

## LAND ADMINISTRATION IN CENTRAL EUROPE AFTER TEN YEARS OF MARKET ECONOMY



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### Preface

*Although the level of development of land administration in individual Central European countries differs considerably, the legacy of the communist system of central planning left behind some common serious difficulties such as lack of reliable land registry and cadastre data, poor institutional framework and insufficient ICT infrastructure. Reforms of the Central European land administration systems are thus a major priority. Growing understanding of the crucial role of land administration for economic development and for European integration is reflected in national programs and numerous projects supported by the European Union.*

*However, the implementation of these reforms is a long and expensive process. The attempts in the region to improve land administration services have been severely hampered by state budgets. Moreover, the national land administration authorities must reconsider their plans to meet the goals of the pre-accession strategy.*

*Development of appropriate land administration services and systems in Central Europe is a challenging problem. Professor Theo Bogaerts has successfully devoted huge amounts of his time to this problem as a researcher and teacher.*

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## **INTRODUCTION**

Far reaching changes in the political and economic systems, which took place in Poland and the neighbouring countries of Central Europe in the past decade, revealed the importance of land administration for the development of market economy. Registration and dissemination of land information, included into land administration and realized within cadastral systems, determined progress of privatization and reprivatization and influenced functioning of the land property market. Therefore, in each of these countries programs of modernization and improvement of land administration were assumed and to a possible degree implemented. For this purpose, foreign assistance was used, originating mostly from the European Union.

The experience gained in the process made it possible to consider the land administration in a broader context of transformations taking place in Central European countries.

## **POLITICAL, SOCIAL AND ECONOMIC ASPECTS OF LAND ADMINISTRATION**

There is no question that the role of land administration is not limited to the restructuring of economy alone. In the Central European countries, economic reforms are strongly connected with political goals and social effects. These countries thus have to strive for a balanced development in political, social and economic sphere.

Development in the political sphere takes place through improvement of democratic structures of power and their functioning, as well as through molding proper political attitudes. Social development is aimed at restoring civil society, in which individual persons, families and groups of people take advantage of freedoms and take actions which bring sense to human life. An additional short term goal is to alleviate social costs of the transformation, born mostly by those, who, due to various reasons, have particular difficulties in adopting to new conditions. In this context, the role of the economy is to provide decent conditions for the functioning of the state and for the existence of civil society.

Land administration serves each of these spheres. This becomes evident when we divide the tasks of the land administration into five groups related respectively to:

- land and property ownership,
- land and property value,

- land and property taxes,
- land and property use,
- land and property protection with respect to the environment and cultural heritage.

With respect to *ownership*, these tasks result from the political system and reflect the Constitution and other Laws. Assurance of ownership security of land, buildings and apartments is equally important from the economic and social point of view. Insecurity in this respect is highly detrimental, making inflow of capital difficult, hampering development of enterprise, increasing unemployment and having a negative impact on social climate. Controversial privatization and reprivatization processes are often combined with the need to perform long lasting and detailed ownership research in a historic perspective. Hence, legal and technical cadastral actions in the transformation period have a significant impact on the political situation and social emotions related to these processes.

Contrary to what might seem, the tasks referring to land and property *value* are not restricted to the economic sphere, but they have their political and social overtones, particularly when the state property and its management adjoin private local and foreign sectors.

Land administration serves land and property *tax* system, which is undoubtedly important for all three above mentioned spheres. This tax is generally used to support local government and thus it contributes to create conditions for development of democracy at a local level and to promote civil society. Information about land property, its ownership and use, should make it possible to impose socially acceptable taxes.

Another task of land administration is providing information on land and property *use* to the extent necessary for spatial planning and rural development. In order to assess the environmental impact of the effects of spatial planning and specific land management projects, also land information referring to the *protection* of environment and cultural heritage should be provided.

## **CONSEQUENCES OF THE INTEGRATION PROCESS WITH THE EUROPEAN UNION**

After the period of difficult and socially painful transformation, aimed at introduction of market economy and strengthening of democracy, the time has come for further deep reforms leading to integration of Central European countries with the European Union. In this connection, the tasks of land administration are also growing.

The most important task in every country concerned is to establish an Integrated Administration and Control System, which serves implementation of direct aid to farmers. This system covers spatial and descriptive data, which make possible subsidies to crop and livestock production. Verification of data referring to crops and agricultural parcels requires the use of technologies specific for land administration, and also the use of existing cadastral databases. Hence, this is a system included in a broadly conceived land administration.

New tasks are also connected with the policy of individual countries in the area of land purchase by foreigners and in the field of environmental protection.

## **DIFFICULTIES IN REFORMING LAND ADMINISTRATION**

In every Central European country intensive works were undertaken to improve and modernize land administration systems in the form of cadastral systems and land information systems. From the point of view of the final user, the results are not, generally speaking, satisfactory. He is still an inquirer in numerous departments wasting too much time to settle his matters, while he wants to be served fast and well, and he is not interested in partial improvements in procedures, techniques and databases, but in the final effect.

When we agree with the opinion that the results achieved do not meet our expectations, we may put forward a question about the reasons of such a state of affairs. As it seems, there are two kinds of reasons of crucial importance:

- historical, determining the scale and extent of difficulties of these tasks,
- economic, determining feasibility of these tasks.

In Central Europe it is difficult to understand the present without learning about the past, particularly the relatively recent past. The 50 years period, which began with the Second World War, brought about a cadastral chaos in

this part of Europe, resulting from massive, improperly registered changes in cadastral subjects (owners) and objects (parcels and buildings). Let us take the example of Poland, the biggest country in the region, bigger than Hungary, the Czech Republic and Slovakia combined. Hitler and Stalin, first as friends and then as enemies, were unanimous in their actions to subjugate the Poles through extermination, displacements and purposeful destruction of national property, including real property e.g. in Warszawa, Gdansk and Wroclaw. After the war, the Allies left Poland, their faithful ally, on the other side of the iron curtain in the sphere of interests of the Eastern totalitarianism. This determined creation in the whole territory of Poland of a new cadastre, called *evidencja gruntow*. It was a great job, unfortunately imposed by political orientation, i.e. without proper defining of the ownership status.

Economic reasons of the difficulties do not require long explanations. The need to reform the land administration is generally recognized in every Central European country. For instance, the Prime Minister in Poland appointed a special task force to co-ordinate works referring to the development of multipurpose cadastre being established by three ministries. The problem is that these are not the only priority tasks to be taken care of by the state budget. Shortage of funds is thus of crucial importance, the more so that at stake are important amounts expressed in hundreds of millions or even billions Euro, depending on the size of the country and its needs.

Moreover, introduction of other reforms in the political and economic systems create additional difficulties. This refers in particular to the interdependence of the reform of land administration and the general reform of central and local government administration. Consequences of this interdependence are visible in Slovakia and Poland.

On the other hand, there is no shortage, in general, of qualified technical and administrative staff. Also, no significant difficulties were noticed with implementation of new information and data acquisition technology.

## INTERNATIONAL CO-OPERATION

Central European countries took advantage of foreign assistance in the field of land administration reforms. The scope of this assistance, provided mostly within the PHARE program of the European Union, is highly differentiated in individual countries, e.g. it is relatively important in Hungary and not large in Poland. The results achieved were positive, as a rule, and controversial in few cases.

The programs were successful when both the party providing assistance and the beneficiary party were represented by decision makers and experts who:

- had the will of partnership co-operation,
- pursued the goal of success for the good of the beneficiary,
- had proper professional background and experience,
- knew administrative procedures and legal regulations binding the partners,
- were impartial and objective in tender procedures and in supervision of the companies executing the tasks entrusted.

As usual, of decisive importance were people, their expertise and engagement. At this occasion, it is proper to mention those whose assistance was of particular value.

In the recent years, professor Theo Bogaerts was deeply devoted to the problems of improvement and modernization of cadastre systems in the Central European countries. He developed and practically implemented in these countries his own approach to the description and analysis of the existing situation, to defining the needs and to planning priority undertakings. An important feature of this approach was skilful co-operation with the authorities and experts of a given country and common search for rational solutions.

These problems were also dealt with by professor Peter Dale, who was, among others, in charge of an expert team in the field of land administration, acting under the auspices of the UN Economic Commission for Europe. This team developed widely known and recognized *Land Administration Guidelines*, taking into account the needs of the countries in transition.

## CONCLUSION

In the past decade, Central European countries made a significant progress in the field of improvement and modernization of their land administration systems. When assessing the results achieved, it should be remembered, in how bad shape these systems were ten years ago, how much had to be urgently done and with how modest means.