

ბიზნეს-ინჟინერინგი სოფლის მეურნეობაში

THE IMPORTANCE OF LAND CONSOLIDATION FOR THE DEVELOPMENT OF THE AGRICULTURAL SECTOR IN GEORGIA

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RESUME

In Georgia the time has come when it is necessary to start working on land consolidation issues. Otherwise, it would be impossible to develop a highly efficient agricultural sector.

Land consolidation is regarded as an important issue in land development process. It is being given increasing priority by the old and new members of European Union and also former Soviet Union Republics.

Unfortunately, Georgia does not have any experience in land consolidation. Due to this fact it is impossible to work in this direction.

It is essential to gain experience provided by international organizations which support to implement pilot project and assist to create relevant legislation and state program.

Keywords: Land Consolidation, Agricultural Sector, Fragmented Settlement Structures.

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According UN recommendation Land Consolidation has been regarded as a wide range rural development objective, improvement of land management and local communities are considered as essential force which drives land consolidation.

Land consolidation pilot project for the countries of Eastern Europe and Central Asia was designed by Agricultural organizations and Provision Agencies in 2003.

Nowadays there are not relevant legal and institutional structures which can be taken for granted when implementing land consolidation and rural development. Due to the absence of any kind of land consolidation resolution or act, all procedures should be carried out on the basis of existent legislation. Crucial precondition for Initiating land consolidation is to design land consolidation resolution. Otherwise, land consolidation and separation would be more difficult and expensive.

Scattered rural settlements, especially in Western Georgia hinders land consolidation. Not only frag-

mentation of agricultural land is the problem, but also rural structures, which implicates settlement structures, bring lot of inconvenience. In the main settlements of Western Georgia, along the bank of the river Rioni, village centers barely exist. Landscapes predominantly are found at scattered places on small agricultural areas between houses.

It is significant to indicate that Land market is very weak, especially in rural territories. Secondary transactions are very rare. In spite of the fact that figures for land transaction have been increasing for recent three years, nowadays due to some difficulties, total quantity of agricultural land transaction is reducing. It proves that land market is very weak on rural territories. Common economic problems and some specific reasons cause this situation. Due to the fact that the fertilizing of soil is not carried out, any measures against erosion are not taken and etc. the price of the land is decreasing.

Land consolidation can be encouraged by demographic situation. Many of the land owners are retired, so land transaction is accomplished by heritage and it will increase in immediate future. Moreover, many farmers were not successful and as a result they may give up this activity, which will make available more and more land parcels. The same can be said about the landowners who are not interested in farming as they have different kind of education. Especially if considered that 600 sq. meter land areas were distributed free of charge and mostly everyone took this parcel of land whether they wanted or not to cultivate this land.

Georgian State Administration have not initiated land consolidation program so far. Political awareness of land fragmentation problem definitely exists, but defined and detailed strategy to solve this problem has not been worked out.

Some farmers attempted to consolidate their lands, but mainly it is hindered by notary and registration expenses and also other farmers' hostile attitude hamper this process.

Georgia is rich in natural resources. The diversity

of landscape and climate as well as fertile soil, gives opportunity to produce variety of agricultural products for local and international markets. In the past Georgia played crucial role to supply export market of Soviet Union. Main source of agricultural income was tea growing, vinification, gardening (hazel nut, fruit) citrus, bay-tree, vegetables, sunflowers, tobacco, crops, potatoes.

After Georgia gained independence and after its economic collapse, situation in agricultural sector has entirely changed. Nowadays Georgia is "low-income country" based mainly on natural agriculture. Agricultural sector is the main source of income and employment.

Essential rural physical structures are in very bad condition and usually they are absolutely ruined. Roads are in bad condition. Most families do not have water supplies. Social infrastructure especially schools are amortized. Most villages are without economic infrastructure, such as markets and shops, only small kiosks can be found. Village economic infrastructure depends on regional or sub-regional centers.

In spite of the act that politicians are aware of all rural problems there does not exist a political program or strategy to improve the situation. We look forward to seeing the outcome of the law for mountainous regions, which was launched by Georgian Parliament. Rural areas are less developed and they are in worse conditions rather than urban areas.

As it was said agricultural land fragmentation and fragmented settlement structures cause serious problems, especially to commercial farming. Apart from this there are many problems, which hinder development of agriculture.

There are following problems:

- . Poverty and low income on rural territories;
- . Unsatisfying physical and social infrastructure;
- . Bad condition of irrigation and drainage systems;
- . Absence of agricultural credit and insurance system;
- . Low efficiency of agricultural industry and absence of non-agricultural employment;
- . Lack of local markets and high level of competition on foreign markets;
- . Few commercial enterprises and many natural farms;
- . Lack of sufficient support and service for private farmers;

Taking into consideration existing background, it is necessary to define which procedure of land con-

solidation will help to solve various problems which Georgian farmers encounter.

Taking into account heavy economical atmosphere, land consolidation will not change the situation in the whole country. However, it can support:

- . Improvement of agricultural and settlement infrastructure;
- . Reduction of fragmentation of privatized lands;
- . Avoiding fragmentation after privatizing and inheriting the land parcel;

In spite of the fact that land consolidation on the initial stage would not play crucial role for the development of the whole country, it should be noted that standard of living will significantly improve for the citizens in connected areas, nearby structures. Outcome of the development will be vivid on long-term basis.

Land consolidation must be considered as means for the development of agriculture. These means must be included in the whole strategy of spatial-territorial development/planning. The system of land usage planning and regional planning is destroyed in Georgia. It is established weakly and duplicated among different ministries. The tasks are not coordinated correspondingly for spatial-territorial planning. The budget does not envisage financing. Existing general plans of the Soviet period have not been updated. It hinders fulfilling politics, strategies and projects of agriculture and regional development which is aimed to improve the life of village.

In Georgian rural settlements the situation and conditions generally is different. The difference is evident between wet western Georgian and Eastern Georgia with relatively dry climate. Also, the main part of Georgia consists of high mountains. It is also reflected in the structure of agriculture and settlement's structure as well. For example, the big part of western Georgia is characterized with squandered location of rural areas, scattered living houses and farmings. On such territories making efforts land consolidation for new distribution of land units will be very difficult. Although improvement of infrastructure and creation of rural centers helps positive shifts of some concentration and will avoid us from further scattering of rural settlements' location. On the other hand, the situation in eastern Georgia might be more helpful for new distribution of land units due to different rural structure.

For land consolidation in Georgia above mentioned positive and negative preconditions' evaluation we can make a conclusion that land consolidation on rural territories will assist to improve the sit-

uation because it will create intersectoral structure for solving existing problems in rural society.

In Georgia foreseeing whole economical conditions and current processes of transitional economy, only very flexible attitude might be successful. In Georgia land consolidation is considered as an instrument for long-term planning perspective. Envisaging existing situation after the first phase of land reform, before the start of the second phase of privatization, the strategy of presentation of land consolidation might be very careful, time measured and flexible. Despite the fact that need of land consolidation is justified now we must not try to create fixed procedures for land consolidation for the whole country. It is not appropriate and does not correspond to modern life as well. Attitude from bottom-up, for example obligatory consolidation scheme will not be acceptable because the population does not trust activities carried out by government. Therefore, must be envisaged phase attitude where will be paid attention on the society and participation of citizens.

First of all, must be solved some main issues which are important preconditions of land consolidation strategy. Currently, neither rural population nor decision-making persons of different level don't realize potential contribution of land consolidation. Importance of land consolidation must be understood and realized equally by various sides. It is necessary much more high-level public information, especially for politicians if land consolidation is considered as possible strategy of rural development in Georgia. For public information will be very important contribution by test projects.

Simplification of existing procedures and legislation might have important impact on land market development which is vital element in land consolidation. The issue of legislation must be included in long-term strategy for improvement of rural land units. In Georgia must be created and presented legal act about land consolidation. Legal frames are necessary basics for the fulfillment of land consolidation procedures. It also will provide stimulation of farmers for participation in rural development attempts.

It is not necessary that land consolidation must be carried out by public sector. It is possible to involve private sector in fulfillment procedures on the basis of contract. Though, the coordination and supervision of land consolidation must be under responsibility of public sector again. It must be created corresponding institutional setting and be defined roles and responsibilities of state and private sectors in the legal frames.

All schemes of land consolidation must be included spatial-territorial planning activity. Currently, planning is not being carried out and responsibilities are divided indistinctively between ministries. For new presentation of spatial-territorial planning in rural development in Georgia it is necessary to create strategy. Possible attitude on national level might be presentation of coordinating organ. This organ can be presented by working group which will be staffed by the members of government agencies, as well as by specialists, for example from non-governmental organizations. On local self-governance council level, spatial-territorial planning represents essential part of land consolidation procedure. Spatial-territorial plan also must provide the basics for making decisions in such interferences which is urgently necessary for the improvement of local population's living conditions, rural, economical, locally economical circulation. In the process of land usage planning it will be clear which kind of land consolidation is appropriate in given situation.

Land consolidation is generally considered as one of the important activity for improvement of agricultural production by reducing land fragmentation which is possible by land's new distribution and setting new farming structures. But it is not an only instrument of land consolidation. In Georgia priorities of activities in land procedure is different from many European countries. As it appeared in Georgian rural territories it is urgent need to improve rural infrastructure. The main priority is considered rural upgrade or in urgent activities villages must be built land units on non agricultural field lands:

- repairmen or building of roads or accessible roads, hydraulic structures, water supply, electricity supply, sewers;
- demolition of old buildings, renewing the buildings of local councils, schools, sport stadiums, kindergardens and etc;
- improvement supply, transportation and marketing or markets' and shops' establishment;
- strengthening social units and organizations;
- Improving farmers and land owners' preparation in strengthening opportunities and self-assistant activities;
- improvement of self-governance in local councils and municipalities;
- strengthening opportunities in planning processes of villages;
- improvement of land exchange and borders.

In rural structures(farm fields)additional activities/interferences:

- rehabilitation/repairment of field roads, irrigation, drainage structure building;
- land units consolidation, new distribution of lands of optimal shape and location;
- activities against erosion caused by water and wind;
- activities for protecting landscape for example, planting trees.

Land consolidation procedures require trial-scale design and testing on selected small areas to identify the best practice models.

The first is the voluntary land exchange procedure, which will focus on the redistribution of land on a voluntary basis and which will seek to facilitate the lease within the community.

The second alternative is a simplified procedure focusing on the rehabilitation of existing rural infrastructure and the redistribution of land. The simplified procedure will not require comprehensive planning phases.

The third alternative is a comprehensive procedure combining the construction of agricultural roads, the construction of new infrastructure networks, rural renewal measures and land redistribution. A comprehensive procedure requires complex planning procedures.

All of the above models must be taken into account, as well as local-level approaches that require the consolidation of any land with the participation of landowners and local authorities to fundamentally interfere with property rights. However, strict legal regulations are needed to ensure legal protection of property rights.

Each landowner should have the right to inspect the impact of the regulations on his property. The principles of participation, equal value, exchange of ownership, compensation of costs and contribution must be clearly stated. Thus, a special Land Consolidation Act should be drawn up, which should primarily address the purpose and objective of land consolidation.

The Land Consolidation Act should regulate the following issues:

Determine who will be responsible for the process, receipt and inspection of the land consolidation procedure. The role of the state administration and the role of the private sector must be clearly defined.

Participation procedures should be clearly defined. The tasks and responsibilities of the City Council and individual participants must be clearly defined. The law should specify who can apply for

a land consolidation project. It may be decided that landowners will be able to claim the project if more than two-thirds (66%) of landowners in the area agree to this undertaking.

All landowners have the right to acquire land of the same quality and value as the land they gave away. Land valuation is the basis for land exchange. Thus, the Land Consolidation Act should incorporate the principles of land valuation. In the event of disagreement, there must also be a possibility of making a claim or complaint against the assessment.

The principles of compensation require legal regulation. Differences in land value should be compensated. The landowner may also receive monetary compensation if he agrees to do so. Compensation for assets (trees, etc.) will usually occur in cash.

Expenses may arise in connection with land consolidation activities. The financial contribution of the participants should be regulated and possible cost-sharing models should be presented.

In some cases, land consolidation has a temporary burden of property rights. Conditional transfer of ownership may be necessary for some technical reasons. Third-party rights, objections, and restrictions must be transferred from old plots to new plots. These provisional regulations must be clearly defined by law. The end of the procedure must also be defined. Usually this coincides with the issuance of certificates after a public registry update.

Landowners are the most important participants in the land consolidation project. Their active participation in the procedure is the best way to combat the distrust of the measures taken by the state.

Depending on the size of the consolidation area and the measures to be taken, the project may involve small groups of neighboring landowners in some areas, and in other areas larger groups and possibly entire villages. Participating groups will have to choose councils or committees to represent their interests. These councils will be key players in planning and decision-making on land consolidation activities. Of course, such councils will have limited opportunities and will also receive assistance from an advisory body.

Land consolidation in some cases involves decision making where all participants and interested persons may not agree on a joint strategy. Thus, land consolidation procedures are likely to generate conflict.

While the consultant should represent a neutral partner, it will also be crucial to involve another *third-party partner* who can act as a mediator in the

event of severe conflicts. This function can be fulfilled by NGOs. There are a number of NGOs involved in this type of work, notably the Association for the Protection of Landowners' Rights. NGOs can make a major contribution to the public awareness and legislation component of land consolidation projects, as these two areas are essential parts of the work of non-governmental organizations operating in Georgia and their rich experience should be used in work management.

The following measures are needed to radically improve the situation:

- The urgent task is to consolidate agricultural land in Georgia;
- Restoration of the State Department of Land Management of Georgia is also urgent;
- Most importantly, it should be worked out and approved by the Parliament of Georgia. Legislation needs to protect agricultural land from fragmentation and transfer to non-agricultural land;
- Land use registration and monitoring should be carried out to answer the questions - what is the overall state of land use in the country, what adverse changes are expected and what measures are to be taken.

First of all, we should start by compiling an annual land balance; An improved land management strategy should be developed to address the problem of land fragmentation. The concept of land registration by purpose and category is also elaborated. A state body should be designated to ensure land use registration and land monitoring functions.

Georgia's geographical situation, existing land resources and rich natural-resource potential under good care can solve the problem of ensuring food security, attracting investors, and bringing home conditions to a proper level.

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