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Transformation of Land Relations in Ukraine to Market Conditions

*Transformación de las relaciones territoriales
en Ucrania a las condiciones del mercado*

*Transformação das relações de terra na
Ucrânia para as condições de mercado*

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Abstract

Land ownership issues are especially important due to the historical experience of land nationalization of Ukrainian peasants. The sphere of land relations in Ukraine has undergone a process of constant reform since the country's independence. At the present stage, the abolition of the moratorium on the transfer of ownership of agricultural land is historic for Ukrainian citizens. In consequence, the clarity and transparency of legal procedures for the transfer of land ownership to citizens of Ukraine become particularly relevant.

In connection with the European vector of Ukraine's development and gradual economic integration with the European Union countries that have experience in the agricultural land market, it is important to find an appropriate legal model for regulating the circulation of agricultural land in Ukraine, using the experience of the European Union. Land lease relations, as a main means of using agricultural lands for a long time in Ukraine, are considered in the article.

The adopted Law of Ukraine "On amendments to some legislative acts of Ukraine concerning the circulation of agricultural lands" is analyzed. According to its provisions, the moratorium on the sale of agricultural land was finally canceled, which allowed landowners to freely dispose of their property. In the article, it is also proved that the main prospects for the development and functioning of the land market in Ukraine are: 1) foreign investment in Ukraine, 2) the possibility of free disposal of agricultural land plots, 3) attracting additional resources for local communities, 4) stimulating the agricultural sector, 5) increasing the efficiency of production on land.

Keywords: Land Law; Ukraine; Land Lease; Land Plot; Land Relations; Land Market.

Resumen

Las cuestiones de la propiedad de la tierra son especialmente importantes debido a la experiencia histórica de nacionalización de las tierras de los campesinos ucranianos. La esfera de las relaciones territoriales en Ucrania ha estado en constante proceso de reforma desde la independencia del país. En la etapa actual, la abolición de la moratoria sobre la transferencia de propiedad de tierras agrícolas es histórica para los ciudadanos ucranianos, por lo que la claridad y transparencia de los procedimientos legales para la transferencia de propiedad de tierras a ciudadanos de Ucrania se vuelve particularmente relevante.

En relación con el vector europeo del desarrollo de Ucrania y la integración económica gradual con los países de la Unión Europea que tienen experiencia en el mercado de tierras agrícolas, es importante encontrar un modelo legal apropiado para regular la circulación de tierras agrícolas en Ucrania, utilizando la experiencia de la Unión

Europea. Las relaciones de arrendamiento de tierras como medio principal para el uso de tierras agrícolas durante un largo período en Ucrania se consideran en el artículo.

Se analiza la ley adoptada de Ucrania “Sobre las enmiendas a algunos actos legislativos de Ucrania relativos a la circulación de tierras agrícolas”. Según sus disposiciones, finalmente se canceló la moratoria a la venta de tierras agrícolas, lo que permitía a los propietarios disponer libremente de sus bienes. En el artículo también se demuestra que las principales perspectivas para el desarrollo y funcionamiento del mercado de tierras en Ucrania son: 1) inversión extranjera en Ucrania, 2) la posibilidad de libre disposición de terrenos agrícolas, 3) atraer recursos adicionales para las comunidades locales, 4) estimular el sector agrícola, 5) aumentar la eficiencia de la producción en la tierra.

Palabras clave: ley de tierras; Ucrania; arrendamiento de tierras; terrenos; relaciones territoriales; mercado de tierras.

Resumo

Questões de propriedade da terra são especialmente importantes devido à experiência histórica de nacionalização de terras de camponeses ucranianos. A esfera das relações fundiárias na Ucrânia está em constante processo de reforma desde a independência do país. No estágio atual, a abolição da moratória sobre a transferência de propriedade de terras agrícolas é histórica para os cidadãos ucranianos, de modo que a clareza e transparência dos procedimentos legais para a transferência de propriedade de terras para cidadãos da Ucrânia se torna particularmente relevante.

Em conexão com o vetor europeu de desenvolvimento da Ucrânia e integração econômica gradual com os países da União Europeia que têm experiência no mercado de terras agrícolas, é importante encontrar um modelo jurídico adequado para regular a circulação de terras agrícolas na Ucrânia, usando a experiência do União Europeia. As relações de arrendamento de terras como principal meio de uso de terras agrícolas por um longo período na Ucrânia são consideradas no artigo.

A lei adotada da Ucrânia “Sobre alterações a alguns atos legislativos da Ucrânia relativos à circulação de terras agrícolas” é analisada. De acordo com suas disposições, a moratória sobre a venda de terras agrícolas foi finalmente cancelada, o que permitiu aos proprietários dispor livremente de suas propriedades. No artigo também fica provado que as principais perspectivas para o desenvolvimento e funcionamento do mercado de terras na Ucrânia são: 1) investimento estrangeiro na Ucrânia, 2) a possibilidade de alienação gratuita de terrenos agrícolas, 3) atrair recursos adicionais para as comunidades locais, 4) estimular o setor agrícola, 5) aumentar a eficiência da produção em terra.

Palavras-chave: direito fundiário; Ucrânia; arrendamento de terras; loteamento; relações fundiárias; mercado fundiário.

Introduction

One of the key vectors of the transformation of the land system in Ukraine, which began since its independence and the start of the land reform in 1991, is a fundamental modernization of public administration in the field of land use and protection (Bondar, 2018). As part of such process, the legal regime of agricultural land in Ukraine has undergone a significant transformation over the years of land reform, from the monopoly of State ownership of land to the introduction of private, collective ownership, and, subsequently, to communal ownership of land, rental rights, land rights, right of the emphytheusis (Kovalenko et al., 2020).

During the 30 years of independence of Ukraine, an important part of the land reform also was a moratorium on the sale of agricultural lands. Its introduction was a result of transforming the land relations of the country after the Soviet period of its history. The considerable duration of the moratorium on land expropriation for commercial agricultural production has caused many problems in land use and protection; for example, the dominance of the lease form of land use in agricultural production, the emergence of inherited land and unclaimed land shares, the formation of the so-called “gray” market of agricultural land due to the conclusion of illegal contracts for the acquisition of land rights, etc. (Kovalenko et al., 2020). Today, the market of agricultural land can be considered an important aspect of the development of land relations and the functioning of agricultural land use. In Ukraine, it was finally opened in 2021. This event will fundamentally affect not only the development of agricultural land use, but also the development of rural areas in general. It will also contribute to the growth of gross output and added value in agriculture, as well as solve the problem of determining the real owner (user) of agricultural land.

We should mention such an important fact that the number of black soils (chernozem) in Ukraine is the largest in the world: 28 million hectares. It's 87.5% of 32.7 million hectares of all the arable land in the country, while, for example, in the European Union's leader Germany, the total arable land is only 12 million hectares. This circumstance makes the opening of the land market in Ukraine an event not only of European, but also global scale, which cannot be ignored by the world's leading players in the food market. The issue of selling Ukrainian land to foreigners is proposed to be voted on in a referendum. However, regardless of the results, there are already mechanisms in Ukraine for

the possible transfer of land ownership to foreigners. It should also be noted that the decision to open the land market in Ukraine took place during the aggravation of global instability in the world due to the pandemic, which, in turn, threatened economic and food security due to border closures and rapid increase in unemployment on a global scale. In this context, the leaders of the World Health Organization, Food and Agriculture Organization and World Trade Organization expressed their concerns about food security in a joint statement on March 31, 2020.

Today, statistics in Ukraine identify almost 41.4 million hectares of agricultural land, of which 32.7 million are arable. In Ukraine, almost 54% of lands are plowed, whereas in the Central European region only 35% are. Of these, 31 million hectares are privately owned or loaned by almost 25.3 million of landowners and land users. The structure of agricultural land use is as follows: 29% are cultivated by owners, 56% are leased, 8% are leased from the State, 7% are not cultivated. At the same time, the area of potentially the most investment-attractive for agricultural production lands with black soils (chernozems), according to various scientists, is 15.6-17.4 million hectares (Tretyak, 2019).

The sociological study by the Institute of Agrarian Economics of National Academy of Agrarian Science of Ukraine showed that only about 15-20% of Ukrainians plan to sell their land. At the same time, the share of those wishing to start their own agribusiness is no more than 20%. The predominant form of land relations for agricultural land is land lease (Land Directory of Ukraine 2020, n.d.). The total volume of the official lease market is about 17 million hectares. Currently, 4.7 million private owners lease their land. Of course, both the duration and the amount of rent play a crucial role in meeting environmental, economic and social needs. Analyzing the materials of the State Land Cadastre for the expiration of lease agreements in the Narizhanska village council of Semenov district of Poltava region, and assuming that the minimum lease term is 7 years, it should be said that in 2021 only about 2% of owners will be able to sell their land plots or re-sign lease agreements; in 2022, 27%; in 2023, 8%; in 2024, 6%; in 2025, 10%; in 2026, 27%; in 2027, 19%, and about 1% of land is not leased (Kolisnyk & Trokhymenko, 2021). This situation demonstrates moderately restrained forecasts for the launch of agricultural land, although the actual lease term may be much longer than assumed.

Ukraine's potential as one of the largest producers of agricultural products in Europe is extremely high, but, unfortunately, it is not fully realized. As the experience of European countries shows, efficient agricultural activity can take place under the condition of the functioning of the agricultural land market, which allows producers to acquire agricultural land in a competitive manner and use it more rationally with care for their property.

Methodology

The methodological basis of the work is a system of general scientific and special methods, which allowed studying the processes and phenomena, in their relationship, and solve scientific and applied problems. The dialectical method accompanied the whole process of this study and allowed considering the development of land relations in Ukraine, to formulate views on improving the current legislation of Ukraine and to suggest ways to achieve these goals. The forecast of the impact of the proposed changes or additions to the current legislation of Ukraine, which regulates the studied social relations, was made using the modeling method. The method of comparative legal analysis allowed to compare the market of agricultural land in Ukraine and other countries. The abstract-logical method was used to generalize the components of the mechanism for ensuring the development of the agricultural land market, to formulate conclusions. An economic and statistical method was used in the analysis of the current state and in forecasting the prospects of agricultural production in Ukraine and the world.

Lease of agricultural land

Economists define the land market as a special area of the commodity economy in which there are economic relations for the sale, pledge, lease and exchange of land, aimed at efficient economic activity and use of this resource from the standpoint of environmental security. They also note that the market of agricultural land in Ukraine, which is understood as a set of agreements on land turnover and rights of use and possession, is in its infancy (Palamarchuk & Matviychuk, 2011).

Thus, since 2002, due to the ban on the sale or other methods of alienation of certain types of agricultural land provided for in paragraph 15 of Section X "Transitional Provisions" of the Land Code of Ukraine, the land market in the

form of sale was virtually blocked. Therefore, the lease of agricultural lands was the main type of agreements on the acquisition of land rights in this category of land plots (Shvorak & Yevsyukov, 2014). For a long period, it accounted for about 90% of all transactions with land plots. In view of this, it can be concluded that, in fact, during almost the entire period of the Land Code of Ukraine (since 2002), the land market in Ukraine existed in the form of lease of agricultural land. As it is stated in the legal literature, leasing of agricultural lands for over 28 years was in fact the only mechanism for their market circulation, which enabled the realization of interests of landowners and land users in the field of land relations on a contractual and competitive basis (Fedchyshyn et al., 2020). Thus, we can conclude that in Ukraine the land market in the form of land lease developed earlier and faster than the land market in the form of purchase and sale.

In some countries, land lease is also the main form of acquisition of agricultural land rights. Thus, in Belgium, tenants use 68% of agricultural land, while in France they use 53%. The popularity of land leases lies in economic factors such as the cheapness of acquiring land rights, which saves capital that can be invested in agricultural production. In general, in Belgium, France, Luxembourg, Great Britain, Germany and the Netherlands, farmers traditionally prefer not to buy land plots, but to lease them (Yermakov & Bohach, 2014). Economically successful countries such as the Netherlands and Israel have built their land relations on the right of lease.

The European Union's Joint Strategy for Ukraine, approved by the European Council on 11 December 1999, provides for land reform to support Ukraine's economic transformation, which is necessary to ensure, inter alia, that long-term land leases can be used as collateral for loans, which can ensure the growth of investments in the agricultural sector. Also, in 2016, the Government of Ukraine proposed to reform land relations by introducing the sale of the right to lease agricultural land.

The leased form of the market for agricultural land is the most acceptable, especially in the context of the global trend of large-scale acquisition of agricultural land rights by foreigners. In addition, the legislator does not restrict any of the categories of entities that can use land on lease (Fedchyshyn et al., 2018). After all, if the right to lease land is sold, the right of ownership remains with the landowners, who are mostly individuals and legal entities, State bodies and local governments of Ukraine (Article 4 of the Law of Ukraine On Land

Lease). In addition, in the conditions of the land market in the form of lease rights, agricultural lands will be distributed among the most efficient agricultural producers, and therefore they will be processed more efficiently and rationally.

It seems appropriate to further regulate the lease relationship as a property right, because it will allow tenants (agricultural producers) to increase the capital of their economy and attract new investments, to force the right to lease agricultural land.

It is also worth noting that in recent years in Ukraine there have been positive steps towards the deregulation of land-lease relations, which contributes to the development of the land market. Thus, the Law of Ukraine “On amendments to some legislative acts of Ukraine on simplification of conditions for doing business (Deregulation)”, dated February 12, 2015, reduced the number of essential terms of the agreement from eleven to three, and abolished mandatory annexes to the lease agreement. Currently, Article 15 of the Law of Ukraine On Land Lease provides for such essential conditions of the land lease agreement as the object of lease, the term of the lease agreement and the rent amount.

An essential condition of the land lease agreement is the rent: indicating its amount, indexation, method and conditions of calculation, terms, procedure for its introduction and revision and liability for non-payment. In land law science, V. Sydor (2009) notes that rent is the economic incentive that forces the owner to lease his/her land plot.

In countries like Denmark, Greece or Ireland, the parties to the land lease agreement independently agree on the amount of rent. In Belgium, the Netherlands, Spain and Portugal, the level of rent is established by law. In these countries such payments are made in cash, based on the potential harvest and prices from previous years (Bohach, 2014). In France, rents are based on the value of basic agricultural products over the past five years. The owner of the land plot and the tenant choose the list of products, the prices of which will determine the amount of rent. The cost of the selected set should not exceed 20% of the value of agricultural products for the last 5 years grown on leased land. In the Netherlands rental rates are determined according to the type of agricultural land, and additional payments are made as measures to preserve land fertility. The rent is reviewed every 3 years due to the need to reassess the quality of the land. The maximum amount of rent is regulated by the State.

In general, it should be noted that in the European Union there are three ways to determine the level of rent: 1) rent is 50% of total entrepreneurial income;

2) rent - at the level of the bank rate (5% and below); 3) rent is 5-15% of the total income of farmers (Yermakov & Bohach, 2014).

Article 21 of the Law of Ukraine On Land Lease defines the rent for land plot as a payment that the tenant pays to the owner for the use of land plot in accordance with the land lease agreement. When renting privately owned land plots, the amount, conditions, and terms of payment of land rent are set by agreement of the parties in the lease agreement. If land plots of state or communal property are leased, the amount of rent is set in the lease agreement, but the annual amount of payment may not be less than 3% and may not exceed 12% of the normative monetary value of the leased land plot. The exception to the maximum rent limit is the case when the tenant is determined on a competitive basis (Article 288 of the Tax Code of Ukraine). The tax period for the payment of rent is 1 year (Article 285 of the Tax Code of Ukraine). According to the Ministry of Economy, the average cost of renting a hectare of land in Ukraine is 1,700 UAH (55 EUR) per year. After the introduction of the market of agricultural lands, it may increase to 4,000 UAH (130 EUR) in 2024. At the same time, due to the growth of competition, the productivity of agricultural lands will increase by 6% annually. According to the government, the average cost of a hectare of land after the opening of the market will be about 2,000 EUR; however, in the case of a ban on the sale of land to foreigners, this amount may be lower.

Talking about the terms of the land lease agreement, we have to say that the maximum lease term should not exceed 50 years. When leasing agricultural land plots for commercial agricultural production, farming, personal farming, the minimum lease term is 7 years. The Law of Ukraine “On amendments to some legislative acts of Ukraine concerning the establishment of the minimum lease term for agricultural land on hydrotechnical reclamation”, dated September 20, 2016, sets a minimum term of 10 years for the lease of reclaimed land plots and those land plots on which hydraulic reclamation is carried out. In the field of land relations, such a minimum lease term will help attract investment in agriculture, construction of reclamation systems, the use of long crop rotations and the reduction of chemicals (OECD, 2015). However, at present, individuals do not have the opportunity to acquire the right to lease agricultural land for a short period, for example, for apiary placement, cattle grazing, harvesting, etc.

In our opinion, the lease of agricultural land is the most effective legal mechanism that will stimulate the attraction of foreign investment for the

purposes of sustainable development of rural areas without the acquisition of agricultural land use rights. Such proposals have already found their normative enshrinement in the Strategy for Promoting Private Investment in Agriculture until 2023 (Cabinet of Ministers of Ukraine, 2019). Ukraine's rural areas have great natural, climatic, industrial, intellectual, innovative, and marketing potential, capable of ensuring competitive production, stable economic growth and, consequently, a high level and quality of life for the rural population (Sharapova et al., 2021). In addition, legal instruments to stimulate the attraction of foreign investment for the purposes of sustainable development of rural areas, without the acquisition of agricultural land use rights, may be:

- state support of agricultural service cooperatives and other agricultural and non-agricultural enterprises established with the involvement of foreign investment;
- partial compensation by the state for the construction of facilities for storage and processing of agricultural products;
- exemption of carriers of agricultural products by river transport from payment of excise duty on fuel;

Such measures will guarantee the right of the local population to access land resources, the right to work at the place of residence and food security of the State.

Ownership of agricultural land and land market

The moratorium on the sale of agricultural land was a major obstacle to attracting investment and unlocking agriculture. Ukraine itself is a good example of the impact of the moratorium that has been in place for a long time. Rural economy and quality of rural life was constantly decreasing, small farming agriculture was stagnating or decreasing, the state farmland was used inefficiently and non-transparently (Nivievskiy et al., 2016). It has undermined land tenure security and investment incentives that increase productivity and sustainable land management, for example, by investing in irrigation systems, perennial crops, and crop rotation. Clearly, limited investment has undermined farmers' ability to grow their production and switch to labor-intensive goods with increased added value. The moratorium also hampered the financing of small

producers, as land could not be used as collateral for obtaining it. Lack of access to financial resources prevented small and medium-sized farmers from developing and producing higher value-added products, and the moratorium deterred landowners from selling, pledging and other traditional operations.

Deininger et al. (2009) used a panel for India spanning almost 20 years, combined with an indicator of climatic (rainfall) shocks, analyzed factors underlying market mediated land (sale and purchase) transactions and their impact on productivity and equity. Economic growth emerges as a key driver of such markets, although shocks also increased market activity. Land sales improved productivity and helped purchasers, many of them formerly landless, to accumulate non-land assets and enhance their welfare.

Also, we can suppose that the cancelation of the moratorium and the opening of a transparent and efficient agricultural land market is a factor that could contribute to a 0.5-1.5% annual economic growth in Ukraine.

Therefore, on March 31, 2020, the Law of Ukraine “On amendments to some legislative acts of Ukraine concerning the circulation of agricultural lands” was adopted, which allows the sale of these lands. The launch of the land market in Ukraine took place on July 1, 2021. In practice, this means that 41 million hectares of agricultural land, which was subject to the moratorium, have entered the market. Most of this land, almost 28 million hectares, is shared by peasants; another 10.5 million hectares (25% of all agricultural land) are in state and communal ownership.

The land market will be launched in two stages. During the first stage, from July 1, 2021, only citizens of Ukraine as individuals will be able to buy land. But a single Ukrainian has the right to own no more than 100 hectares at a time. During the second stage, from January 1, 2024, both ordinary Ukrainians and legal entities will have the right to buy agricultural land. The amount of land that one person can own will increase to 10,000 hectares. If a citizen owns a share in the authorized (composed) capital, in the mutual fund of a legal entity or in individual shares, it is considered that, in addition to land owned by him, he also owns the right to own land in total area, equal to the area owned by the legal entity of which he is a member, multiplied by the size of the share of such a citizen, expressed as a percentage, in the authorized (composed) capital, share fund of this legal entity. It is the second stage that may negatively affect the development of agriculture in Ukraine. After all, during the crisis, not all domestic farmers (mostly small and medium-sized) will be able to raise enough

capital to purchase such many hectares of land. That is, Ukrainians should be able not only to sell land, but also to buy it.

As for foreigners, stateless persons, and foreign legal entities, they will be able to obtain such a right only if they are allowed to do so in a referendum. However, if this land plot is located closer than 50 km from the state border of Ukraine, foreign citizens will not be able to buy it even after the referendum. We believe that this law will help ensure the implementation of private property rights to agricultural land and will expand investment opportunities for the development of the domestic agricultural sector.

Until January 1, 2030, the sale price of agricultural land allocated in kind (on the ground) to the owners of land shares (units) may not be less than their regulatory monetary value. Payments are made in cashless form.

It is not allowed to acquire the right of ownership of land under repayment agreements in the absence of the acquirer of the right of ownership of documents confirming the sources of funds or other assets from which such a right is acquired. The sale of agricultural land of state and communal ownership is prohibited.

The purchase and sale of land can be carried out only in compliance with the preemptive right. The preemptive right may be transferred to another person, but the transferring entity must notify the landowner in writing.

Citizens who have the right to permanent use, the right to lifelong inheritance of land plots of state and communal property intended for family farming, as well as tenants of land plots who acquired the right to lease land by reissuing the right of permanent use of these land plots before 2010, have the right to repurchase such land plots with payment in installments of up to ten years at a price equal to the normative monetary value of these land plots, without holding land auctions.

The World Bank supported Ukraine's adoption of this law and advised the adoption of several of the following provisions as soon as possible to ensure the transparency of the land market. The launch of the land market was also supported by several large business associations, both Ukrainian and European: the European Business Association, the Ukrainian League of industrialists and entrepreneurs and the Ukrainian Agrarian Business Club. However, they also stressed that land reform should consider all the nuances: from the work of a single state system of land information (cadastre) to soil protection policy.

At the same time, Ukrainian farmers are concerned that the adopted law will have some negative consequences. Namely, that in the crisis it will lead to the sale of their lands by the peasants cheaper than it would be under other conditions. Preemptive right regulation is a common type of restriction which is a first right of refusal in favor of a target group (e.g., village members, land plot users, etc.). For this provision to be effective, however, it needs to be accompanied by effective mechanisms for financing purchases of land by those who wish to exercise the first right. An extreme case of this option is an outright ban on sales outside of the defined group or ban on sales to foreigners. This ban, however, is likely to lead to a fall in the value of the land for such groups, and correspondingly to a drop in its collateral value (Brandao & Feder, 1996). Ferguson et al. (2006) assess quantitatively this effect in Canada. In 1974, the Saskatchewan government put in place a restriction on the amount of farmland nonprovincial residents and nonagricultural corporations could own in the province. The analysis shows that the regulation lowered Saskatchewan farmland prices by an average of 4 to 34 US\$/acre.

Thus, the introduction of the land market is a major change in the life of Ukrainian society. However, the domestic economy faced certain obstacles. Among them: the degree of readiness of peasants to become major participants in the land market, given today's conditions in the country, and the need for foreign participation and investment. The issue of establishing an institution that will control the transparent sale of land and the future fate of sold land remains unresolved.

Therefore, the opening of the land market involves ensuring the sale of private ownership of agricultural land at the appropriate level. At the same time, it aims to create a number of deterrent mechanisms focused on protecting the rights of landowners and preserving land as the main wealth of Ukraine. It is obvious that in the process of practical implementation of the outlined norms there will be a need for their modernization of the processes of land circulation.

In our opinion, the main prospects for the functioning of the land market are as follows:

- (a) the opening of the land market will facilitate the inflow of foreign investment into Ukrainian businesses, which will increase the competitiveness of the economy in both domestic and foreign markets, to achieve a positive socio-economic effect for economic growth;

- (b) legalization of the land market will help Ukrainian citizens to freely dispose of their land, which will not only increase the possibilities of self-determination of its use, but also allow them to decide on the lease, cultivation or sale of land;
- (c) the functioning of the land market will help attract resources to local communities, which will allow the right to independently manage land resources, create new jobs within the community and stimulate the development of entrepreneurship;
- (d) cancelation of the moratorium on the Ukrainian land market will stimulate the agricultural sector in general and allow the market to set high land prices, which will contribute not only to the development of land business, but also to the de-shadowing of much of Ukraine's economy;
- (e) the opening of the land market will increase the efficiency of agricultural production and ensure that the needs of the population in carrying out market operations with land are met.

Adherence to these prospects will ensure the transition of the Ukrainian economy to the leading path of development, considering the experience of the European leading countries.

Conclusion

As of today, and in view of all the above, it can be stated unequivocally that the launch of the land market is a worthwhile investment in the future of Ukraine. This is a significant impetus for the improvement of all socio-economic and agricultural spheres of life. The development of the land market is promising, as it will help to improve transport and social infrastructure in rural areas. Investors will be interested in creating and promoting the development of diverse and necessary social works for the Ukrainian population. The formation of the land market and attracting transparent investment, taxes on agricultural land, land procedures, taxes on economic activities of related businesses and the general growth of economic activity of the rural population will strengthen the economic development of the State. Reasonable restrictions and safeguards on the subject composition of agricultural land buyers, along with transparent mechanisms for auctions and proper documentation, will ensure a balanced land market model that meets Ukraine's strategic interests.

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