

# AGRARIAN REFORM: CONCEPT AND REALITIES

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## *Land reform and property relations*

The Concept states that "the core purpose of agrarian reform is the reform of land relations. The main focus of land reform is de-monopolization of state ownership of land and, as a result, the recognition of land as a commodity, affirming in practice of the different types of property in agriculture".

# Agricultural lands on January 1, 2014

| Indicators                       | Total         |             | of which     |             |               |             |
|----------------------------------|---------------|-------------|--------------|-------------|---------------|-------------|
|                                  |               |             | Public       |             | Private       |             |
|                                  | ths ha        | %           | ths ha       | %           | ths ha        | %           |
| <b>Agricultural lands, total</b> | <b>2500,1</b> | <b>100</b>  | <b>651,7</b> | <b>100</b>  | <b>1848,4</b> | <b>100</b>  |
| <b>of which: - arable land</b>   | <b>1816,1</b> | <b>72,6</b> | <b>264,7</b> | <b>40,6</b> | <b>1551,4</b> | <b>85,9</b> |
| - perennial plantings            | 295,3         | 11,8        | 37,5         | 5,8         | 257,8         | 14,0        |
| Including: - orchards            | 135,8         | 5,4         | 21,8         | 3,3         | 114,0         | 6,2         |
| - vineyards                      | 141,2         | 5,6         | 8,2          | 1,3         | 133,0         | 7,2         |
| - pastures                       | 348,0         | 13,9        | 343,4        | 52,7        | 4,6           | 0,2         |
| - meadows                        | 2,0           | 0,1         | 1,5          | 0,2         | 0,5           | 0,0         |
| - fallow                         | 38,7          | 1,6         | 4,6          | 0,7         | 34,1          | 1,9         |

# Allocation of land plots in private ownership

| <b>No. persons</b>  | <b>1996</b> | <b>1997</b>  | <b>1998</b>  | <b>1999</b>  | <b>2000</b>  | <b>2001</b>  | <b>2002</b>  | <b>2003</b>  | <b>2004</b>  | <b>2005</b>  | <b>2006</b>  |
|---|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>No. persons to whom were assigned plots on account of land shares, thousands</b> | <b>47.6</b> | <b>117.0</b> | <b>175.8</b> | <b>241.1</b> | <b>429.0</b> | <b>502.7</b> | <b>565.8</b> | <b>617.0</b> | <b>645.3</b> | <b>655.7</b> | <b>677.3</b> |
| <b>The area of land allocated to private ownership, thousand ha</b>                 | <b>58.3</b> | <b>123.0</b> | <b>224.9</b> | <b>317.5</b> | <b>590.8</b> | <b>701.8</b> | <b>805.4</b> | <b>836.6</b> | <b>867.9</b> | <b>862.6</b> | <b>881.7</b> |
| <b>The average per person land on account of land shares, ha</b>                    | <b>1.22</b> | <b>1.05</b>  | <b>1.28</b>  | <b>1.32</b>  | <b>1.38</b>  | <b>1.40</b>  | <b>1.42</b>  | <b>1.36</b>  | <b>1.35</b>  | <b>1.32</b>  | <b>1.30</b>  |

## *Land reform and property relations*

Firstly, to this average size (of 1.62 ha) of lands passed into private ownership we must add the lot around the house (0.4 ha).

Secondly, in countries with developed agriculture averages are: the UK – 67.9 ha, Denmark – 34.7 ha, Sweden – 33.7 ha, Luxembourg – 32.4 ha, France – 28.4 ha, Ireland – 26.1 ha, Germany – 17.9 ha, the Netherlands – 16.2 ha, Belgium – 15.9 ha, Spain – 15.8 ha, Finland – 12.8 ha, Austria – 12.2 ha, Portugal – 6.9 ha, Italy – 5.6 ha and Greece – 4.2 hectares.

## *Land reform and property relations*

*Agricultural land consolidation is needed in our country and we consider that this process should happen voluntarily, in accordance with the requirements of the land market, through:*

- *Sale and purchase of agricultural land;*
- *Donation and legacy;*
- *Lease;*
- *Association and cooperation.*

## *Land reform and property relations*

The operation of the national land market will be efficient if:

- Land ownership area to any person should not exceed 100 ha;
- "it is not allowed the land to be sold to citizens of other states," As Moldova citizens can't compete financially with foreigners;
- Formation of a special fund to cover commercial banks interest rate for agricultural land purchase;
- Threshold price, the minimum land transactions price established by Public authorities;
- State should buy un-worked (fallow) agricultural lands and sell them to young people willing to farm.

## Agricultural lands by categories of land holders at the beginning of the year, thousand ha

| Indicators  | 2005          | 2010          | 2011          | 2012          | 2013          | 2014          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Total</b>  | <b>2257.4</b> | <b>2236.9</b> | <b>2234.0</b> | <b>2233.6</b> | <b>2235.9</b> | <b>2235.4</b> |
| <b>of which: enterprises and organizations</b>                        | <b>841.2</b>  | <b>871.3</b>  | <b>866.0</b>  | <b>868.7</b>  | <b>875.4</b>  | <b>881.3</b>  |
| <b>peasant farms (farms)</b>  | <b>692.9</b>  | <b>661.4</b>  | <b>662.6</b>  | <b>653.4</b>  | <b>649.3</b>  | <b>654.5</b>  |
| <b>- including with the average land area of less than 10 ha</b>      | <b>601.9</b>  | <b>565.6</b>  | <b>559.3</b>  | <b>536.7</b>  | <b>523.7</b>  | <b>523.6</b>  |
| <b>auxiliary annex households (lots around the house and gardens)</b> | <b>299.1</b>  | <b>313.6</b>  | <b>316.7</b>  | <b>325.5</b>  | <b>326.4</b>  | <b>315.9</b>  |
| <b>Other landowners</b>   | <b>424.2</b>  | <b>390.6</b>  | <b>388.7</b>  | <b>386.0</b>  | <b>384.8</b>  | <b>383.7</b>  |



# Agricultural production in comparable prices of 2005, millions MDL

| Indicators  | 2002         | 2003         | 2004         | 2005         | 2009         | 2010         | 2011         | 2012        |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| <b>Total</b>  | <b>11777</b> | <b>10180</b> | <b>12301</b> | <b>12402</b> | <b>11260</b> | <b>12147</b> | <b>12758</b> | <b>9909</b> |
| <b>including: - public</b>  | <b>106</b>   | <b>69</b>    | <b>140</b>   | <b>117</b>   | <b>62</b>    | <b>79</b>    | <b>66</b>    | <b>42</b>   |
| <b>- private</b>  | <b>11671</b> | <b>10111</b> | <b>12162</b> | <b>12285</b> | <b>11198</b> | <b>12068</b> | <b>12692</b> | <b>9867</b> |
| <b>of which: - collective</b>                                     | <b>3242</b>  | <b>2402</b>  | <b>3723</b>  | <b>3508</b>  | <b>3373</b>  | <b>3813</b>  | <b>4054</b>  | <b>3191</b> |
| <b>- population households and<br/>peasant households (farms)</b> | <b>8429</b>  | <b>7709</b>  | <b>8439</b>  | <b>8777</b>  | <b>7825</b>  | <b>8255</b>  | <b>8638</b>  | <b>6676</b> |

# Level of agroproduction profitability (loss),%

|                             | 1992         | 1995         | 2000         | 2005        | 2010        | 2011        | 2012        |
|-----------------------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|
| <b>Crop production</b>      | <b>86.7</b>  | <b>8.8</b>   | <b>22.8</b>  | <b>17.1</b> | <b>43.2</b> | <b>45.3</b> | <b>16.5</b> |
| <i>of which:</i> - Cereals  | <b>240.3</b> | <b>59.4</b>  | <b>36.3</b>  | <b>10.9</b> | <b>29.2</b> | <b>39.9</b> | <b>10.0</b> |
| - Sugar beet                | <b>100.1</b> | <b>11.0</b>  | <b>-4.1</b>  | <b>16.3</b> | <b>27.9</b> | <b>10.8</b> | <b>-7.0</b> |
| - Field vegetables          | <b>28.4</b>  | <b>-34.2</b> | <b>-17.9</b> | <b>6.7</b>  | <b>15.8</b> | <b>15.9</b> | <b>2.2</b>  |
| - Fruits and berries        | <b>51.1</b>  | <b>-11.7</b> | <b>-4.7</b>  | <b>1.6</b>  | <b>25.9</b> | <b>32.3</b> | <b>1.3</b>  |
| - Grapes                    | <b>79.7</b>  | <b>0.5</b>   | <b>47.2</b>  | <b>31.0</b> | <b>8.6</b>  | <b>36.5</b> | <b>37.0</b> |
| <b>Livestock production</b> | <b>4.0</b>   | <b>-33.0</b> | <b>-6.7</b>  | <b>25.0</b> | <b>20.7</b> | <b>14.6</b> | <b>16.7</b> |
| <i>of which:</i> - meat     | <b>12.7</b>  | <b>-33.1</b> | <b>-37.3</b> | <b>1.8</b>  | <b>19.9</b> | <b>11.4</b> | <b>20.4</b> |
| - milk                      | <b>-4.9</b>  | <b>-40.7</b> | <b>-1.1</b>  | <b>9.9</b>  | <b>13.7</b> | <b>26.3</b> | <b>13.5</b> |

Profit (+), losses (-) before taxation of  
economic agents, millions MDL

|  | <b>2000</b>   | <b>2005</b>   | <b>2010</b>    | <b>2011</b>    | <b>2012</b>   | <b>2013</b>   |
|--|---------------|---------------|----------------|----------------|---------------|---------------|
| <b>Total</b>   | <b>-638.3</b> | <b>3799.5</b> | <b>13169.8</b> | <b>14427.5</b> | <b>4706.6</b> | <b>4131.0</b> |
| <b>of which: - agriculture,<br/>hunting and forestry</b> | <b>-204.9</b> | <b>28.9</b>   | <b>1088.2</b>  | <b>1311.3</b>  | <b>101.0</b>  | <b>470.8</b>  |
| <b>- manufacturing</b>                                   | <b>70.7</b>   | <b>939.3</b>  | <b>1863.5</b>  | <b>2105.6</b>  | <b>606.3</b>  | <b>820.7</b>  |
| <b>- wholesale and retail</b>                            | <b>71.7</b>   | <b>802.2</b>  | <b>4482.1</b>  | <b>4813.5</b>  | <b>1632.4</b> | <b>1756.8</b> |

# Subsidies

In order to improve the use of subsidies it would be appropriate:

- To abolish the current system of compensation for covering the losses caused by disasters and encourage the creation and implementation of the private insurance system;
- To boost the export of food products through a preferential exchange rate, increased by 1-2 lei compared to the existing one;
- To quit the support *ex ante*/before obtaining the production/which is, inefficient and state intervention *ex post*/after the production was sold, stimulating farmers to produce what is requested on the market and particularly on the foreign one;
- The state buys production at the "guaranteed price" which is covering the product costs and assures the farmers the necessary profit for the renewal of agricultural activities.

## *Technical and scientific assistance*

The innovation process, according to the conception was going to be achieved through "the renewed system of research institutions" whose activity was to be for "development of market relations ... varieties renewal ... plants biological protection, etc." Scientific researches, either in research institutions, or in universities, usually, end with the PhD theses that in agricultural sciences were sustained 28 theses forming 0.0175% of the total in 2004 – 2012.

# Employed population by educational level, thousand persons

|                                     | Employed population |               | of which in agriculture |              |
|-------------------------------------|---------------------|---------------|-------------------------|--------------|
|                                     | 2007                | 2013          | 2007                    | 2013         |
| <b>Total</b>                        | <b>1247.2</b>       | <b>1172.8</b> | <b>408.6</b>            | <b>337.9</b> |
| <i>of which:</i> high education     | <b>247.7</b>        | <b>297.9</b>  | <b>12.8</b>             | <b>13.5</b>  |
| - special secondary                 | <b>211.3</b>        | <b>172.1</b>  | <b>36.9</b>             | <b>29.4</b>  |
| - professional secondary            | <b>308.6</b>        | <b>260.4</b>  | <b>102.4</b>            | <b>87.9</b>  |
| - high school, general secondary    | <b>253.6</b>        | <b>225.5</b>  | <b>106.0</b>            | <b>78.5</b>  |
| - secondary                         | <b>205.4</b>        | <b>209.0</b>  | <b>131.7</b>            | <b>122.1</b> |
| - primary or with no primary school | <b>20.9</b>         | <b>7.9</b>    | <b>18.8</b>             | <b>6.5</b>   |

## *Conclusions*

- Agriculture being the strongest factor of balance in harmonizing economic development constitutes the backbone of the national economy.
- Reforming the agriculture is frequently marked by dynamism, often by uncertainty and risk, sometimes even by hostility developing slowly and controversially.

## *Conclusions*

The measures aimed at supporting the private property, slow strengthening on the principles of the market relations, agricultural lands, development of effective organizational-legal forms, implementation of efficient and environmentally-friendly technologies, application of tools and mechanisms adequate for the competitive economy, training those involved in the agro-food sector **must be effective and will contribute to the sustainable development of agriculture in our country.**



## *Conclusions*

The Association Agreement between the European Union and Moldova, is expected to intensify structural changes within the subsectors of the national agriculture in accordance with the demand of the Single Market, resulting in implementation of effective and efficient modern technologies and other measures.

*Thank you for attention!*