

Land consolidation and rural development

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Countries in Central and Eastern Europe have made great progress in the restitution and privatization to private owners of state-held rural and urban property. These reforms, based on principles of political justice, however, resulted in agrarian structures that are unsuitable for today's Europe and the globalizing economy. The resulting land fragmentation has had detrimental effects, particularly in rural areas, for private and public investments, sustainable economic growth, social development and the environment.

There is increasing recognition among decision-makers of the need for a "second wave" of land reform – that of supporting the rational use of rural areas through appropriate land management tools and mechanisms. While land markets play an important role in the creation of more viable farming structures, experience shows that in circumstances of extensive fragmentation of holdings, they are not sufficient by themselves. In practice in these circumstances, the costs of rearranging land use and ownership have in effect blocked land market development and more rational land use.

More broadly, land consolidation has become an issue because of concerns over the decline of rural livelihoods. Villages are becoming less attractive places in which to live. Schools and other rural public and cultural facilities are suffering from lack of attention. Rural roads are in poor condition, power and water supply systems are less reliable, and communications and media infrastructure is inadequate. There is high unemployment, and migration to urban areas is resulting in a declining and ageing rural population.

This situation arises for many reasons and livelihoods will continue to worsen until the problems are tackled through integrated rural development projects. The success of these projects will depend to a large extent on how they address the vast numbers of small and fragmented farm holdings that exist.

Land consolidation was one of the first areas of tenure reform in which FAO was involved. In the 1950s, the main considerations for land consolidation were improving agricultural efficiency. At the time, concepts of rural development were virtually the same as agricultural development because of the predominant role of agriculture in rural areas. Improving the agrarian structure was viewed as being identical to maintaining the social viability in rural areas; what was good for the farmers was good for rural areas. An overall objective of early projects was thus to increase the net income from land holdings by increasing the volume of production and decreasing its costs. With this focus on agricultural development, these projects served to consolidate parcels and enlarge holdings and included provisions such as irrigation and drainage infrastructure to improve water management, construction of rural roads, land levelling, soil improvement measures and changes to land use such as converting agriculturally inferior land into forest land or wetlands.

Such agricultural improvements are still essential but rural space is now no longer regarded as one of agricultural production alone. Concepts of rural development have become much broader and have expanded to include increased environmental awareness and a wide range of non-agricultural applications. The emphasis of land consolidation projects has shifted from a focus on restructuring agriculture to one of achieving more efficient multiple use of rural space by balancing the interests of agriculture, landscape, nature conservation, recreation and transportation, especially when land is required for the construction of major roads.

As a result, land consolidation is now seen as an important instrument of rural development. It can facilitate agricultural development through the creation of farms with a better parcel structure, and with improved agricultural infrastructure. Environmental conditions are now given greater priority and projects often serve to protect natural resources. The projects are sometimes used to bring rural infrastructure such as roads. Village renewal – improving living and working conditions – has become an important feature of many projects.

Land consolidation activities should be guided by a strategy. This is important for several reasons:

- Rural society is diverse and non-agricultural interests must be considered along with those of agriculture. The farming sector itself consists of groups having very different needs and aspirations. A strategy is needed to ensure that land consolidation is attractive not only to large-scale farmers, but to a broad cross-section of rural society.
- Not all fragmentation is a problem. In some cases it may be neutral or even beneficial. The strategy should ensure that a solution is not imposed where it is not needed.
- Land consolidation is not automatically beneficial and the strategy should ensure that projects protect the environment and do not damage it.
- Land consolidation must take into account local agricultural, economic, social and environmental characteristics. The strategy should ensure that projects are based on the expectations and needs of local populations.
- At the same time, land consolidation must accommodate national priorities. A strategy should look at a phased approach to land consolidation given the complex nature of rural development.

Land consolidation pilot projects can play an important role within such a strategy. A phased approach of starting off with a pilot project allows techniques to be developed and tested before starting on a long-term programme. It also serves to build expertise in new areas of land administration. Many countries have now considerable experience in land registration and cadastre, but there are often gaps in knowledge of some aspects such as land valuation. In addition, the project should be a successful model for other communities. When people elsewhere see a successful example, support can be created to introduce more comprehensive projects.

During the past years a number of countries in the region have engaged actively in land consolidation initiatives. To assist them, FAO together with its partners has produced guidelines on “The design of land consolidation pilot projects in Central and Eastern Europe” (FAO Land Tenure Studies Number 6). These guidelines provide advice on what countries can do to start a land consolidation pilot project. The

publication gives arguments to use as to why land consolidation is important; it describes briefly what land consolidation is; and it identifies key decisions that should be made and key actions that should be undertaken before a land consolidation pilot project can even begin.

These guidelines have been complemented by an “Operations manual for land consolidation projects in Central and Eastern Europe”. The manual provides guidance to project managers and others on the management of a pilot project once it has begun. A manual of this nature can provide only general guidance. The contents of the manual should be assessed and applied in a way that is appropriate to each individual pilot project. The manual captures some of the lessons learned from early land consolidation pilot projects in the region, and it is intended that the manual will be periodically revised and improved by drawing on the experiences gained as additional pilot projects are implemented.

In addition, FAO’s Land Tenure Service has prepared a guide on “Good practice guidelines to agricultural leasing arrangements” (FAO Land Tenure Studies Number 2) as leasing is often an important way for people to increase the size of the holdings. The information in this guide is directed towards land administration practitioners. A simpler and more informal companion document has been prepared to explain the elements of good leasing arrangements to farmers. This document is “Leasing agricultural land” (FAO Land Tenure Notes Number 1).

Recognising that a local source of revenue is important for rural development, FAO’s Land Tenure Service has recently published a guide on “Decentralization and rural property taxation” (FAO Land Tenure Studies Number 7).

This work and others have been part of a process that has involved FAO and its partners during the past decade. Specialists from many countries have been able to meet at several venues to identify key issues and ways to address them. The Prague Workshop on Land Consolidation in 2005 is an important part of this process, as was the Prague Workshop of 2002.

This workshop is intended, in part, to serve as a “milestone marker” through the formal launching of the documentation of land consolidation pilot projects. Earlier meetings in the process identified the need for these documents and what their contents should be.

The workshop, as with other meetings in the process, also provides an opportunity for relevant experiences of Western Europe to be shared. The sharing of these experiences has already proved valuable, firstly in providing knowledge on land consolidation, and more recently in pilot projects.

But while western European experiences are important, they will not provide all the answers for several reasons. On the one hand, solutions must be devised with a realistic view on the costs that can be budgeted for and the resources available for the particular land fragmentation patterns found within transition countries, and even within specific portions of countries. On the other hand, current expertise of western experts lies primarily in the on-going operation and maintenance of land consolidation programmes under stable financial management whereas the immediate problem

faced by transition countries is starting the first land consolidation pilot projects, something that was done by a previous generation in western Europe. The “lessons learned” by transition countries that have already started pilot projects will be of value to other countries of the region. An important role of this workshop is to extend and deepen the network of land administrators in order to facilitate the sharing of these experiences and the exchange of knowledge.

Electronic versions of FAO documents on land tenure can be obtained from:

http://www.fao.org/sd/IN1_en.htm

http://www.fao.org/sd/LTdirect/lstudies_en.htm