector, with farmland passing over into private hands or also being the subject of successful claims for restitution, gave rise to changes in agricultural land-use structure, setting in train a process whereby

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further fragmentation took place (Giovarelli and Bledsoe, 2001; Hartvigsen, 2013; Lerman et al., 2004; Swinnen et al., 1997). For example, in Czechia pre-1989 almost 95% of the land was in the utilisation of large cooperative or state farms, yet – as a result of the twin processes of privatisation and restitution – almost all of that passed over into the hands of small-scale private owners. Similar processes took place in Romania, Slovakia and Hungary, with the consequence that a change in the farming system as a whole was made possible, with a key role now being played by the family farm (Benedek, 2000; Kovacs, 2005; Rusu et al., 2011; Toth-Naar et al., 2014; Zadura, 2009). In turn, in Poland, given that the nationalised sector only held 25% of the agricultural land, changes of ownership were of a rather different nature and of relatively limited scale, as well as being differentiated from one region to another (Bański, 2011).

More than 25 years have now passed since the fall of the old Eastern Bloc. This would therefore seem a good moment – even high time – to compare and assess the phenomena of a fundamental nature that have been ongoing over this period, where the use of agricultural land in the countries of Central Europe is concerned. Above all, the aim here is to point to the main directions to the changes that have been ongoing in land use, under the influence of processes of privatisation affecting the agricultural sector. The analyses conducted to that end have entailed assessment of the influence exerted by ownership processes on the area and structure of agricultural land, the size structure characterising farms and the situation where the market for land is concerned.

2. Materials and objectives

The subject of the research detailed here was land in use agriculturally. This definition extends to (but also distinguishes between) land put to direct use in farm production, i.e. producing crops or serving the process of livestock rearing; as well as land that contributes to farming indirectly, for example taking the form of access roads, land on which farm buildings and yards stand, and so on. It is naturally on land in the first category that the author's attention has mainly focused, this being generally known as farmland.

That said, it is clear that there is no one, universally-accepted definition of “farmland” or “agricultural land”, so what is included under the term does seem to vary from one country to another. According to the OECD and FAO, “agricultural land” (or an “agricultural area”) includes cropland/arable land, land under long-term cultivation and agricultural grassland (Glossary of Statistical Terms, 2003; FAOSTAT, 2013). This kind of definition is also adhered to in the present study. However, it needs to be stressed that data at the level of the individual countries in Central Europe were gathered by their

statistical offices in line with separate principles, rules and methodologies. Moreover, accessibility varies, and there are certain categories of data that can be found in the statistical offices of one country, but not others (Hartvigsen, 2013; Swinnen and Mathijs, 1997). This leaves it quite possible that the statistical material analysed here does not quite relate to land defined and classified in the same way. In fact, this study primarily makes use of statistical material published by Eurostat, which is deliberately designed to allow for comparison at a very general level. For this reason, the differences alluded to above should not distort the results of these analyses too severely.

The work took in five countries of the former Eastern Bloc, i.e. the Czech Republic, Hungary, Poland, Romania and Slovakia. These together form a contiguous area of Central Europe in which the conditioning as regards both physical geography and history over the last several decades is relatively comparable. In fact, considerations of post-Communist Central Europe often expand the comparative study to the Baltic States (Latvia, Lithuania and Estonia), the eastern *Länder* of Germany once forming the German Democratic Republic, Bulgaria, and the countries emerging from the collapse of the old Yugoslavia. However, these were not taken account of in the work described here, because the historical or socioeconomic conditioning shaping their current development was considered too different, to say nothing of geographical locations likely to ensure different kinds of development of farming.

3. The situation at the outset, and ongoing processes of land privatisation

All of the countries studied have land under agricultural management as the dominant category in their land-use structure. As the transformation process began, the share of the state's area accounted for by agricultural activity was largest in Hungary (at ca. 70%), followed by Romania (62%), Poland (60%) and the then Czechoslovakia¹ (53%).

In Central Europe's agriculture it is plant production that plays a key role, above all the growing of cereals and industrial crops. This accounts for the prevalence of cropland within the broader category of agricultural land use (Fig. 1). Only in Romania is there a relatively large share of agricultural grasslands, reflecting the presence of large areas of mountain land in which extensive use is made of meadows and pastures.

The changes of ownership ensuing post-1989 in former Soviet-Bloc countries were of different kinds and dynamics. In Czechoslovakia, the communist period brought almost total nationalisation of land. For example, within the borders of today's Czech Republic, agricultural holdings were under the management of cooperatives (to the tune of 65%) or state farms (the other 35%).² The result of the collectivisation process was an increase in the size of individual fields cultivated, making the use of very large items of agricultural machinery possible and appropriate. The structure of holdings did not change much as such, but the rural landscape did – and the change in question was negative from the ecological point of view, not least thanks to the major reduction in biodiversity it brought about (Janku et al., 2016).

Post-1989, the new authorities of Czechoslovakia, and then the Czech and Slovak Republics separately, recognised that private ownership of land had simply been suspended over the 1948–1989 period,

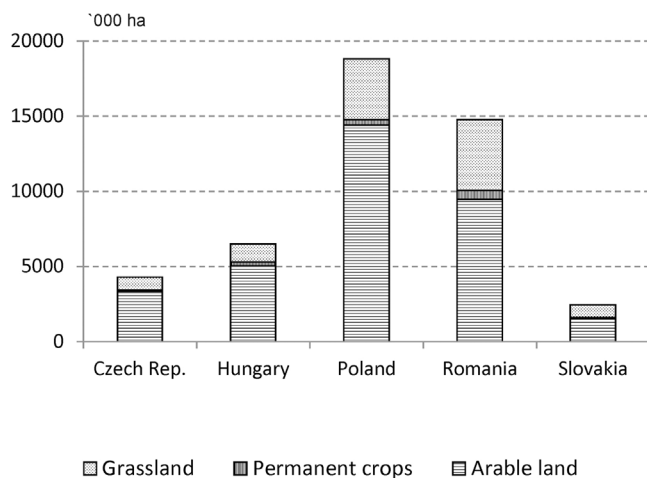


Fig. 1. Agricultural land-use surface and structure in countries of Central Europe (Hungary, Poland and Romania – 1989; Czech Republic and Slovakia – 1993). Source: Eurostat.

¹ It was on January 1st 1993 that the place of Czechoslovakia was taken by two new and separate states – of the Czech Republic and Slovakia.

² In the case of the former Czechoslovakia, a distinction needs to be drawn between the concepts of land ownership and land use. In the communist era, private owners of land were not able to make use of it, given that it was managed and utilised by cooperatives or state farms. Owners of this kind were “naked”, in the sense that their land was made use of without any compensation for loss being offered (Bandlerova and Marisova, 2003). In what is today Slovakia, as much as 65% of all communist-era farmland was treated as state-owned, but was actually in private hands.

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