

NEW MODEL OF LAND CONSOLIDATION AND RURAL DEVELOPMENT IN SERBIA

Vladan Đokić, Stevan Marošan

Land consolidation is a set of spatial-planning, legal, organizational, economic and technical measures undertaken for the purpose of improving natural, economic and ecological living and labour conditions in a land territory. Land consolidation, also, encompasses planning and renewal of rural settlements and accordingly, is a strong driving force for overall development of settlements (rural development) and environmental protection. This paper is primarily based on the observation of conditions and effects of the new model for land consolidation and rural development in Serbia, according to the proposed Land Consolidation Strategy and Pilot Project for Land Consolidation for the municipality of Velika Moštanica.

Key words: Land Consolidation, Rural Development, Land Consolidation Strategy

INTRODUCTION

Unlike other countries in transition, Serbia has a long tradition in land consolidation. The main aim of this activity has mostly been estate consolidation. The first consolidations were done at the territory of today's Vojvodina as early as 1848 under the laws of the Austro-Hungarian Empire. Works on land consolidation in central Serbia started only after World War II for the first time. Long after 1945 it was considered that land consolidation is a capitalist measure that leads to the strengthening of private property. In order to prevent further parcel fragmentation, however, land consolidation began to be implemented in 1956. The initiators of this consolidation were large farms in the social sector and its aim was the grouping of socially-owned land.

It was only in 1974, when the Law regulating land consolidation works was adopted, that consolidation began to be implemented in the wider territory of Serbia. In this period, it was mostly compulsory consolidation that was being implemented in Serbia. Consolidation works were completely suspended in 1998, because the price of works was several times higher than the price of land itself.

Apart from the fact that a lot has been done on compulsory consolidation, which is the most successful model for resolving the issue of

rural communities, the results were not satisfactory, primarily due to the fact that the emphasis of consolidation has exclusively been on increasing agricultural production and not on integrated rural development. Village life cannot improve if its citizens are exclusively involved in agriculture. Other economic and service activities must be developed, which will secure the creation of new jobs and the employment of workers in villages. Land consolidation is a very successful instrument that can be used for rural development and as such it should provide:

- improvement of rural living conditions and not only the improvement of primary agricultural production;
- renewal of villages by permanent economic and political development of the community and the protection and permanent management of natural resources;
- active and democratic participation;
- assistance to villages in order to define the new use of community resources and appropriate spatial rearrangement;
- connection between the elements of rural development and the elements of wider regional development including connections between rural and urban area.

By the 1991 Agriculture Land Restitution Law, all farming land that was taken away from the

private owners in the 1953 was returned. However this Law did not include the farming land taken between 1945 and 1953 and that is still in the possession of the Agricultural combines. Around 85% of the agricultural land that is in the possession of the agricultural combines is taken away by force from its rightful owners [1]. It is obvious that the private possession is still marginalized. The lack of Restitution Law is a clear sign that the private possession is still not welcome. This complicates and discredits the process of privatization that seems endless.

The general starting point and precondition for successful land consolidation in Serbia is the creation of the Restitution Law i.e. the return of land and real estates that was forcibly taken from the rightful owners in the nationalization process to them or their inheritors. The necessary condition for the existence of the legally arranged estate market is, above all, clearly defined possession rights and real estate information administrating [2]. The investor, at one side, has to be sure that the land and buildings upon it fully belong to the seller, while at the other side, has to be certain that he will be able to prove his possession on the bought estate. This kind of certainty can be secured only by the government's accurate real estate records.

LAND CONSOLIDATION STRATEGY

The Land Consolidation Strategy in the Republic of Serbia has been prepared for proposal to the Government adoption. In accordance with the Rural Development Strategy of Serbia and the Agricultural Land Act, basic objectives of the new land consolidation policy, is to identify priorities of the land consolidation development and approve the programme on establishment of appropriate instruments that shall provide implementation of key priorities in regulating, protection and use of agricultural land in Serbia. The basic premise of identifying objectives, priorities and appropriate instruments is based on political determination of the country to carry out rational harmonization of the rural development and improvement of the quality of life in rural areas [3].

The land consolidation strategy is based on five basic principles established at the beginning of preparation of this document, and they are as follows:

- applicability;
- flexibility;
- economic feasibility;
- continuity principle in rural development;
- harmonization principle.

The first principle defined as the most important for Land Consolidation Strategy is the principle of *applicability*, which actually means that if the principle of the Strategy, no matter how good it has been theoretically made, is not possible for implementation through the land consolidation process in practice in a real period, it can not be adopted as a strategic document of the Ministry of Agriculture, Forestry and Water Management. Bearing in mind all relevant acts and planned reforms that may influence the strategy application, and their schedule, as well as budgetary restrictions and other factors, the Project in cooperation with the Ministry has defined this principle of applicability as the first and basic principle for the Land Consolidation Strategy preparation.

The *flexibility* principle implies a certain "elasticity" degree, meaning that the Strategy solutions may be defined in a broader sense so as to cover specific cases occurring in

practice, and to a certain extent to be adaptable to new measures and conditions specified by state institutions. It is particularly important since the mere strategic approach, in its essence, implies a long-term perception of process and changes appearing in the coming period. This principle is necessarily accompanied by recommendations for simplifications of procedures and legal framework.

The *economic feasibility* principle is always one of the key issues, particularly in countries in transition that are going through significant system reforms that are often being followed by restricted financial resources from their budgets. Considering this aspect, more models should be developed, if possible, and the economic feasibility of the land consolidation process should be provided.

The *continuity principle in rural development* is based on a good and comprehensive (integral) planning and on development process analysis as well. It is of great importance to adjust planned reforms with the existing state in rural areas and accessible funds for realization of continuous rural development. This principle might be defined in a broader sense as the sustainable development principle.

The *harmonization principle* implies coordination of institutions' activities and harmonization of legal reforms in various sectors. It is important to have synchronized and transparent activities performed by institutions, to bring into accord new legal solutions and strategies through regular intra-sector consultations and periodic interventions.

The general objective of the Strategy is to develop the concept of initiation and realization of the land consolidation process at national level in the new conditions.

Individual objectives of the Strategy are:

- the Strategy should identify and define more models that are applicable;
- defining and adjustment of legal and organizational measures as necessary requirements for applying the land consolidation model;
- defining of entities in the land consolidation process and establishment of the responsibility principle;

- defining long-term and short-term priorities and realization schedule in the land consolidation process;
- planning the financial resources and their allocation.

Three consolidation models that are most appropriate for our conditions and needs will be considered within this Strategy [4]. These consolidation models are based on the abovementioned contemporary principles of land consolidation:

- Comprehensive compulsory consolidation;
- Consolidation as part of an investment project;
- Simple voluntary consolidation.

Comprehensive consolidation is the most efficient consolidation model. Apart from compulsory land grouping, comprehensive consolidation includes simultaneous performance of other activities regarding the arrangement of land territory and rural renewal in order to create better conditions of living and working in villages and rural territories. This may include, among other things, the building of local infrastructure, sports grounds, public buildings, the renewal of cultural and historical values, pathways, the construction of irrigation systems, the prevention of land erosion, the protection and improvement of the environment, the creation of protective forest strips, etc.

Consolidation as part of an investment project, as consolidation model, is applied when large infrastructural projects are realized (highway, railroad, drainage systems etc.), the construction of which disintegrates the cadastre municipality area.

Simple voluntary land consolidation involves implementation of joint activities based on mutual agreement between landowners, without any mandatory element. Since application of this model is characterized by absolute free will, all land consolidation participants should completely accept the terms defined within the proposed program or land consolidation project. Project of simple voluntary land consolidation basically consists of lesser scope activities in optimization of cadastre municipality parts by grouping or exchanging agricultural land. It may, however,

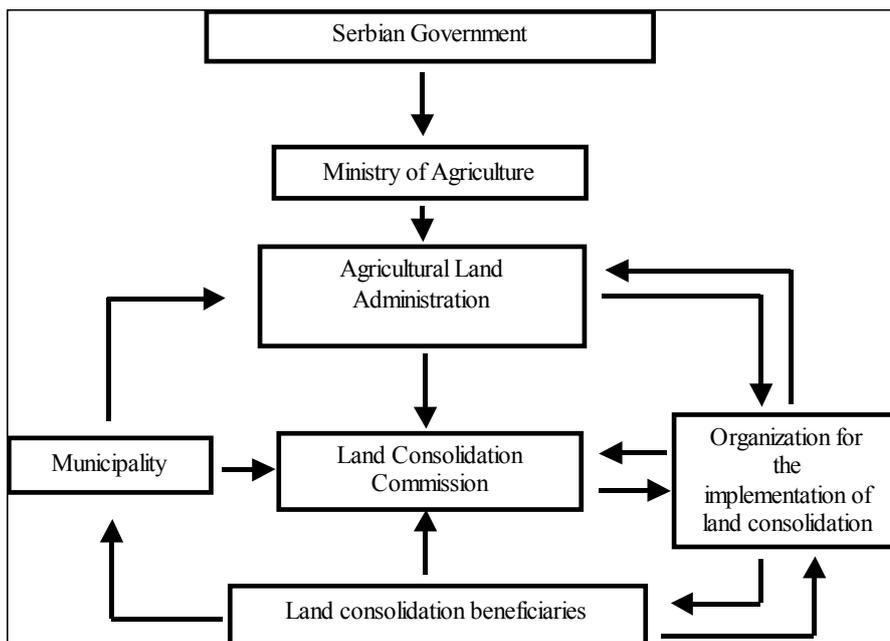


Figure 1: Organizational chart of land consolidation

consists activities of rehabilitation or construction of rural infrastructure also.

Which of these three models will be applied in a specific situation depends on the given requirements and restrictions. For each of these models to be successfully implemented it is necessary that it is based on the new concept that involves a comprehensive and multidisciplinary approach and the fusion of elements of agricultural development and rural development. Development plans on the local level and plans for the use of land should serve as a basis for land consolidation. Consolidation should and must provide that a democratic principle is applied regarding the participation of all stakeholders. It must be ruled by mutual interests. The basic elements of a new concept for proposed land consolidation models in Serbia should be:

- distribution of responsibilities;
- beneficiaries' participation;
- land consolidation as the sale and purchase of land;
- connecting land consolidation with rural development;
- connecting land consolidation with restitution and privatization;
- connecting land consolidation with land registration.

In order to successfully implement land consolidation it is very important to establish division of responsibilities between

participants [5]. Very important for implementation process is the question - who will have full responsibility for land consolidation. In the Strategy for Land Consolidation in the Republic of Serbia, it is recommended that full legal responsibility and leading role should have Agriculture Land Administration (organization formed by the Ministry of agriculture, forestry and water management). The following scheme presents the proposal of organization between key participants, from republic level, local level, beneficiaries and organization for land consolidation implementation.

Recognizing key elements of a new land consolidation concept, each consolidation model should be comprised of four phases (Figure 2):

- preparatory phase;
- decision-making phase;
- negotiations and planning phase;
- implementation phase.

In the preparatory phase, apart from providing information to rural population and analysis of all the challenges rural community is faced with, a decision should be made whether land consolidation is an adequate response or if some other measures for the improvement of the environment concerned need to be taken.

The negotiations and planning phase represents the most important phase after the

decision on commencing the land consolidation activities. In this phase negotiations should be held with every single owner and a temporary parcel reallocation and other required plans should be a result of iterative procedure. This phase is closed after a decision on a new land reallocation passed by the land consolidation commission.

In the implementation phase, new holding should be physically handed over to those taking part in land consolidation and its new status should be registered in the real property cadastre.

It is hard to estimate the exact amount of time needed to carry out land consolidation on the whole territory of Republic of Serbia. It would depend on many factors, primarily on the willingness of the state to actively enter the process. This willingness of the state should be reflected through the eagerness to make changes in financial, legal and organizational framework of the land consolidation process [6]. In the means of the financial setting, bigger investments in the consolidation process are required; legal part should be pointed towards the reduction and simplification of the procedures in conduction and implementation of the consolidation process; as for the organizational framework, it should be focused on the simplification of the organizational structure of the consolidation process participants. Moreover, the land consolidation process should be perceived as a very complex continual process that is being permanently carried out and that is supposed to be realized in several temporally independent cycles, depending on the needs and capabilities of all participants in the process.

LAND CONSOLIDATION PILOT PROJECT IN SERBIA

A Belgrade suburban settlement of Velika Moštanica was chosen for the Land consolidation pilot project. The reason to choose this particular place lays in the fact that here we can find number of problems that are evident in the rest of the country, starting from undefined property affairs and small estates up to lack of interest of the local community to completely dedicate to farming and their

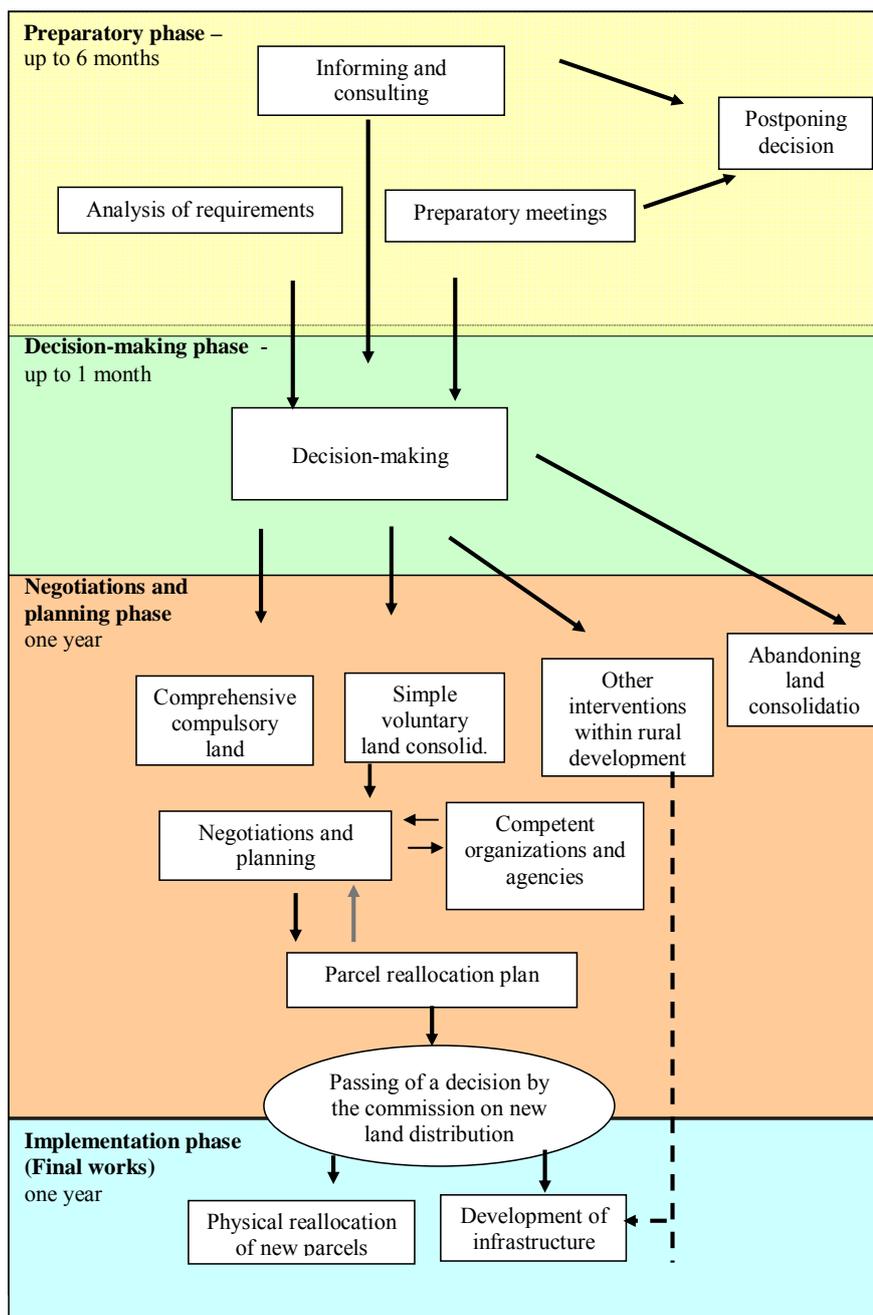


Figure 2: Phases of land consolidation activities

occasional activation in other economic branches.

The aims of this pilot project can be sorted in several categories: first, it is a way to test various approaches that could be used in the future projects and implemented through long-term programs; second, knowledge and experience gained through the pilot project should give the information for the development of the legal acts of land consolidation needed for the long-term

programs; third, this is the way to gain experience in the modern approaches to land consolidation that could be used as successful model to other communities; and final, some of the problems, that we were unaware of before the realization of this pilot, could be detected through the process itself and used as an input in the future projects [7].

As a part of Land Consolidation Pilot Project for the municipality of Velika Moštanica, a Community Development Plan was made in

order to provide people of Velika Moštanica, besides the benefits in the land consolidation process, other conveniences that would improve the development of the community. In this way, such preconditions should be created so that the land consolidation process could initiate the overall development of the site in terms of: building capacity, new facilities, traffic, infrastructure, leisure and other activities.

The basis for the creation of the Community Development Plan of Velika Moštanica were current planning acts (General Master plan of Belgrade and Detailed Urban Plan of Velika Moštanica), as well as the actual needs of the local community expressed through numerous meetings and discussions.

The making of Community Development Plan of Velika Moštanica went through two different phases: 1) the phase of identifying the existing condition, showing the basic characteristics of the current way of space employment; 2) the phase of creating of the intervention plan in which certain changes, that would help improve the life quality in the area, were proposed.

The Development Plan for Velika Moštanica recommends the changes in two different timeframes:

- short-term changes in the land employment, based on the 5-year timeframe;
- long-term changes in the community development, based on the 20-year timeframe.

As a part of the short-term changes in the land employment, the following development suggestions were given:

- Extension of the road from Velika Moštanica to Ostružnica;
- The existing road connection for the people of Velika Moštanica to Belgrade is inadequate; they have to use the Ibarska Magistrala motorway, which is quite a detour, or very damaged road over Sremčica; the proposed solution suggests the extension of the road from Velika Moštanica to Ostružnica, that would enable the people of Velika Moštanica to significantly shorten their journey to Belgrade, connecting the community

directly to Obrenovac motorway and through it to Belgrade highway or the other bank of River Sava, over the Ostružnica bridge.

- Expansion of the residential area;
- Current residential area of Velika Moštanica lays adjacent to the main road, starting from the Ibarska Magistrala motorway all the way to cemetery and Sremčica intersection; the solution proposes expansion of the residential area both to the left and right of the existing linear structure, which would provide quality dwelling on slightly sloped terrain and far enough from the main street.
- Expansion of the commercial zone;
- The only commercial zone that is emerging is in the area near Ibarska Magistrala motorway, but its potentials are not completely used, so the Project suggests the extension of this zone aside the motorway, considering the high frequency of the traffic on it.
- Forming of the new zone with sport and leisure facilities,
- There is no sport/leisure center in Velika Moštanica, so the area in the north, that used to be cultivated by Agricultural Combine of Belgrade, is proposed as a zone with sport/leisure facilities enabling the fulfillment of the needs of the local community.
- Change of the cultivated agricultural sorts;
- There are lot of different sorts of agricultural crops grown in this area, with no organized system; the plan is to redirect part of them towards the organized fruit production.
- Changing the usage of the land in government possession for the purposes of the land consolidation;
- High-quality government owned land in the north-western part of Velika Moštanica is not used adequately and could be used for the purposes of the land consolidation process; the proposal is to use this land as a part of the land consolidation process and thus meet the various needs of the individual farmers and land owners in the area.

A simple, voluntary land consolidation considers the implementation of the common activities based on mutual contract among the land owners, without any compulsory elements. Since the absolute voluntariness characterizes the application of this model, all participants in the land consolidation process should completely accept the conditions

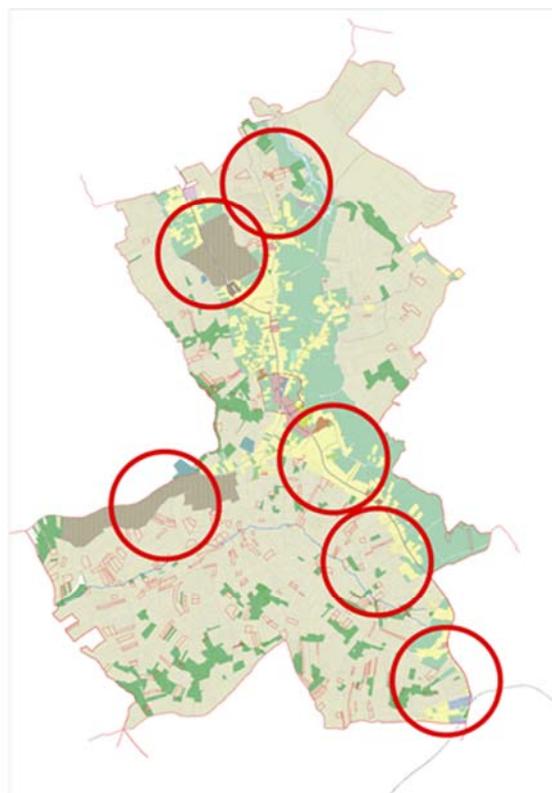


Figure 3: Proposed areas for immediate changes to land use

defined in the proposed program or consolidation project. The project of simple, voluntary consolidation essentially comprises low profile activities on optimizing the parts of the cadastre municipality through grouping or substitution of agricultural land, but also can comprise the activities intended to rehabilitate or create village infrastructure.

According to clause Nr.48 of the Agriculture Land Law, the local government decides upon the beginning of the process of voluntary grouping of farming land after the proposal of at least ten land owners or after finding that there are justifiable causes [8].

However, in order to meet the conditions to realize simple, voluntary consolidation, it is necessary, according to authorization from the Agriculture Land Law and in the process of creating legal acts by Ministry of Agriculture, Forestry and Water Management, to especially formulate the regulations that precisely define this model of consolidation. The legal acts have to precisely develop the model that will secure the application of the simple, voluntary consolidation. Further on, the procedures and conditions for beginning the process of the

voluntary consolidation must be defined precisely, together with the decision making mechanisms, levels of responsibility and the land consolidation phases.

This model of land consolidation is usually realized on a limited area. In order to achieve the best possible effects of the consolidation, it is also necessary to include the public land into the process of exchange. It is also advisable, in order to create bigger agricultural areas, for the government to buy land and form the land banks before the beginning of the consolidation process. This issue has to be legally regulated [9].

The land banks and land funds showed as a very successful instrument in solving the problems in the land consolidation process in the Western Europe [10]. The land banks represent all land that is government owned and that is used for farm enlargement in the consolidation process and that is lent or sold to farmers. Besides enabling the farm enlargement, land banks are also used to regulate the land market.

The Republic of Serbia, according to the latest data, owns approximately 1,070,000 ha of

agricultural land (this figure is sure to be lowered once the Restitution Law is published). All this land could be used in the consolidation process, but the regulations of the Agriculture Land Law are disabling it. According to Agriculture Land Law the agricultural land in the governmental possession cannot be sold. It also cannot be leased in the land consolidation process in the way it is done in the Western Europe, but only through the public tendering (regulated by the articles 64 and 65 of the Agriculture Land Law). Furthermore, the Law does not regulate the possibility of buying the land from the private owners by the state in order to form new land banks that would be used in the land consolidation process as was described earlier. Dealing with this problem requires urgent change in the Agriculture Land Law.

of fruit as the primary culture is far more beneficial (it is better according to all criteria, except the condition of infrastructure criteria and demographic growth criteria, according to which both scenarios are equal) to the general development of Velika Moštanica.

Based on the proposed sort and long-term changes, the final proposition of the Development Plan of Velika Moštanica was made; it predicts, aside from the benefits of the land consolidation, vast possibilities for improvement of life quality for local population.

Experience that we got during realization of the Pilot Project of Simple Voluntary Land Consolidation in the cadastral municipality Velika Moštanica, showed that implementation of this model should follow next steps:



Figure 4: Proposals for immediate changes of land use: a) current land use b) proposed changes

Regarding the possibility for long-term development of the community, two different scenarios were considered: 1) the current development trend based scenario according to which Velika Moštanica would continue to expand on the basis of the current range of agricultural production characterized by various cultures; 2) scenario based on the production of fruit as the primary culture.

Both scenarios were analyzed and valued according to the following criteria:

- terrain morphology;
- farmer's background;
- land parcel size;
- condition of infrastructure;
- demographic growth;
- economic effects;
- land consolidation effects.

According to the proposed criteria, it turned out that the scenario based on the production

- Preliminary research – Need assessment and possibilities of potential participants in land consolidation, as well as assessment of social, economic and environment possibilities of selected community, assessment of present state of cadastral data.
- Organizing workshops – Informing inhabitants in local community and motivating them for participation in land consolidation through presentations and discussions.
- Organizing survey – Collection of necessary information regarding farmers, land consolidation participants as well as their land. For this survey we used special questionnaire.
- Preparation of Plan 1 – Preparing list of all participants for land consolidation and identification of their parcels on the

cadastral plan, on the basis of the implemented survey.

- Public meeting with land consolidation participants – Establishing Committee for land consolidation and informing them on the next activities in the land consolidation realization.
- Negotiation with every participant in land consolidation – Detailed discussion and collection of information and wishes of participants in land consolidation.
- Preparing map of wishes for land consolidation participants
- Preparing plan of land consolidation – It is formed on the basis of map of wishes of all participants in land consolidation and on the realistic possibilities of consolidation.
- Preparation of contracts for all agreed transactions.
- Legalization of all agreed transactions from the Commission for land consolidation.

The voluntary land consolidation should come to conclusion that the land consolidation process is not an aim to itself, and that it can be used in different ways in different regions. The voluntary consolidation, protecting both public and private interests, should support the land consolidation in general and rural development, should lead towards the improvement of the financial and social conditions of farmers and others in the rural communities, as well as to improve and protect the environment [11].

The pilot project pointed to the possibility and the need of the common view and harmonizing the process of land consolidation and The Planning and Building Law. According to The Planning and Building Law for the rural settlements, the creation of the General Regulation Plan and the General Organization Plan is planned and could be used as a base for the Community Development Plan [12]. According to the nature of the above mentioned plans, certain elements of those documents can be used in the land consolidation process. That way, the connection between the land consolidation process and legal planning procedure would be made, and thus help the institutionalizing of the Community Development Plan.

CONCLUSION

The aim of the creation of the National Land Consolidation Strategy is, above all, enabling the new, simpler models of the consolidation, as well as organizational and technical improvement of the existing model [13]. At one side, the National Strategy should cherish the positive values of the previous consolidations in Serbia, with the additional improvement of the existing model by integration of the international experience and best practices, but also by respecting the previous experience and proposals of the Serbian professionals. At the other side, the National Strategy tends to involve completely new models of land consolidation, unknown and unfamiliar before, into practice. It seems that the way it all has been done is the proper one, considering the conscious rejection of the models that were unknown to the professionals in Serbia, but only improvement of the existing model and suggesting new ones. This way, the preconditions are created for Serbia to develop a very flexible backdrop for the realization of the land consolidation process, as a kind of a warranty that the land consolidation will not, as it has happened before, be stopped due to the circumstances that are not directly connected to the existing consolidation model or the land consolidation process itself.

The rural development and community area development plan should be treated integrally with the rural area arrangement, which presents the main resource of rural settlements [14]. It is particularly important due to expected changes in the rural economic structure and development of non-agricultural activities, bearing in mind that the village agricultural potential must not be imperiled. For this reason, it is necessary to:

- give priority to land consolidation and grouping-up of family households which are permanently focused to agricultural production;
- adjust production structure to market requirements, natural conditions, labour potentials in a rural area, available machinery, etc;
- protect agricultural land from negative impact of other economic and non-economic activities, which shall develop in rural areas;

- develop new activities (cultural, utility, recreational, social, etc.) and raise standard in village.

There is a strong connection between the rural and agricultural policies, and therefore achieving the policy objectives in one field shall depend to great extent on success in the other. Actually, as much as successful agricultural sector contributes to the rural area development through local income and expenditures and creation of employment possibilities, so the rural economy shall successfully provide employment for labour surplus in agriculture.

With existing average holding size in Serbia of 2.7 hectares, only small number of them has prerequisites to be competitive. Creation of commercial households' structure meeting the modern market-economy requirements is imposed as a strategic objective priority. All possibilities leading to grouping up of family commercial holdings, particularly creation of the land consolidation program, must be stimulated by the agrarian policy measures.

Land consolidation is important instrument for agriculture and rural development of every country [15]. For Serbia, and other transition countries, it has even bigger importance, because it represents part of the political, economic and social reconstruction. Pilot Project (Support to the preparation of a national land consolidation strategy and a land consolidation pilot project in Serbia), helped Serbia in developing new institutional and legal framework and starting a new phase of land consolidation. This was the first step and recently established institution Agricultural Land Administration will overtake a leading role in this reform process. The new initiative of Belgrade University to develop the Master Course in Land Law and Economy will also have an impact on the process of land consolidation.

References

- [1] Strategija razvoja poljoprivrede Srbije, "Službeni glasnik RS", br. 78/2005-3, 2005.
- [2] Leitmann, J. (1999). *Sustaining Cities, Environmental Planning and Management in Urban Design*. New York, McGraw-Hill.
- [3] (2007). *Support to the preparation of a national land consolidation strategy and a land*

consolidation pilot project in Serbia, TCP/YUG/3001, Food and Agriculture Organization of the United Nations, Rome.

- [4] Haldrup N., Andersen N., Kallert E. (2003). *Land Consolidation and Land Tenure Assessment Mission Republic of Serbia*, Pre-Feasibility Study, Food and Agriculture Organization of the United Nations.
- [5] FAO Land Tenure Studies 6, (2003). *The design of land consolidation pilot projects in Central and Eastern Europe*, Food and Agriculture Organization of the United Nations, Rome.
- [6] White, R. (1994). *Urban Environmental Management, Environmental Change and Urban Design*. Chichester, John Wiley and Sons.
- [7] (2007). *Land Consolidation Pilot project for the municipality of Velika Mostanica*, Serbia, Food and Agriculture Organization of the United Nations.
- [8] Zakon o poljoprivrednom zemljištu, "Službeni glasnik RS", broj 62/2006.
- [9] Bryant, C.R., Russwurm, L.H., McLellan, A.G. (1982). *The City's Countryside, Land and its Management in the Rural – Urban Fringe*, London, Longman.
- [10] Sorensen, A., Marcotullio, P., Grant, J. (ed.) (2004). *Towards Sustainable Cities, East Asian North American and European Perspectives on Managing Urban Regions*, Burlington, Ashgate.
- [11] Ball, M., Bentivegna, V., Edwards, M., Folin, M. (ed.) (1985) *Land, Rent, Housing and Urban Planning, a European Perspective*, London, Croom Helm.
- [12] Zakon o planiranju i izgradnji, "Službeni glasnik RS", br. 47/2003, 34/2006.
- [13] (2007) *Strategija komasacije u Republici Srbiji, nacrt*, Ministarstvo poljoprivrede, šumarstva i vodoprivrede.
- [14] Whitehand, J.W.R. (ed.) (1981). *The Urban Landscape: Historical Development and Management, Papers by M.R.G. Conzen*, London, Academic Press.
- [15] Bishop, K., Phillips, A. (ed.) (2004). *Countryside Planning, New Approaches to Management and Conservations*, London, Earthscan.