Formation of the institution of private ownership of agricultural land in a land-poor mountainous region

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Abstract. Using the established centuries-old experience of most industrialized countries, in which the mechanisms for the functioning and implementation of private land ownership rights are effective, the reform of land relations in the Kabardino-Balkarian Republic must be carried out primarily through the adoption of measures to ensure that the interests of the entire society are taken into account and protected by conservation, reproduction and efficient use of land resources as the main national wealth. Land is the main, irreplaceable means of production, the most important factor in economic development, and society is interested in the private owner managing it for profit and taking into account public interests. The highest form of democracy is the manifestation of the will of the people through democratic elections, including through a referendum. A referendum allows us to reveal the mood of people and their attitude towards the most important government issues. The will of the people is the guiding principle for government bodies of all branches of government. The proposed Recommendations provide for the regulation of the most important aspects raised during the reform of land legal relations, awareness of which will allow citizens to eliminate uncertainty regarding the need and consequences of introducing private forms of land ownership. An analysis of the situation in the agricultural sector is presented and the basic principles, strategic directions, and stages of land reform are established, which represent successive steps to develop the institution of private ownership of agricultural land in the Kabardino-Balkarian Republic.

1 Introduction

The problem of land relations, the introduction of the institution of private ownership of land as one of the main factors of production and life of society concerns us all. The close attention to the land issue that exists at all stages of market reforms is explained by the special

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importance of land in ensuring the viability and self-sufficiency of society, the historically
established agro-industrial orientation of the way of life of the majority of the population of
the republic, the multinational composition of society, as well as the real lag in the level of
institutional development of the economy.

The most important function of any economic system is the realization of its competitive
advantages, both in the domestic and foreign markets. Among the main competitive
advantages of our republic, we should highlight its geographical and climatic position,
resource and human potential, as well as the condition of the soil. The listed production
factors can potentially ensure the effective implementation of land reform, food security of
the republic and significantly increase export potential and, as a result, self-sufficiency of
development. Paradoxically, it is precisely this colossal advantage of the region that is being
used ineffectively.

As a result, currently the agricultural industry of the Kabardino-Balkarian Republic,
based on exclusive state ownership of land, is in a critical situation. Being the largest
consumer of credit and labor resources, agriculture practically does not participate in the
creation of GDP. The production volumes of the main types of agricultural products (plant
growing and livestock farming) are decreasing, the financial condition of agricultural
organizations is deteriorating and more than 90% of enterprises are on the verge of
bankruptcy or in one of its stages. For many rural residents, land is the only resource that
allows them to exist and continue their livelihoods.

The need to overcome the agrarian crisis is obvious. The current mechanisms for the
ownership, use and disposal of land significantly limit its effective use, including its
redistribution in favor of efficient economic entities. There is no system of guaranteeing
rights to land plots, which leads to a decrease in investor interest. The reorganization of
agricultural enterprises did not ensure the transfer of land to effective economic entities. New
agricultural entities (KSP and CJSC NPr) in conditions of uncertainty in property relations
were unable to increase the productivity of agricultural land. A mortgage (pledge) lending
system has not been created. The amounts and mechanisms for calculating payments for the
use of land plots are imperfect, and their share in the revenue side of budgets at all levels is
low.

Despite the fact that the state has taken certain measures over the years to stabilize the
agricultural sector (energy tariffs were reduced, preferential taxation was introduced,
penalties and fines were written off, debts to the republican budget and extra-budgetary funds
were frozen), the economic situation in the industry did not improve. In 2010, compared to
1991 (at the start of reforms), the volume of sunflower production decreased by 42%,
vegetables - by 70%, meat production decreased by 58%, milk - by 74%, eggs - by 45%. The
number of cattle decreased by 64%, pigs by 90%, and poultry by 48%.

The lack of working capital of agricultural producers led to a change in their
specialization. The plantings of previously highly profitable agricultural crops - sugar beets,
vegetables - have been reduced and the area of less labor-intensive crops - grain crops and
sunflowers - has been increased, which has negatively affected the capacity utilization of the
republic's processing enterprises, the capacity of which is used up to 40%. Work to maintain
and increase soil fertility has been practically suspended. The use of mineral fertilizers was
reduced by 50%, the application of organic fertilizers was only 20 kg per hectare at a rate of
10-20 tons per hectare. Agricultural equipment breaks down and is not replenished. More
than 80% of agricultural equipment is actually depreciated, which leads to disruption of
 technological production processes.

As a result of the decline in agricultural production, food imports exceeded exports, and
the standard of living in rural areas decreased.

The level of wages for agricultural workers remains low. The amount of wage arrears for
agricultural workers as of January 1, 2010 is more than 1 billion rubles.
The reforms carried out in the republic since 1991 to change the production relations of agricultural organizations and create new business entities have not been effective enough. During the reform period, 31 PSK (production agricultural cooperatives), 577 peasant farms, and 462 private farms were created. Among the problems of the farming movement, one should highlight the lack of funds for the timely implementation of basic agricultural work at optimal times (plowing, application of fertilizers and plant protection products, harvesting), insufficient equipment of farmers with agricultural machinery, the inability to purchase more productive technical means, as well as the sale of finished products.

Despite the fact that a larger amount of land has been transferred to efficient farms for use, 21 thousand hectares of land are practically not cultivated. Therefore, the issue of land, its effective use, and preservation for future generations is key for our republic.

The agricultural systems of highly developed countries confirm that without private ownership of land and agricultural means of production, it is impossible to create a highly competitive market environment. The presence of frequent land ownership is also considered an important element of political and popular democracy. Land ownership is an essential and integral element of protecting the system of civil rights and state guarantees for business and investment activities.

Land brings sustainable income not only as a factor of production, but, above all, as an object and attribute of property. The liquidity of land is of decisive importance, that is, the possibility of leasing it, collateralizing a loan, inheriting, donating, buying and selling. Changing property relations will increase the efficiency of decision-making and significantly reduce the burden on republican and local government bodies, transferring them to the corporate and individual level.

Unlike private ownership of other factors of production (for example, machines, buildings, structures), private ownership of land is not absolute in any country in the world. It is limited by a number of conditions that allow the conservation and efficient use of land resources, as well as the prevention of unwanted speculative transactions, and a means of interethic hatred. Among the most frequently used restrictions are:

- the owner of the land is obliged to use the land plot in strict accordance with its intended purpose;
- the sale of land plots is allowed no earlier than 5 years after receiving them into ownership free of charge and no earlier than 3 years after acquiring them into ownership for a fee;
- in order to limit the concentration of land plots in one hand, the legislative mechanism establishes maximum sizes of land plots that can be owned by legal entities and individuals;
- to prevent abuse, the sale of agricultural land should be carried out only on a competitive basis (open tenders);
- prohibition or restrictions on the sale of agricultural land to foreign individuals and legal entities.

2 Materials and method

The main goals of the proposed recommendations can be identified as:

a) protective (ensuring the rights of citizens of the KBR and legal entities to land, including legal support for the circulation of land plots provided to citizens of the KBR and legal entities as private property, as well as creating the most favorable conditions for effective land use in the Republic);

b) informational (awareness of citizens about their rights to land use, built on the basis of a private form of land ownership and, as a result, increasing the activity of civil society in resolving the issue of introducing a private form of land ownership);
c) economic (forms the effective competitiveness of agro-industrial production, ensuring food security and independence, allows increasing the export of certain types of agricultural products, increases the contribution of the agro-industrial complex to the economy.

Achieving these goals is possible as a result of the implementation of the following strategic objectives:

- ensuring awareness of citizens regarding the current crisis situation in the agricultural sector and the need to introduce private ownership of land as one of the elements to overcome it;
- ensuring the protection of land rights of citizens during the period of reform of land legal relations;
- increasing the activity of citizens during the referendum;
- improving the well-being of the population based on the availability of every citizen of the Kabardino-Balkarian Republic to have the right to own land by creating legal, economic and organizational conditions for granting them ownership of land;
- creating conditions for increasing the rational and efficient use of land and, as a result, stimulating an increase in the living standards of the population;
- creating conditions for sustainable production of agricultural products, meeting the needs of the population for quality food products and food security of the republic;
- formation of a wide class of effective private land owners and increasing the level of income of the rural population.

These Recommendations can become the basis for the development and implementation of a mechanism that includes a set of consistent measures for land reforms, as well as a prerequisite for the practical implementation of reform of land legal relations in the CBD. It is mandatory when making organizational and management decisions, developing and approving relevant regulations.

The basic principles, the implementation of which is mandatory during the transition period of introducing private ownership of land, are:

a) transparency (open discussion in the media, inadmissibility of persecution for expressed opinions, equal access of citizens to information of interest to them on land use issues);

b) guarantee of land rights of citizens and preservation of existing rights to land;

c) mandatory (the provisions of this concept are the guiding principles for the development of normative legal acts regulating the circulation of land under private ownership);

d) universality (regulatory provision of land rights for all categories of citizens who have rights to land);

e) phasing (consistent introduction of land plots into civil circulation).

With this approach, citizens who have the right to provide (transfer) land plots into private ownership will be protected from negative consequences when uncoordinated decisions or actions are taken in this area. At the same time, the state should not weaken its efforts aimed at identifying a rational solution to the problem of land ownership, as well as providing benefits for that part of the population that, without state assistance, would lose equal access to fundamental rights guaranteed by the Constitution.

3 Results and discussions

In order to consistently implement the reform of land legal relations in the context of the transition to private ownership of land in the Kabardino-Balkarian Republic, the implementation of the right of private ownership of land should be carried out in stages.

State regulation of this reform should include:
1) determination of categories of lands that can be included in civil circulation, as well as categories of lands that are not subject to transfer to private ownership;
2) development of the procedure and mechanisms for introducing private ownership of land;
3) determining the list of participants in land privatization;
4) determination of the scale of privatization (area and share of land to be included in civil circulation, minimum and maximum sizes of land plots for sale, lease, inheritance);
5) development of restrictions regarding the use of land and operations on the land market (for certain categories of land and for certain categories of owners and users);
6) implementation of proper registration and execution of title documents in order to ensure strict accounting of ownership rights and their transfer. Including lease and collateral agreements.

Depending on the rights of ownership and use of land by various categories of citizens and on the specifics of the provision of land plots on the grounds provided for by law, the main directions and sequence of actions for each of them are provided, which are as follows:

3.1 First stage

a) Based on the results of a national referendum on the issue of introducing private ownership of land, as a matter of priority, changes and additions are made to the current legislation of the KBR regulating land and related legal relations in order to bring it into line with the provisions provided for by the introduced institution of private ownership of land.

In turn, in addition to the corresponding changes to the norms of current legislation, it is necessary to develop, consider and adopt a number of new legislative acts aimed at regulating and filling legal gaps that may arise in the future in the process of implementing land reform. It is necessary to recognize and legitimize all Soviet documents issued before 1990 on inventory, valuation and cadastration of lands, as well as develop a number of special laws (in the absence of corresponding mechanisms in the Land Code) regulating land relations. For example, laws such as amendments to the current RZ: “On the turnover of agricultural land”, “On the pledge”, “On the procedure for holding land auctions and competitions”, etc.

This law-making work is aimed at developing legal, organizational, chronological and economic mechanisms for the transfer of land into private ownership (the regulatory framework of the land market, including lease, sublease, pledge, barter, purchase and sale, donation of privately owned lands, as well as the procedure for inheriting land plots), the procedure for state registration of private property rights to a land plot and transactions with it.

Mechanisms should be provided separately for agricultural and non-agricultural lands. In this case, it is necessary to clearly define the circle of individuals and legal entities, potential owners of various lands. For the above purposes, it is necessary to study the issues of land price, payment for land, the relationship of these categories, determine the application of the tax system in the agricultural sector, develop and implement a mortgage lending system and an arbitration mechanism for resolving land disputes.

b) a moratorium on the purchase and sale of agricultural land plots (with the exception of lands provided for private farming, gardening partnerships and vegetable gardening) from the moment of the introduction of private land ownership. The sale of agricultural land plots is permitted no earlier than 5 years after receiving ownership of them free of charge and no earlier than 3 years after acquiring ownership of them for a fee.
3.2 Second stage (within 1-2 years)

This stage provides implementation of priority rights to land in parallel with such categories of citizens as:

a) citizens who retain their rights when their existing right of lifelong inheritable ownership of land is re-registered into private ownership. The specified transfer from one category of rights to land to another is considered as the initial free provision of land into the private ownership of the specified category of citizens within the limits provided for by land legislation and carried out once.

At the same time, in relation to that part of the land plots under the right of lifelong inheritable ownership that exceeds the established size limits, the following is provided:

1) further exercise of the right of lifelong inheritable possession in relation to the specified part of the land plot;
2) the possibility of citizens exercising the right of private property by purchasing the specified part of the land plot in the manner prescribed by law (see paragraph “a” of stage 5).

b) owners of land shares (shares) granted to them as rights to land during the reorganization of agricultural organizations. The right of private property for this category of citizens is realized by re-registering the certificates certifying the right to a land share issued to shareholders during the reorganization of agricultural enterprises into state acts certifying the right of ownership of land. At this stage, it is necessary for land commissions to carry out measures to designate and allocate land shares in kind.

3.3 Third stage (within 2-4 years)

The next stage involves the implementation of land rights sequentially by such categories of land users as:

a) (for 2 years) individuals who retain their rights when their existing right to long-term use of land is re-registered into private ownership.

The specified transfer from one category of rights to land to another is considered as the initial free provision of land into the private ownership of the specified category of citizens within the limits provided for by land legislation and carried out once. At the same time, in relation to that part of land plots under long-term use rights that exceed the established size limits, the following is provided:

1) further exercise of the owned long-term use right in relation to the specified part of the land plot;
2) the possibility of citizens exercising the right of private property by purchasing the specified part of the land plot in the manner prescribed by law (see paragraph “a” of stage 5).

b) (within 2 years) legal entities with the right to long-term use of land.

The transfer of the right to long-term use of land into the right of private ownership of land in relation to land plots on which real estate objects owned by legal entities are located is carried out free of charge once within the limits provided for by land legislation as the initial provision of land into private ownership. At the same time, in relation to that part of land plots under long-term use rights that exceed the established size limits, the following is provided:

1) further exercise of the owned long-term use right in relation to the specified part of the land plot;
2) the possibility of legal entities exercising the right of private property by purchasing the specified part of the land plot in the manner prescribed by law (see paragraph “a” of stage 5).

For citizens and legal entities who are the owners of buildings, structures and other real estate, it is provided for the transfer of the existing long-term use right into the right of
ownership of the land plots on which the specified real estate objects are located, in the above order (free of charge within the prescribed norms, and for a fee if exceeding specified limits). In order to further determine the procedure for the turnover of lands located under real estate objects, the principle of simultaneous alienation of the real estate object and the land plot occupied by it is established.

3.4 Fourth stage.

This stage follows after the implementation of the transfer of land use rights already existing at the time of the introduction of private property (the right of lifelong inheritable possession and the right of long-term use) into private ownership.

It provides for the further primary provision of land into private ownership to such categories as:

a) **(from the moment of completion of the previous stages and without expiration of the term)** citizens and legal entities who have legal grounds provided for by the legislation of the CBD for the provision of land plots on the right of ownership. Land plots from lands transferred in accordance with the established procedure to the jurisdiction of state authorities and local authorities are transferred to citizens and legal entities into ownership on the basis of acts of authorized bodies adopted in accordance with their competence and determined by the legislation of the CBD.

The transfer of land plots into ownership of legal entities is carried out for a fee and free of charge, depending on the category of land and other parameters in cases and in the manner provided for by the legislation of the CBD.

The transfer of land plots into ownership to citizens of the Kabardino-Balkarian Republic is carried out for a fee or free of charge, depending on the category of land and other parameters in cases and in the manner provided for by the legislation of the CBD.

b) **(for 2 years)** employees of budgetary organizations living in rural areas (with work experience in a budgetary organization of at least 10 years), as well as citizens with a total work experience in agricultural organizations of at least twenty years, who transferred before retirement from farms to the public sector. For this category, provision is made for the allocation of land shares (shares) with the provision of private ownership rights to these land shares (shares).

The envisaged provision of land shares into private ownership is implemented as a result of measures to allocate, distribute and secure the corresponding land shares.

3.5 Fifth stage **(from the moment of completion of the previous stages and without expiration)**

This stage provides for the provision of land into private ownership exclusively for a fee and includes such areas as:

- a) for individual and collective housing, garage construction and personal subsidiary plots - within the limits of the standards established by local authorities in accordance with their competence;
- b) for a peasant (farm) enterprise within the limits provided for by the legislation of the CBD;
- c) for horticulture and livestock farming (or other promising or innovative agricultural sectors) - within the limits of the standards established by government bodies;
- d) in other cases directly provided for by the legislation of the CBD.

Repeated free provision of land plots into private ownership for each of the above purposes is not permitted.
a) provision of land into private ownership for a fee to persons who have the undisputed right to purchase it (in relation to part of the land plots that exceeded the maximum size established for free transfer to private ownership, and which was retained by persons (after the appropriate re-registrations provided for in 2 and 3 stages), with the right of lifelong inheritable ownership and long-term use.

b) provision of land into private ownership to citizens of the Kabardino-Balkarian Republic and legal entities exclusively for a fee on a competitive basis.

In turn, in relation to tenants who effectively use the land for a specified period of time, a pre-emptive right to purchase leased land plots into private ownership is provided.

3.6 Sixth stage

The end of the moratorium on the purchase and sale of land provided for in subparagraph “b” of stage 1, meaning:

a) comprehensive introduction of land into civil circulation;

b) exercise of the right to free sale of land plots, taking into account the time restrictions provided for in subparagraph “b” of stage 1.

At all envisaged stages of reforming land relations, it is necessary to create a monitoring system (continuous surveillance) of the state of land resources in private, municipal and state ownership, as well as the creation of mechanisms for protecting and guaranteeing private ownership of land.

3.7 With strategic directions

3.7.1 General provisions

The provisions of the Recommendations are aimed at regulating relations related to the ownership, use and disposal of land plots, establishing rules and restrictions applied to the circulation of land plots and shares in the common ownership of land plots, determining the conditions for the provision of land plots that are in state or municipal ownership, as well as their withdrawal into state or municipal ownership.

Legal regulation of relations in this area is carried out by the Constitution of the KBR, the Land Code of the Russian Federation, the Civil Code of the Russian Federation, other laws, as well as other regulatory legal acts of the KBR adopted in accordance with them.

Legal regulation of the introduction of private ownership of land is based on the principles of preserving the intended use of land plots; establishing the specifics of providing land plots depending on the categories of citizens and their land use rights, including foreign citizens, foreign legal entities, stateless persons; providing citizens and legal entities with ownership of land plots that are in state or municipal ownership, on a compensated or gratuitous basis in cases established by law.

Participants in the relations regulated by these Recommendations are citizens, legal entities, the Kabardino-Balkarian Republic, and municipalities.

Foreign citizens, foreign legal entities, stateless persons, as well as legal entities in the authorized (share) capital of which the share of foreign citizens, foreign legal entities, stateless persons is more than 50 percent, may own land plots or shares in common property rights for land plots only on a lease basis.

3.7.2 List of categories of lands included in civil circulation

1. From agricultural lands, with the exception of the state reserve fund of lands:
1. From the lands of populated areas of the earth:
   a) adjacent land plots of multi-apartment residential buildings;
   b) from the composition of lands built up and intended for development with administrative, religious buildings and structures;
   c) public use - used as pedestrian and transport routes (squares, streets, driveways, roads, embankments), to meet cultural and everyday needs (parks, forest parks, boulevards, public gardens, ponds, beaches) and other public needs of the population;
   d) transport, communications, engineering communications - occupied by structures of railway, road, river, air and pipeline transport, highways of engineering infrastructure and communications;
   e) natural reserve, environmental, health, recreational and historical and cultural purposes - occupied by natural monuments, forests, natural (national) and dendrological parks, botanical gardens, reserves, landscape areas, lands with natural healing factors (mineral springs, deposits therapeutic mud and others), climatic and other conditions favorable for prevention and treatment, intended and used for organized mass recreation and tourism, lands on which historical and cultural monuments, places of interest are located;
   f) reservoirs and water areas - occupied by rivers, natural reservoirs, water protection zones, hydraulic engineering and other water management structures;
   g) not involved in urban planning activities, used as a reserve for the territorial development of cities and other populated areas;
   h) military facilities, sensitive zones.
2. Lands of specially protected territories and objects (lands for environmental purposes, lands of natural reserves, lands for recreational purposes, lands for historical and cultural purposes).
3. Forest lands
4. Lands of the water fund
5. State reserve lands
6. Lands of the state reserve fund.
4 Mechanism for land distribution depending on categories of citizens and their land use rights

1. The rights of citizens of the Kabardino-Balkaria to receive private property for running personal subsidiary and dacha farming, gardening and individual housing and garage construction:

   Citizens who have received land plots for lifelong inheritable possession or long-term use acquire the right to provide and purchase these plots into ownership.

   Citizens who have land under the right of long-term use or lifelong inheritable ownership have the right to receive it once free of charge within the limits provided for by the current land legislation for land plots granted for possession and use.

   The free transfer of land plots is carried out within the established norms; additional acquisition of land is possible only for a fee, while the total maximum amount for the transfer of ownership of land to one owner must correspond to the norm provided for by current legislation. Exceeding the maximum size of land plots for transferring ownership to one person is possible for an individual investment project, taking into account the requirements provided for by current legislation. The limitation on the maximum area of agricultural land owned by one person should be differentiated by administrative-territorial units, depending on the degree of provision with land resources. In this case, it is possible to use an indicator that reflects the maximum share (in %) of the total area of agricultural land that can become the property of one individual or legal entity.

   Land plots received by citizens before the introduction of private land ownership and which are in their lifetime inheritable possession and long-term use, including those in excess of the established size limits, and used by them for personal farming, collective gardening, housing, garage or dacha construction, are preserved for citizens in full. So, these persons re-register ownership land that was previously under the right of long-term use or inheritable ownership, within the limits of restrictive norms provided for by law. At the same time, citizens whose land plots exceed the maximum norms in all cases retain the right to lifelong inheritable possession or use of the part of the land plot that exceeds the established norms. In this case, they are given the right to purchase this part of the land plot as private property at a negotiated price from the local Administration, but not lower than the standard one. It is prohibited to oblige citizens who have these land plots to buy them or lease them.

   The use by the owner of the acquired land plot for purposes other than its intended purpose, unless otherwise provided by law, is not permitted.

2. Rights of owners of land shares (shares):

   When private ownership of land is introduced, citizens who have the right to a land share (share) re-register title documents by replacing the issued land share certificates of the established form with state acts certifying the ownership of land.

   Expenses necessary for conducting a land inventory are approved by the budget law for the corresponding year and are made in accordance with the norms of the Land Code. A land inventory is required before obtaining a title document. Tariffs for issuing a state land deed are approved by the state, while the state provides benefits for certain categories of citizens when registering a state land deed.

   Local government bodies, within the established period, send to all owners of land shares notifications about the procedure for obtaining certificates of ownership of land shares registered in accordance with the legislation of the Kabardino-Balkarian Republic.

   The owner of a land share (share), without the consent of other participants in shared ownership, at his own discretion, has the right:
   - transfer the land share by inheritance;
   - use the land share (with the allocation of a land plot in kind) for running a peasant (farm) and personal subsidiary plot;
- sell the land share;
- donate a land share;
- exchange a land share for a property share or a land share in another farm;
- transfer the land share (with the allocation of a land plot in kind) as collateral and for rent to peasant (farmer) households, agricultural organizations, citizens for running personal subsidiary plots;
- transfer the land share on the terms of a rent agreement and lifelong maintenance;
- contribute a land share or the right to use this share to the authorized capital or mutual fund of an agricultural organization;
- transfer the land share to trust management.

Land shares provided for private ownership are not burdened with debts of reorganized agricultural organizations.

Land plots allocated in kind on account of land shares can only be used for the production of agricultural products.

The transfer of land into private ownership, provided to tenants, as well as land users for running peasant (farm) farming, from among the lands of agricultural enterprises is not allowed. After the distribution has been carried out, the allocation of a land plot in kind on the ground and the issuance of title documents to the land plots to the owners, the tenant or land user has the right to enter into agreements for the lease of land plots with the owners of the land plots.

The transfer of land shares for lease to agricultural organizations, peasant (farm) farms, as well as the transfer of land shares or the right to use them to the authorized capital of agricultural organizations is carried out on the basis of agreements between the owners of land shares and agricultural organizations and peasant (farm) farms.

For employees of budgetary organizations living in rural areas (the list of which is approved by the President of the KBR), as well as citizens who have a total work experience in agricultural organizations of at least twenty years, who transferred from farms to the budgetary sector before retirement, provision is made for the allocation of land shares (shares) with the provision of private ownership rights to these land shares (shares).

The allocation of the provided land shares is carried out from the land redistribution fund by redistributing land plots in the amount of the average economic norm for the free transfer of land shares (land plots), multiplied by the number of citizens for whom the right to receive a land share in each specific farm is provided. The implementation of the appropriate allocation and distribution of land shares is preceded by a mandatory audit of the numerical composition of the provided categories of citizens and the implementation of the necessary calculations of the provision of each on-farm land reserve fund.

3. Rights of citizens and legal entities to land plots intended for development located in the territories of urban and rural settlements:

Land plots located in the territories of urban and rural settlements, intended in accordance with urban planning and land management documentation for development, are subject to free initial provision within the prescribed norms and (or) sale to citizens and legal entities at auctions (auctions, competitions), unless otherwise provided legislation of the CBD.

Land plots in state or municipal ownership, the circulation of which is not permitted by the legislation of the CBD, are not subject to transfer (sale).

In order to ensure the turnover of land plots located in the territories of urban and rural settlements, tenders (auctions, competitions) are held for the sale of land plots intended for development, located in the territory of urban and rural settlements, to citizens and legal entities.

The procedure for organizing and conducting tenders (auctions, competitions) for the sale to citizens and legal entities of land plots located on the territory of urban and rural settlements, or the right to lease them, is developed and approved by the Head of the KBR.
4. Ownership rights of citizens and legal entities to land plots under real estate objects:

Citizens and legal entities who have received ownership of buildings, structures or other real estate have the right to acquire ownership of the land plots on which these real estate objects are located, for a fee and free of charge. The free transfer of land plots is carried out within the established norms.

The right to acquire ownership of land plots (shares of land plots) on which previously privatized buildings, structures, structures, premises, and unfinished construction projects are located primarily belongs to individuals and legal entities - owners of these real estate objects.

Privatization of buildings, structures, structures, premises, and unfinished construction projects is carried out in the future, as a rule, together with the land plots (the corresponding share of the land plot) on which they are located. The object of sale is a land plot (share of a land plot), previously allocated to the land user on the basis of long-term use rights, lifelong inheritable possession or short-term use, including lease.

The size and boundaries of the provided land plot on which the corresponding real estate object is located are determined (established) in accordance with the purpose of this object on the basis of land allocation norms approved in the established manner or in accordance with design and technical documentation.

In the absence of documents confirming these rights, the land plot is provided within the actual boundaries that existed (exist):
- under a privatized enterprise - on the date of approval of the privatization program;
- under buildings, structures, structures, premises, objects of unfinished construction - on the date of entry into force of ownership of the property.

The sale of land plots to owners of privatized state and municipal enterprises for the expansion and additional construction of these enterprises is carried out on a competitive or auction basis at the expense of lands not encumbered with the rights of users and tenants.

When holding a commercial or investment competition, the right to purchase a land plot is transferred to the buyer whose proposal fully meets the terms and criteria of the competition.

The conditions of a commercial and investment competition may include: the intended use of the site, compliance with environmental, architectural and planning requirements, ensuring the maximum amount of investment, carrying out reclamation work, landscaping the site, and others.

At an auction, land plots are sold in cases where the buyer is not required to fulfill any conditions other than the intended use. In this case, ownership rights are transferred to the buyer who offered the maximum price during the auction.

The initial price of a land plot when sold at a commercial or investment competition or auction is set at an amount not lower than the standard price of land.

5. The rights of foreign citizens, foreign legal entities, stateless persons, as well as legal entities in the authorized (share) capital of which the share of foreign citizens, foreign legal entities, stateless persons is more than 50 percent, to land plots or shares in the right common ownership of land plots:

Foreign citizens, foreign legal entities, stateless persons, as well as legal entities in the authorized (share) capital of which the share of foreign citizens, foreign legal entities, stateless persons is more than 50 percent, may own land plots or shares in common property rights for land plots only on a lease basis.

5 Conclusion

The experience of agricultural development in countries with market economies confirms that the introduction of the institution of private land ownership allows for significant economic, social and political effects:
- assess the real value of land resources. In the absence of private land ownership and a land market, it is impossible to determine the real value of various categories of land; 
- without private ownership of land, an influx of investment is impossible. The presence of private land ownership is a powerful factor in stimulating both domestic and foreign investment. Everyone knows that the most important condition for providing loans is their collateral. All over the world, such support (primarily in agriculture) is land; 
- the uncertainty of land relations restrains the growth of both agricultural production and industrial and processing enterprises directly related to it; 
- the experience of some regions of Russia, as well as foreign countries where there is a market turnover of land, has proven that agricultural land is used there more rationally. It is not profitable for a private owner to keep land in an abandoned state while paying taxes on it. He needs the land to make a profit, otherwise he will have to sell it to a more efficient businessman, which is quite justified from the point of view of increasing productivity; 
- the presence of private ownership of land is a sign of a high level of democratization of society; 
- the institution of private land ownership puts workers in agriculture and other areas (sectors) of the economy on an equal footing regarding the possibility of appropriating factors of production; 
- the introduction of the institution of private ownership of land brings the legislation of the CBD closer to the legislation of the Russian Federation and the CIS (in particular, states that have declared the creation of a single economic space - Belarus, Kazakhstan, Russia, Ukraine), which will significantly facilitate integration processes. 

Other benefits from the introduction of private land ownership include: 
1. Additional revenues to the republican and local budgets from land purchase and sale operations. 
2. The transfer of land into private ownership increases the likelihood of development and improvement of the land plot. The fear of losing land if taxes are not paid will force land owners to be more responsible in paying land taxes, which will lead to improved tax collection. 
3. Job creation. As the experience of Western countries shows, privately owned land is developed and improved faster than state-owned land, which leads to the creation of new jobs. 
4. Growth in investment volumes. The history of economic development confirms that foreign investors prefer to invest in the economies of states where there is private ownership of land. Lands of high value for new investments that allow them to be used in the most efficient way. 
5. Improvement of land maintenance. As a rule, private land owners provide better maintenance of your real estate. 
6. Land use efficiency. Owners who do not require expensive land will tend to move their production to areas with cheaper land, which will free up 
7. Using land as your most valuable asset. Land is potentially the most valuable part of the fixed assets on the balance sheet of an enterprise. Usually, after enterprises privatize their land, the market value of shares increases (for joint-stock companies). 
8. Using land as collateral for a bank loan. It is easier for a private land owner (legal or individual) to obtain a bank loan, since banks prefer to give loans under a firm guarantee (reliable collateral), the role of which is played by privatized land. 
9. Possibility of selling surplus land. After purchasing the land, the enterprise can concentrate its activities on the main site, and sell the vacated lands, investing the proceeds in the development of production. 
10. Receiving income from renting out land. Land owners will be able to rent out surplus land (or an entirely privatized plot) to the most efficient producers. This experience has
become widespread in many regions of the Russian Federation, where rural residents who received appropriate land plots, but not being able to cultivate them, leased them out or in trust management. At the same time, regular receipts of rental payments are ensured, which are an important source of replenishment of assets for legal entities, and a source of personal income for individuals.

11. Removal of production facilities from the central part of urban settlements. Agricultural producers who have purchased their land can make more informed decisions about where they should locate their production. For example, an enterprise located in the center of a populated area can sell its land for residential, office or commercial development and invest the proceeds in purchasing less expensive land somewhere else to transfer its production there.

12. Expected increase in the efficiency of agricultural production, which will lead to an increase in the income of agricultural producers.

The establishment of effective agriculture based on pluralism of forms of ownership, including private, and diversity of organizational and legal forms of management, including farmers, as well as a civilized land market cannot be achieved within two to three years. This is a long process.

Naturally, the introduction of private ownership of land will not be able to overnight transform the agricultural sector into a highly efficient production sector. Of course, it takes some time to develop and master the rules of the agricultural market economy and to form the necessary market infrastructure.

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