

National Rural Development Strategy and land consolidation

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Abstract— The National Rural Development Strategy contains the main principles of the Hungarian rural development considering the sustainability and rural values aspects, too. This document is in harmony with the EU regulations and strategic plans. The program aims to renew the whole rural Hungary by marking the land stones of the development direction. One of the main objective of this program is the renewal of the land and estate policy. In this area the land and estate consolidation, business regulation programme is one of the major issues. Twenty five years after the political changes in Hungary the land and estate consolidation is required to make the rural areas more developed and the agricultural production more effective and sustainable. An effective legal and technical background could help to obtain these objectives.

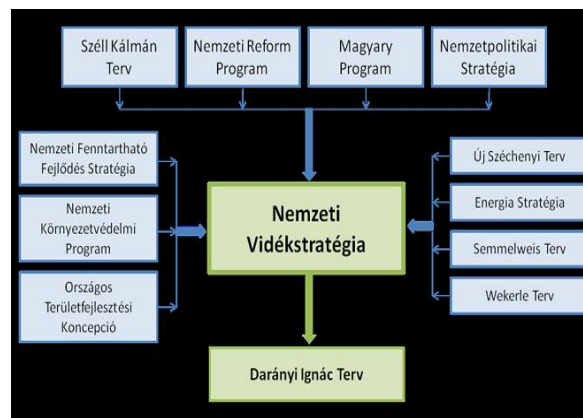


Figure 1 National Rural Development Strategy and its connections
Source: <http://videkstrategia.kormany.hu/>

I. INTRODUCTION

The aim of the paper is to introduce the National Rural Development Strategy which contains the main principles of the Hungarian rural development and is in harmony with the European Union’s regulations and strategic plans and to show its connection points to the land consolidation.

The strategy aims to reverse the unfavorable processes in the rural Hungary as it defines the objectives and principles of the rural development policy. It provides the framework for the implementation of the relevant programs and measures.

The main areas of the strategy are increasing the rural employment, balanced and varied agriculture and forestry that uses resources in a sustainable manner, local food production and market possibilities, local energy production and improvement of the standard living.

The Strategy lasts until 2020 and corresponds to the Europe 2020 Strategy of the European Union. The balanced rural development requires a comprehensive approach, and the Strategy is in line with the National Sustainable Development Strategy and consistent with the main national strategies and programs such as Széchenyi Plan, Széll Kálmán Plan, Semmelweis Plan, Magyar Plan and the Foreign Policy Strategy.

The connection points and the connected programs and strategies are shown in Figure 1.

II. OBJECTIVES AND CRITERIA

The strategy determines the following objectives:

The preservation of Hungary’s landscapes, natural values and resources. This contains the protection of drinking water, of water stocks, soil, natural heritages and wildlife, local plants and animals and the maintenance of GMO-free status of Hungary.

Diverse and viable agricultural production. This objective helps to increase the viability of food production, restoring the balance between animal husbandry and crop production, protection of national land ownership, development of land and estate policy that ensures viable farming, increasing the sector’s role in employment, strengthening business structure forms that provide employment, incentivizing cooperation at a grassroots level and diversification of the production structure.

Secure food supply and food safety. This objective aims to supporting sustainable food production that takes environmental criteria into consideration and is based on domestic and local ingredients, assuring a secure food supply and food safety, the elimination of dependency, supplying the country’s population with sufficient, healthy and safe food, greater domestic and foreign market presence through the increasing of added value and improving the prestige of Hungarian products.

Assuring the existential basis of the rural economy, increasing rural employment. This objective aims to help strengthening and reorganizing of the existential basis of rural areas and settlements, and especially of villages and homesteads, diversification of the rural economy, preservation and further increase of the number of rural jobs, increasing rural employment, supporting complex local rural development programs, value-based

development of cultural heritage and its linking into the tourism system [7].

The strengthening of rural communities, improving the quality of life of the rural population. This helps stopping migration from rural areas, incentivizing young people to take up farming, undertake a rural life and remain in rural settlements, restoration of the close relationship between the city and its rural surroundings, the reduction of regional inequalities, comprehensive improvement in the quality of rural life and strengthening of rural local communities, supporting their reorganization [3].

All goals must fulfil the general criteria such as sustainability, equal opportunities for all generations, territorial and social cohesion, and equal life quality in rural regions.

The system of the strategic areas and the special national programs are shown in figure 2.

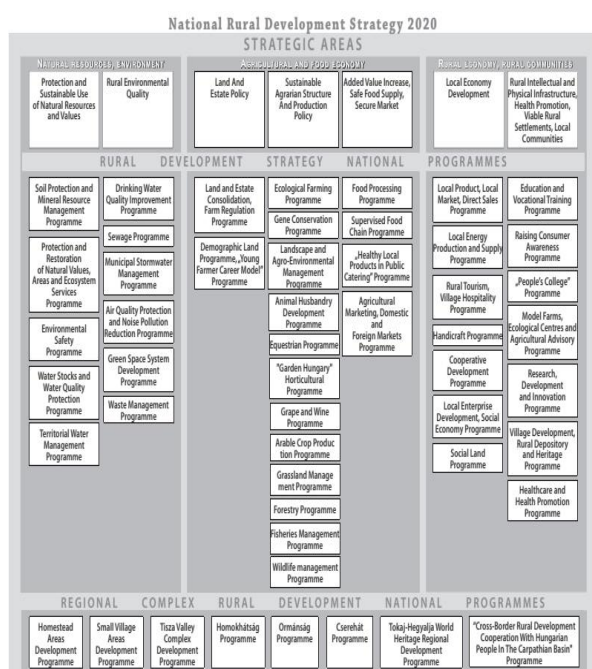


Figure 2. The system of the strategic areas

Source: <http://videkstrategia.kormany.hu/>

III. PREVIOUS PLANNINGS AND PROGRAMS

The aims and objectives of the territorial and rural development planning of the former periods contained the requirement of minimization of regional differences between urban and rural areas. The National Regional Development Conception also contains these objectives although after the supervision of this document showed that there was no significant change in development level.

The ex post evaluation of the New Hungary Development plan also contains these facts [2].

Before and after the accession to the European Union there were many rural development programs that targeted the rural Hungary and had different but not to heavy effect on it. The first program was SAPARD which was an almost pure agricultural ‘teaching program’ for European Agricultural Guidance and Guarantee Fund (EAGGF) and aimed to learn how to develop and maintain a sustainable

and competitive agricultural sector in Hungary with the support of Common Agricultural Policy of the EU. From 2004 till 2006 AVOP (Agricultural and rural development operational program) had 3 priorities: competitive agricultural production, modernization of food processing and development of rural areas (e.g. LEADER+). The NVT (National Rural Development Plan) had the following area of interest: agro-environmental production support, LFA’s support, forestation of agricultural land, support of environmental protection, animal welfare- and hygienic-related actions to EU standards, restructuring of half time farming units, support of new cooperatives.

From 2007 The New Hungary Rural Development Program (UMVP) contained 1400 billion HUF for Rural Development and the actions were financed by European Agricultural and Rural Development Fund. This program was the official national rural development program between 2007 and 2013. In the framework of UMVP around 8 billion Euro subsidy was available to enhance the competitiveness of the agricultural sector and to develop the treasures of the natural and artificial environment and for fundamental structural changes. The UMVP program covered all the 7 regions of Hungary (7 statistical and public administrative regions) and the program responsible was the Ministry of Rural Development (MRD). The Development Program were coordinated by the National Development Agency [4].

These former programs contains some elements of the land consolidation related objectives and actions but the new strategy fulfil all requirements for this purpose under the Land and Estate Policy strategic area.

IV. LAND STRUCTURE AND LAND CONSOLIDATION

Hungary has favorable conditions for agricultural production, 70 percent of the whole territory is suitable for agricultural activity. On the other hand the land structure and land ownership is still highly fragmented that obstruct the effective work [5]. Figure 3 shows the land cover in Europe.

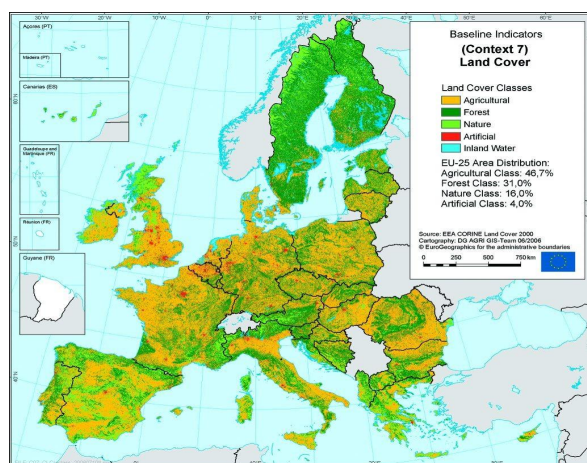


Figure 3. Land cover in Europe

Source: <http://www.nordregio.se>

After the political changes in Hungary in 1990 there was a huge need for land reform. Land reform meant

compensation and redistribution of the land parcels which were owned and used by state farms and soviet type cooperatives. The result of this process was distressful: 2 million new land owners had about 2 hectares of land as average.

Since that time land is owned by private individuals or companies and by state. The land ownership and land use are shown in figure 4.

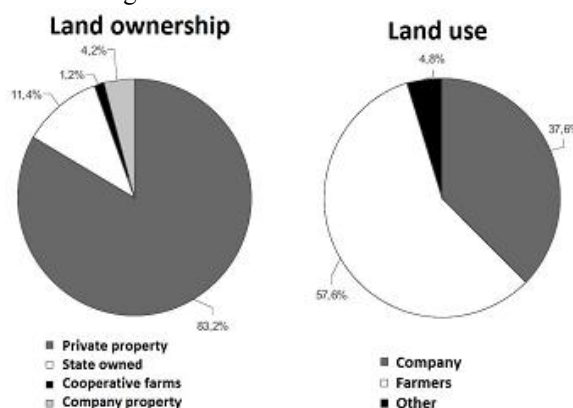


Figure 4. Land use and land ownership

Source: Agrárgazdasági Kutató Intézet

In 2014 a new Land Act was inaugurated. This law supports small and middle scaled farming by the local residents. Only private personnel could buy and use agricultural land if has special certification in agricultural skills. The maximum size of the land can be 300 hectares.

According to the paper about land consolidation strategy, there are three possible ways of land consolidation: spontaneous, institutionalized and intensive. Land consolidation based on voluntary land exchange has not been able to prove its effectiveness and the intensive land consolidation would need a lot of resources.

Hungarian land consolidation after the political changes in 1990 the following provisions can be found:

1994: land law lets voluntary land exchange possible

1994-2005: pilot projects

2001: elaboration of Bill on land consolidation

2002: acceptance of land policy by the Parliament

2002: foundation of National Land Agency

2004: National Land Consolidation Strategy [1].

More pilot projects were going on with foreign partners after the change of the political system, for example: TAMA I-II with the help of German partners or PRIDE, TALC with the help of Dutch partners.

Unfortunately, the above-mentioned projects reached only partial results. The reason for this is that the foreign models could not be adapted totally because of legal, administrative and social differences.

States may consider land consolidation, exchanges or other voluntary approaches for the readjustment of parcels or holdings to assist owners and users to improve the layout and use of their parcels or holdings, including for the promotion of food security and rural development in a sustainable manner. States should ensure that all actions are consistent with their obligations under national and

international law, and with due regard to voluntary commitments under applicable regional and international instruments, and ensure that participants are at least as well off after the schemes compared with before. These approaches should be used to coordinate the preferences of multiple owners and users in a single legitimate readjustment [6].

The law-making tasks that to a great extent determine the success of the implementation of the National Rural Development Strategy primarily involve the comprehensive regulatory areas of land and estate policy, and also production and market policy, as well as environmental policy. The most important components of this are as follows:

Land-related regulations: the further amendment of the Land Act with reference to business regulation, land protection, land purchase and land lease regulations, the eradication of illegal contracts, land consolidation and the restriction of green field development projects that endanger agricultural farmland.

The establishment of modern business regulation in order to redefine agricultural producers' categories, further simplification of regulations regarding local distribution and small producer activities and the review of regulations related to food trade [7].

V. CONCLUSION

Land fragmentation causes low effectiveness in agricultural production in Hungary. Although Hungary has favorable conditions for agricultural production, 70 percent of the whole territory is suitable for agricultural activity, twenty five years after the political changes the land and estate consolidation is required to make the rural areas more developed and the agricultural production more effective and sustainable. An effective legal and technical background could help to obtain these objectives. The National Rural Development Strategy contains the main principles of the Hungarian rural development objectives of which one of the main goal is land consolidation.

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