Demystifying Land Reform in Ukraine by Improving Public Awareness

Agriculture and Rural Development Support Project

Oleksandr Kaliberda

March 2017
History of the moratorium: effectively no farmland market since independence

• Most agricultural land was in state and collective ownership prior to 2001
  • Moratorium introduced as of January 1, 2002 for 4 years
  • Survived 8 extensions
  • Covers 90% of agricultural land in Ukraine (27 mln private + 10.5 mln ha state-owned)

Moratorium/absence of land market is currently the most important issue of agricultural policy in Ukraine

Agricultural Land in Ukraine (mln ha)

- Private under the moratorium: 27
- State-owned: 10.5
- Unclear legal status: 1.5
- Private (not subject to the moratorium): 4

- Total: 43.5 mln ha
What will Ukraine gain if the moratorium is lifted?

- Increased efficiency of land policy
- +30% increase in productivity
- +12% increase in GDP over 10 years
Private land owners: who are they?

- 60 years old
- 81.5% live in rural areas
- 60% female / 40% male
- Owning on average 4 ha
- 1 mln have passed away leaving ~ 1 mln ha uninherited
- 88% lease their land to farming enterprises
- For $40 per ha annually

Age of landowners:
- <35: 9%
- 36-49: 24%
- 50-65: 40%
- 66+: 27%
Attitude towards the moratorium

Should the sale of land be allowed?

Negative attitude rises over time

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes</th>
<th>No</th>
<th>Don’t know/uncertain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Attitude towards the moratorium

Do you support lifting moratorium?

- Support: 78%
- Don't support: 16%
- Don't know: 6%

Ukrainians want to sell land but don’t support lifting moratorium

Do you want to freely dispose your land?

- Rather support: 44%
- Rather don't support: 45%
- Don't know: 11%
Attitude towards the moratorium

General population
- Support: 63%
- Don't support: 19%
- Don't know: 18%

Farmers
- Support: 73%
- Don't support: 6%
- Don't know: 20%

Farmers are even more pessimistic
Main fears/risks

- All land will be bought by foreigners
- Rural areas will deteriorate
- Ownership will be concentrated in the hands of a handful of rich people
- Small farmers will be crowded out by big business
- Ukrainian producers will be crowded out by foreigners
- Don't know
- None
Are they informed?

- 80% have no or almost no information
- 41% know nothing about land reform
- 39% have superficial knowledge
- 13% have sufficient knowledge
- 4% have excellent knowledge
- 2% have good knowledge
- 1% don't know
Why awareness campaign is needed?

- 22% of population support lifting of the moratorium
- 80% know nothing or almost nothing about land reform
- 57% of aware respondents versus 18% of unaware support lifting the moratorium. Low level of awareness correlates with the level of negative attitude.
- 66% support lifting the moratorium if the question is formulated as "Would you like to have the right to freely buy and sell land?". Strong correlation between low level of support and poor awareness.
Main myths

• Land will be purchased from farmers at below true market value
• Foreigners will buy most of the land and will use it inefficiently
• Most land will be bought by large farming enterprises (agroholdings)
• The economy needs to be stabilized/Ukrainians need to get rich first
• Fields will be broken into smaller plots that can’t be farmed efficiently

• Two categories of opponents:
  – NEVER
  – NOT NOW
What can be done:

• Design the reform (market characteristics)
  – Safeguards are needed
  – Sequencing is important
  – Support to small (family) farms to get access to land (financing)
  – Land reform is not only about lifting the moratorium
    • decentralization and capacity to manage land at the local level,
    • land with unclear legal status,
    • permanent use by farmers – inherit or buy at beneficial terms,
    • state-owned land,
    • efficient transactions/simplify procedures

• Communicate effectively to all stakeholders
  – understanding
  – support

• Building trust is important
What do we propose

Land Reform Advocacy / Awareness Campaign

• **Theme:** Equal Rights to Land and Possibility to Exercise Them Ensure Economic Growth and Improve Wellbeing

• **Objectives:**
  – provide information support and advocate for moving land reforms forward
  – streamline land relations
  – build trust, prepare for open and transparent land market

• Broader context: **not only the moratorium**

• Campaign elements:
  – Lobbying/advocacy campaign
  – Awareness/trust-building campaign
Land Reform Advocacy & Awareness Raising Campaign

**Lobbying/advocacy campaign**
- Develop a neutral and credible platform for debate
- Engage best experts and reputable opinion leaders to elaborate, discuss and promote reforms
- Develop strong case for policy-makers to ensure understanding
- Ensure that the land reform process reflects the priorities of stakeholders, including SMEs
- Help policy-makers make sure that the reform:
  - is based on a thoroughly designed national framework
  - incorporates persuasive safeguards to address concerns of stakeholders

**Awareness-raising campaign**
- Build awareness of:
  - land reform
  - merits of open agricultural land market
  - land rights and instruments to protect land rights
- Build capacity of local populations/institutions to manage land, make informed decisions, protect land rights
- Empower leaders of communities to help them become trustful resource on land administration issues and rural development;
- Build trust for the upcoming reforms
- Help rural citizens be confident that the land market will be beneficial for them and communities.
Where do they get information

- Village mayor
- Local farmers
- Local deputies
- Relatives, friends
- Newspapers, magazines
- TV
- Radio
- Internet
- Ag Ministry
- Other
- None

[Bar chart showing sources of information by category, including general population, farmers, and land owners.]
Tools & channels

Communications

- TV, radio
- Publications in electronic and paper media
- Web-portal
- Social media
- Posters

Discussions

- Round tables
- Press conferences
- Training for journalists
- Briefings for activists (e.g. village mayors)
- Community-level discussion
Timeline of the campaign
Thank you!

35 Tarasa Shevchenka
Building 2 - 6th Floor
Kyiv, Ukraine 01032
https://www.facebook.com/usaid.ards
ards.office@ukraineards.com