



CORRUPTION RISKS AND MITIGATION MEASURES IN LAND RELATIONS IN UKRAINE

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Corruption in land relations is an external negative factor that destroys the system of fair land use and leads to:

- violation of the rights and legitimate interests of land users and landowners, especially the poorest and most vulnerable;
- loss of state and communal lands;
- reduction of revenues to state and local budgets, which negatively affects the welfare of the entire population.

Rural people - peasants suffer the most from corruption abuses.

They have neither the financial, nor the institutional, nor the technical ability to resist a well-established corruption network, defend their rights and protect land ownership.

TYPES OF CORRUPTION ACTIVITIES IN THE AGRICULTURAL LAND USE

Illegal transmission of land plots in use:

- target purpose's change of land plot
- unauthorized occupation of state and communal lands property
- land grant under the free privatization procedure, incl. bogus applicants
- re-privatization
- using of land benefits for combat participants

Violation of the auctions procedure

- transmission of land rights bypassing the auction procedure
- conducting land auctions for the victory of the previously agreed participant
- entering of false information about the land lot in order to avoid of competitive auction procedure
- falsification of land trade's results by putting up a "sparring partner" for auction

Abuse through registration actions

- concluding of rent agreements with violations
- determination of the rent's rate for using lands of state and communal property
- registration of disputed land plots; sale of information about location of vacant land plots
- land's usage after the end of land lease agreement's term

Fraud

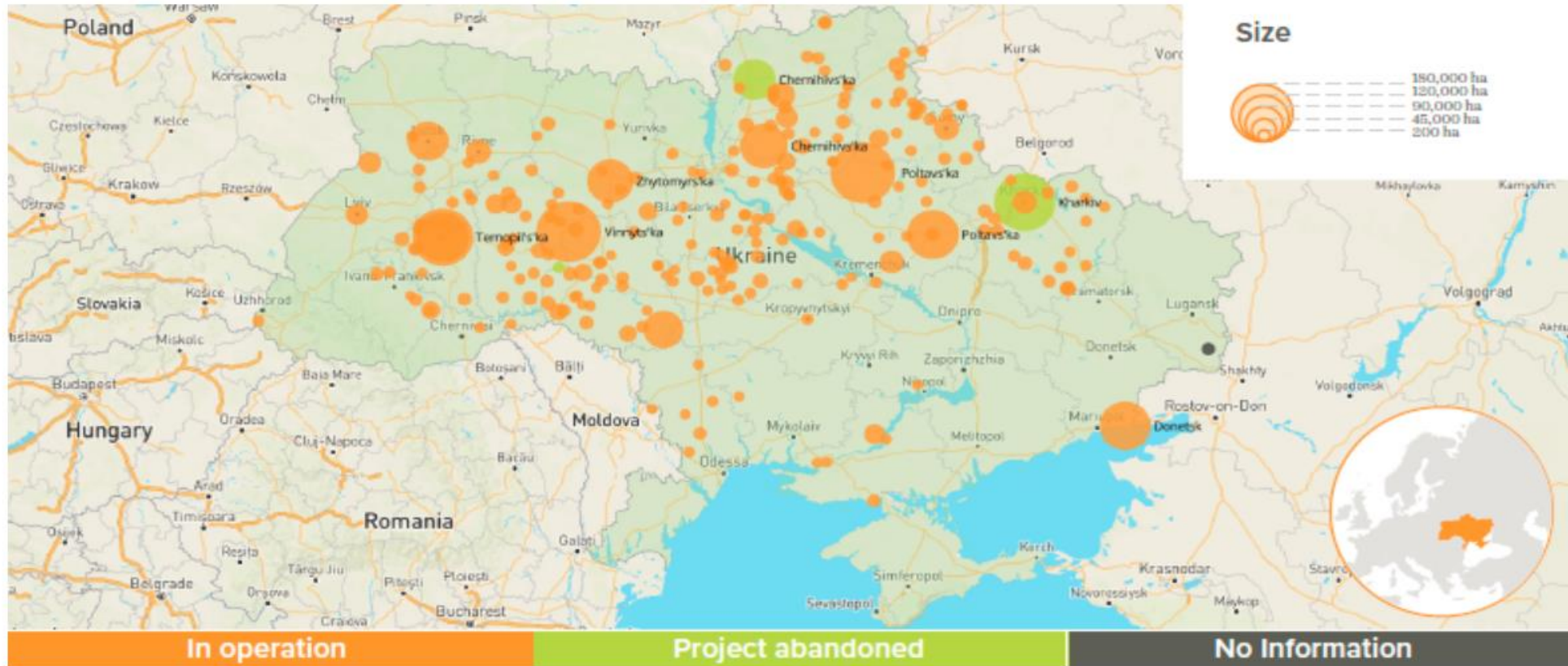
- misuse of power during the performance of controlling(supervisory) functions
- falsification of local government decisions about land plot's allotment
- falsification of soil survey results for alienation of especially valuable lands;
- shadow management of forestry purpose land and water objects
- destruction of land deeds in the cadastre archives

Source: summarized on the basis of "Land Corruption: Top 30 Corruption Risks and ways to overcome them ", NACP, 2021

THE MAIN RISKS / SOURCES OF THE CORRUPTION SCHEMES FORMATION IN LAND RELATIONS IN UKRAINE

- regulatory imperfection, sometimes a contradiction of legislative norms;
- absence of accurate information about communal property's land plots, about the concluded contracts;
- lack of complete information about lands in the State Land Cadastre;
- absence of transparent access to information on vacant land plots;
- discretionary powers of the State Geocadastre; Selective legislation's application at its own discretion within the limits of the law;
- the presence of duplicate licensing procedures;
- individual dishonesty of officials.

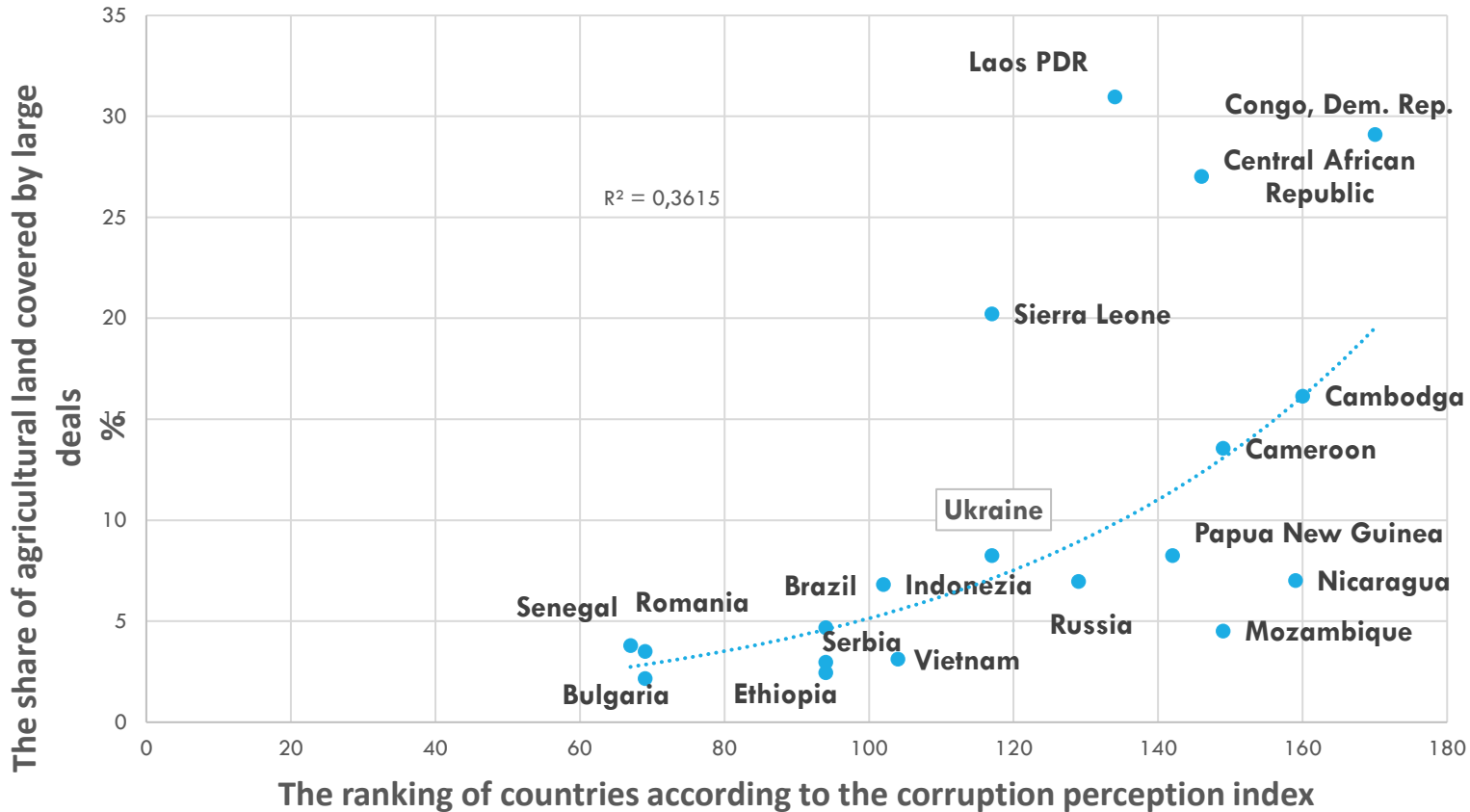
Land acquisitions in Ukraine, 2020



To be included in the Land Matrix global database, deals must meet the following criteria:

- Entail a transfer of rights to use, control, or ownership of land through sale, lease or concession;
- Have been initiated since the year 2000;
- Cover an area of 200 ha or more;
- Involve the change of land use (often from extensive or ecosystem service provision to commercial use).

THE CORRELATION BETWEEN CORRUPTION PERCEPTIONS INDEX AND LARGE-SCALE LAND DEALS



According to Land Matrix public database 255 land deals meet the international criteria of large deals in Ukraine

3.4 million hectares of land, which is more than 8% of the total area of agricultural land (according to expert estimates, its scale is twice the official data), are cultivated by about 200 companies.

Significant land concentration is indirect but indicative evidence of the use of corruption schemes in land relations

The results of the study show the statistical correlation between levels of corruption and the likelihood of large-scale land transactions.

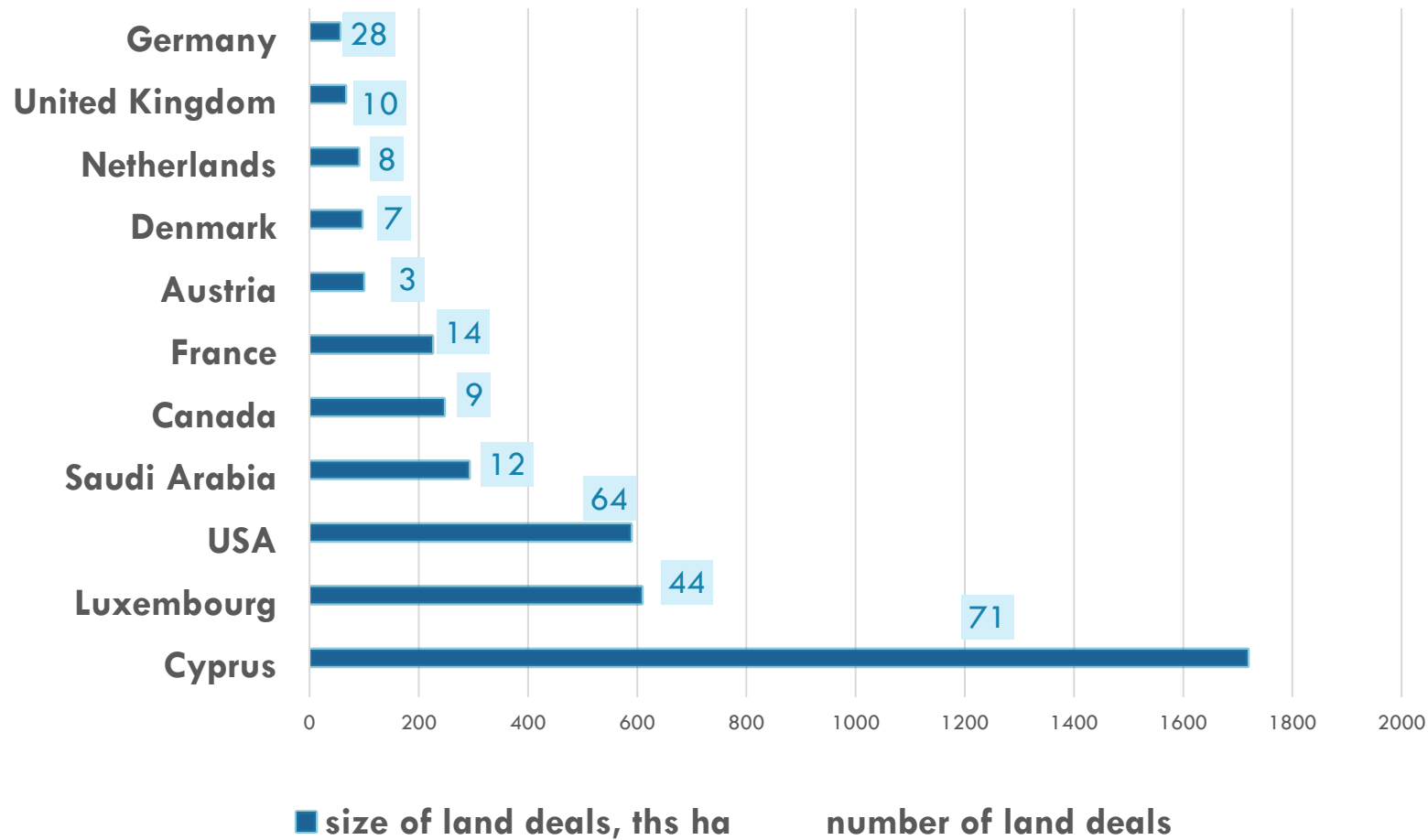
The results of the analysis of more than 50 countries show that:

a) in the countries that are in the first half of the ranking according to the corruption perception index, no large land transactions have been recorded;

b) in countries whose populations view corruption as an objective reality and perceive it as a mental feature, large-scale land deals cover high share of agricultural land.

The corruption schemes open up opportunities for shadow businesses and unscrupulous investors to grab land, monopolize power, and violate the rights of those who cannot resist the powerful land grab.

TRANSNATIONAL LAND INVESTMENT



25 countries invest in agricultural lands of Ukraine.

The average size of land deals ranges from 2.0 and 5.6 thousand hectares (investments from Germany and the United Kingdom) to 24.2 and 27.3 thousand hectares (investments from Cyprus and Canada).

INDIRECT EVIDENCE OF CORRUPTION SCHEMES IN LAND RELATIONS

- i) the number of large land transactions and the volume of agricultural land, which is concentrated in a limited number of users;
- ii) prevalence of investment flows from offshore areas;
- iii) the existence of a monopoly on the exercise of powers in the field of land relations - from the development of regulatory and technical documents, state standards, norms and rules, land management and land valuation to the organization and implementation of state supervision (control) and taking measures to prevent violations in the land sphere.

Anti-corruption initiatives and actions in land policy in the context of equitable spatial development and protection of human rights

1. Introduction of publicity mechanisms, transparency and information openness.

2. Highlighting the direction to counter the concentration of agricultural land use in the draft "Anti-Corruption Strategy 2021-2025".

3. Implementation of the Extractive Industries Transparency Initiative in the land relations.

4. Improving the conditions of the Open Government Partnership.

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