# LEGAL REGIME OF THE LAND RESOURCES USAGE IN CONDITIONS OF MODERN ECONOMIC DEVELOPMENT

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#### **ABSTRACT**

The article is devoted to the study of legal aspects of land usage in the current economic environment. It has been found out that in the current economic conditions the aspect of land resources protection is of great importance within the legal regime of land usage, since carelessness to the land leads to the loss of the states land fund, which in turn threatens the food security and stability of the economy in general. Futhermore, it has been found out that ensuring a balance between market needs and the need to preserve the ecosystem must be the main principles for land usage. It was determined that the basis of rational land usage is primarily the focus of legal regulation in this direction. It is concluded that one of the major reasons for the irrational usage of land in Ukraine is the lack of interest of businessmen in creating land management projects, despite the fact that the state provides special levers of influence on unscrupulous land users. The features of Poland's experience regarding the encouragement of land users to rational exploitation through government financial support for such activities were also explored. Also, it is noted that, if the conditions for revising the state budget and determining the sources of financing such expenditures are revised, then such a mechanism can be introduced in Ukraine.

**Keywords:** Land, Land Relations, Land Resources, Rational Usage of Land, Monitoring of Land Quality, Land Protection.

## INTRODUCTION

Nowadays, the legal regime of land usage includes not only the right of landowners or users of the land to direct the beneficial properties of the land in order to meet their own needs, but also the need for proper protection of land resources. The increasing anthropogenic and technogenic load on the land significantly reduces the quality of the land, actualizing in its turn the problem of balanced land usage, ie optimal involvement in land management and its efficient usage for the main purpose, as well as creating favorable conditions for maximizing productivity while meeting the needs of landowners and land users at the lowest labor and cost. That is why most states have focused on improving such aspect of the legal regime of land usage as

protection, as a result the legal regulation of this area is improved, institutions responsible for monitoring the quality of land, as well as improving state control over land usage and protection are being created.

Regulation of land relations is one of the most important tasks of state economic reforms, on which the success of socio-economic transformations, stability and security of the state depend. Moreover, one of the most pressing issues of the century is the task of protecting land resources and ensuring their rational usage. This is confirmed by the fact that Ukraine has reached a critical point, in particular, land plowing is 81%, ie 57% of the territory, the usage of agricultural land is higher than ecologically sound norms (for instance, in the US, the plowing rate is only 15,8%, with 35,9% of agricultural land, in the UK, France, Germany, the plowing rate is from 28 to 32%, and the share of agricultural land is from 40 to 58%.). However, the protection issue of land resources and their rational usage is actual for the countries of Europe. In particular, in 2015, at the 39th session of the European Commission on Agriculture for Combating land degradation for food security and provision of soil ecosystem services in Europe and Central Asia, has admitted that soil degradation is one of the greatest threats to all countries of the world, including Europe (European Commission, 2015).

## LITERATURE REVIEW

According to Izakovicova et al. European countries in recent years have faced a range of significant socio-economic changes that in turn have affected the environment. In particular, changes in land usage are often due to the emergence of environmental problems - qualitative and quantitative degradation of natural resources, ecosystem degradation, the negative impact of abandoned farmland on biodiversity, land degradation. And landscape changes are the main causes of climate change that are increasing the risk of flooding, droughts, erosion, landslides, etc. (Izakovicova et al., 2018).

According to Le-Mouël et al. land and food conditions depend on the quality of food and water, as well as the nutrient cycle that supports living conditions, creating jobs for the population (Le-Mouël et al., 2020). In turn, Kanianska draws attention to the fact that in developed countries, economic growth has recently been accompanied by the transition of land from agriculture to industry, road network and residential usage, due to their inability to grow plant products. However, the disappearance of the traditional agricultural landscape is a cause of greenery change affecting regional climate and biodiversity loss. (Kanianska, 2016).

Judith et al. also noted that land usage has a significant impact on ecosystems and biodiversity. The conversion of simple land to land of a specific purpose has led to increased production of marketable goods, building accommodations, etc. However, such positive changes simultaneously cause a decrease in the quality of air and water, narrowing the environment applicability for wildlife. Thus, according to scientists, one of the basic principles of land usage is a balance between market needs and conservation of the ecosystem, including the implementation of market incentives in order to decrease the harmful effects of private land usage, create protected areas and prevent the improper changes regarding land usage. Defining the directions of land assignment and land usage according to it is one of the most effective land usage methods (Judith et al., 2017).

Jiren et al. have payed attention to the need of finding a balance between different interests. Scientists identify two models of land usage. The first model involves the spatial

limitation of production as a critical threat to biodiversity and the creation of protected areas. In contrast, the legal regime of land usage and division allows to enhance the production capacity of the state, but involves the use of biodiversity-friendly methods. (Jiren et al., 2017).

Cintina and Pukite have mentioned that land usage is influenced by a diversity of factors, including economic, social, managerial and political, technological, environmental and others. Moreover, improving land usage efficiency is an urgent problem in many countries, so there is a need to develop indicators for measuring land usage efficiency and methods of how to calculate its cost-effectiveness. On the other hand, the efficiency of land usage according to Vita Cintina and Vivita Pukite depends on state financial support of existing and new enterprises (Cintina & Pukite, 2018).

Metternicht points out that designation and land zoning practices regarding land usage are a driving force in protecting land resources, which contributes to environmentally sound land usage and land management, resulting in such positive effects as: combating land degradation, ecosystem restoration, territorial orientation towards sustainable development. At the same time, the legal regime of land usage depends on taxation and promotion level of such usage. In this aspect, the state should stimulate land users to improve the quality of land resources, while combining socio-economic principles with environmental problems, which in turn enables the state to develop production and prevent soil degradation (Metternicht, 2017). Considering recent publications and research, it becomes clear that most of them are dedicated to balancing interests between land usage and environmental protection, which confirms the feasibility of studying these topics.

#### METHODOLOGY

Both general and specific methods of scientific knowledge have become the basis for the study of the legal regime of the land resources usage in the modern conditions of economic development. First of all, the monographic method allowed to reveal the provisions of the latest research and publications regarding this topic, to consider the impact of land usage on the state economy, the state of the environment, etc. Besides this, a comparative legal method was used in order to summarize the experience of Poland and Ukraine in the sphere of land protection and its rational usage. The formal and logical method deserves special attention because it allowed to study the rules of the legislation in Poland and Ukraine, as well as to formulate recommendations and conclusions on the results of the study.

#### FINDINGS AND DISCUSSIONS

Izakovicova et al. point out that there are many ways of protecting land resources, the usage of which, in most cases, is the prerogative of the state, and therefore public policy must be effective in this direction. Supporting the rational usage of natural resources and protecting the environment, as well as human health through legislation is very important. Thus, fines for irrational land usage, environmental pollution, and human health threats are one of the ways to minimize the threats of negligent land usage (Izakovicova et al., 2018).

Bogorka notes that the vast majority of agricultural land in Ukraine is in intensive use today, which in turn has a significant impact on their ecological state and resistance to degradation (Bogorka, 2017).

The main reason for the irrational usage of agricultural land is the lack of interest of business owners in the creation of land management projects. The existance of such a document obliges land users to comply with scientifically sound and determined crop rotations, technological requirements, prescriptions for soil fertility conservation and anti-erosion measures, moreover, this document is a basis for inspecting the compliance of economic activity on a specific land plot to the project provisions. In case of irrational land usage (violation of the acreage structure, failure to comply with the requirements of the allocation of land for convertible husbandry, a significant reduction in the amount of organic fertilizers, etc.), manufacturers want their land not to become objects of state control. (Lozynska & Baidyk, 2018).

Instead, the following enforcement levers are used to ensure the rational usage and reproduction of soil fertility in Ukraine:

- 1. Payment for land usage;
- 2. Extra taxation for the usage of environmentally friendly means and measures;
- 3. Penalties for deterioration of soil quality, penalties for violation of principles of balanced land usage;
- 4. Purchase of pollution, as well as environmental insurance rights.

In addition to the forced levers, it is worth mentioning the preferential tax regime in Ukraine, according to which: (1) citizens and legal entities are provided various preferential loans that allow to carry out the measures provided by national and regional programs for the rational usage and protection of land at the expense of their own funds or from savings, without implication of the budget funds; (2) landowners and land users are exempted from payment for land usage or are compensated for the undue share of income due to temporary conservation of degraded, low-productive, technogenically contaminated lands through land reclamation, as well as conservation and other works related to conservation, that have arisen out of their desire (Bodnaruk, 2018).

Poland's experience in protecting and rationalizing land resources is quite progressive and illustrative. In particular, an important document regulating the economic mechanism of protection and reproduction of soil fertility is the Rural Development Program for 2014-2020. Under this program, the state applies a mechanism of economic incentives, taking into account not the indicators of soil fertility, but the compliance with the relevant requirements of rational management in the framework of appropriate actions` packages. The Rural Development Program for 2014-2020 envisages the implementation of eight packages, such as: Holding extensive meadows, Soil and water protection & Organic farming. Specifically, if an Holding extensive meadows package was selected, then the contractor would automatically undertake:

- 1. Limit the nutrition of meadows with nitrogen;
- 2. Restrict agricultural operations;
- 3. Not to carry out drainage works;
- 4. Leave 5-10% of the area unmown for five years;
- 5. Gather a maximum of two mowing during the period June 1 September 30;
- 6. Gather the mown bulk during for two weeks.

Thus, if a person complies with these restrictions, the state will pay him 500 PLN for every hectare of meadow he or she uses. Next, we consider the Soil and water protection package of Rural Development Program, according to which a person is obliged to use agrotechnical

techniques for a certain period, for example, to cultivate across the slope winter intermediate and post-harvest crops and protective strips on arable lands in places of erosion, if the slope has more than 20%. The state, in turn, is obliged to provide persons who fulfill their obligations to make payments every year during five-year period. Moreover, as a rule, 19.4% of the state's land is expected to be supported under this package.

It should be mentioned that such a practice of stimulating the rational usage of land resources would be effective and rational in Ukraine, but a significant obstacle to the implementation of this idea is the state budget, which will not be able to cover this amount of the expenditures. Moreover, the issue is compounded by the high level of political corruption in Ukraine (Kulish et al., 2018). Since 2014, the financial performance of this mechanism have also worsened in Poland, which in turn has reduced the number of participants in such packages, as the reduction of payments has become a significant threat to the loss of competitiveness in the domestic and foreign markets for most participants.

# RECOMMENDATIONS

In the context of modern economic development, the priority is given to ensuring the rational usage and reproduction of the land resources fertility, in view of this, it is recommended to pay particular attention to the Poland experience, where the state provides financial support in the form of surcharges to those users who fulfill the determined conditions of land usage. The introduction of such a mechanism should be simultaneously accompanied by the search of financing sources for such expenditures.

#### CONCLUSIONS

Thus, in the modern economic environment, such an aspect of the legal land usage regime as protection of land resources is important, as negligent treatment of land leads to the loss of states` land fund, which in turn threatens the food security and stability of the economy in general. Maintaining a balance between market needs and the need to preserve the ecosystem must be a fundamental principle of land usage. At the same time, the basis for rational land usage should be proper legal regulation in this area. It is concluded that one of the reasons for the irrational land usage in Ukraine is the lack of interest of businessmen in creating land management projects, despite the fact that the state provides special levers of influence on unscrupulous land users. At the same time, in Poland the government is encouraging land users to the rational exploitation through the financial support of such activities. Moreover, if the conditions for revising the state budget and determining the sources of financing such expenditures are revised, then such a mechanism can be introduced in Ukraine.

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