

відповідності чинних неформальних норм країни-реципієнта формальним нормам інституту, що імпортується.

- Розвиток інституційних форм і індивідуальний розвиток економічних агентів визначено як принципово тотожний процес збільшення питомої ваги типових реакцій на імпульси за рахунок зменшення частки нестандартних рішень, що відбувається під впливом набуття цілісності відповідно інститутом і рутинами.

- Виявлено загальну специфіку функціонування інституту на стадіях виникнення, становлення та зрілості; конкретизовано періоди стадій розвитку інституту венчурного бізнесу та їх специфіку на матеріалах щодо історії розвитку венчурної діяльності в США.

Інститут венчурного бізнесу відкриває широкі перспективи подальших досліджень. Зокрема, теоретичну і практичну цінність має розмежування ознак «жорсткого ядра» і «захистного поясу» цього інституту, що надасть можливість встановити, які норми трансплантованого інституту можуть бути змінені в процесі адаптації до інституційного середовища реципієнта без втрати трансплантатом функціональної тотожності оригіналу.

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FORMATION OF THE PROPERTY RIGHTS ON AGRICULTURAL LAND AND CREATION OF THE FULL-FLEDGED LAND MARKET IN UKRAINE

Private land ownership encourages and promotes the economic growth of any country through efficient land use. The advantages of private land ownership become evident in market conditions. A land market provides stability of land property rights, the ability to transfer them from one person to another and correspondence/accordance of land prices to their real value. Being able to purchase and sell, as well as lease agricultural land is supposed to encourage the growth of agricultural production efficiency in Ukraine etc [9]. That is why the main objective of this article is to carry out a retrospective analysis of the fundamental transformation of land relations with special consideration on the formation of property rights on agricultural land and development of the agricultural land market in Ukraine.

Several studies on property rights formation within land relations reformation as well as land market development in post-socialistic coun-

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tries have been published during last decade. The most interesting of them should be mentioned: LERMAN, BROOKS and CSAKI (1994); CSAKI and LERMAN (1997); GIOVARELLI and BLEDSOE (2001); NOVAKOVSKY, TRETIAK AND DOBRIAK (2001); KARAKASH (2004) etc.

LERMAN, BROOKS and CSAKI (1994) concentrated on the background and first experience of land relation reformation in Ukraine. The study involved empirical data about the restructuring of Ukrainian agriculture in conditions of a transition economy and explanatory information on land reform legislation [14].

CSAKI and LERMAN (1997) is a continuation and extension of a previous survey. The study focused on a rigorous empirical and analytical assessment of changes in Ukrainian land relationships, namely in forms of land ownership and

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farming structures that occurred during the first five years of land reform [15].

GIOVARELLI and BLEDSOE (2001) present an overview on the transformation of land relations in Eastern Europe countries during their transition to a market economy in the late 1980s and mid-1990s. This paper primarily looks at one aspect of that transition: the transition of agricultural land from state ownership to private ownership and the accompanying transition to an agricultural land market [13].

KARAKASH (2004) provides detail overview of all problems concerning obtaining and realization of the property rights on land as well as land use rights in Ukraine [8].

NOVAKOVSKY, TRETIAK AND DOBRIAK (2001) describe all stages of land reform in Ukraine as well as present some data regarding land transactions on the market [10].

The main feature of this study that cannot be found in other works is the representation of significant changes in land ownership with special attention given to the formation of prerequisite of agricultural land market development in Ukraine since the Soviet Union's collapse. Contrary to other studies, which provide general data concerning land transactions, this article presents full statistical data on land market transactions with respect to agricultural land only.

After proclaiming independence in 1991, all land was automatically transferred from the state to the Ukrainian citizens. On the governmental level the decision was made to begin the transformation of land relations in the direction of a market-oriented economy. Thus, a comprehensive set of legal and normative documents was adopted. Ukrainian land reform started from the elimination of the state monopoly on land. After a time, land was redistributed and transferred to lifetime possession/use of individuals, permanent possession/use of collective farms (*kolkhozes*), Soviet agricultural enterprises (*sovkhoses*) and other enterprises. The declared aim of this redistribution was the creation of proper conditions for the equal development of different farming forms. Thereby, private and collective forms of land ownership were implemented and specified in the Law "ON THE FORMS OF LAND OWNERSHIP" [6]. Actually, collective land belonged to the individual members of collective farms, and each member was entitled to an equal share of land, which had to be certified by a land certificate.

The land share policies – introduced in the mid-1990s – did not bring about the expected results. Namely, the real landowners were not established; rational land use and protection of land resources wasn't achieved.

The December 1999 Decree of the President was aimed to set out a new policy for land reform [11]. According to this legal document, collective ownership was eliminated. And the decision was made to reorganize collective agricultural enterprises (transformed from *kolkhozes*) into joint-stock companies, limited liability companies, agricultural cooperatives, private firms and other market-oriented legal entities. The Decree ensured that members of collective agricultural enterprises had the right to withdraw their land and asset shares from the enterprises. Thus, they could establish new forms of agricultural enterprises and carry out their activities as private owners.

As a result, 6.7 million land certificates were distributed in Ukraine, the majority exchanged under the State Acts of private land ownership. Peasants had become landowners.

Land privatization led to significant changes in the structure of agricultural land ownership in Ukraine (see Table 1)

Table 1

Agricultural land ownership structure, thousands hectare

Indicators	Years			
	1991	1995	2000	2003
Total amount of agricultural land	42,030	41,853	41,827	41,788
Private ownership:	-	9,232	28,795	30,006
of which were				
Land shares	-	9,232	25,109	11,942
Land plots	-	-	3,686	18,064
Peasant farms:				
Total numbers, units	14,700	32,000	35,900	37,300
Agricultural land, thousand hectare	292	786	2,158	3,164
Peasant farms not registered as a legal entity	-	-	2,749	2,767
State Ownership	42,030	32,620	12,323	11,663

Source: STATE LAND RESOURCES COMMITTEE, 2005 [16].

As seen in Table 1, nearly 100% of agricultural land was under state ownership by 1991. Transferring agricultural land between different forms of ownership started after the beginning of land reform. At present, about 72%, or 30 million hectares of agricultural land are privately owned. Most of this land, 60%, is in physically demarcated land plots.

At this stage of land relations, an urgent need developed for a mechanism which would be able to establish property rights on agricultural land and provide rational and efficient land use. World practice attests that such a mechanism is an agricultural land market [2].

At present, the LAND CODE (2001) and the October 2004 law are the main legislation that regulates agricultural land market in Ukraine [7, 3]. According to the definition of land market and ascertained prohibitions in TRANSITIONAL PROVISIONS OF LAND CODE (2001) [7], a full-fledged agricultural land market does not function in Ukraine today. The Transitional Provisions which were amended and prolonged by the Law of Ukraine „ON AMENDING ACT TO THE LAND CODE OF UKRAINE” [3], state:

- Individuals and legal entities which have land plots in private ownership for family farming and other agricultural production, as well as the citizens of Ukraine/land shareowners have no right to sell or alienate in any way their land plots and land shares, except by inheritance or withdrawal for public needs till January 1, 2007.

- For the period till January 1, 2015, individuals and legal entities can acquire agricultural land plots with the total area not exceeding 100 hectare. However, this area can be increased in the case of legitimate inheritance of these land plots by citizens and legal entities.

- Until January 1, 2007, land shareowners have no right to contribute their shares to the statutory fund of business associations/ commercial companies.

All land transactions which can be made on the Ukrainian agricultural land market are generally divided into two main categories: a) purchase and sale transactions, which predict the transfer of legal land ownership; and b) leasing transactions, which predict the transfer of rights on land use from lessor to leaseholder.

Giving as a gift, the inheritance/bequest of agricultural land or so-called *civil-law transactions* and exchange of agricultural land plots or so-called *market transactions* are also commonly used in

Ukraine and can be placed in the first category of land transactions, which predict the transfer of legal land ownership. Leasing transactions comprise the leasing of agricultural land, subleasing, and third party lease.

The August 1995 Presidential Decree stipulated a land share size for each land ownership share with distribution of nominal Certificates of the Rights on Land Share [12]. On the 1st of January 2003, 6.72 million peasants (or 98 %) received the Certificates and automatically obtained the rights regarding all available transactions with their land shares.

The certificate transactions have been running during the last several years and became the first transactions of the rights on agricultural land. At that time the land share rights were not properly understood by the population and new land shareholders did not take any strong proactive position in exercising their rights.

Certificates of the Rights of Ownership on the Land Share (every share comprised 4 hectares on average) were selling between 500 hryvnas (100 USD) to 16,500 hryvnas (3,000 US Dollars). According to the accepted method of monetarily assessing land, a hectare of agricultural land costs 8,574 hryvnas and the average cost of land share has not be less than 34,300 hryvnas [16].

This has led to the large-scale purchasing of land share rights at low prices in certificate form (see Figure 1).

All land shareowners agreements regarding the purchase or sale, gift or alienation of land shares in any way, except through transferring them into heritage and withdrawing them for social needs, were prohibited by the January 2001 law, according to the absence of a land purchase and sale mechanism, and with the aim of protecting of peasants' land rights [5]. This law thereby practically stopped all transferral of the rights for land ownership shares.

Another way of transferring the rights to agricultural land plots is purchase or sale. There are two probable types of agricultural land plot purchases or sales in Ukraine: (a) direct purchase or sale according to applications of all concerned individuals and (b) purchase or sale at auction. Direct purchase or sale of agricultural land plots is allowed only for legal persons, religious and social organizations, and for Ukrainian citizens. Others may obtain rights for private land ownership through purchase or sale at the auction only.

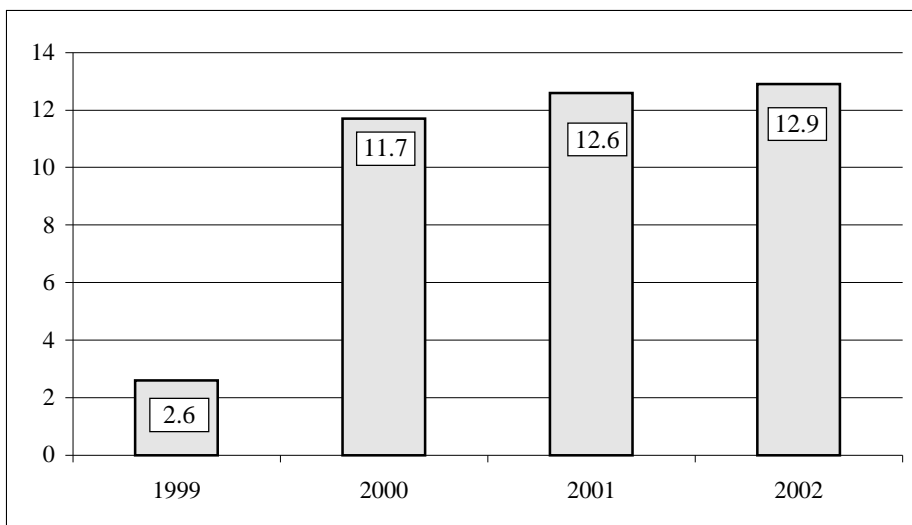


Figure 1. Transaction dynamics of land plot rights in certificate form, thousand
 Source: STATE LAND RESOURCES COMMITTEE (2003) [16].

While the sale and purchase of agricultural land are currently forbidden, gift, inheritance/bequest and lease of land plots are allowed. This serves as a tool for reallocating land resources during the moratorium period.

According to the LAND CODE OF UKRAINE (2001), three available types of transferring ownership rights to agricultural land were legally present in Ukraine till the end of 2005: exchange, gift and inheritance. In this respect, the

exchange of agricultural land plots is worthy of special attention. According to the LAND CODE (2001), the exchange of agricultural land was a legal operation on the Ukrainian agricultural land market by January 2005. The Law of Ukraine "ON AMENDING ACT TO THE LAND CODE OF UKRAINE" prohibited all market transactions concerning the exchange of agricultural land plots till the 1st of January 2007.

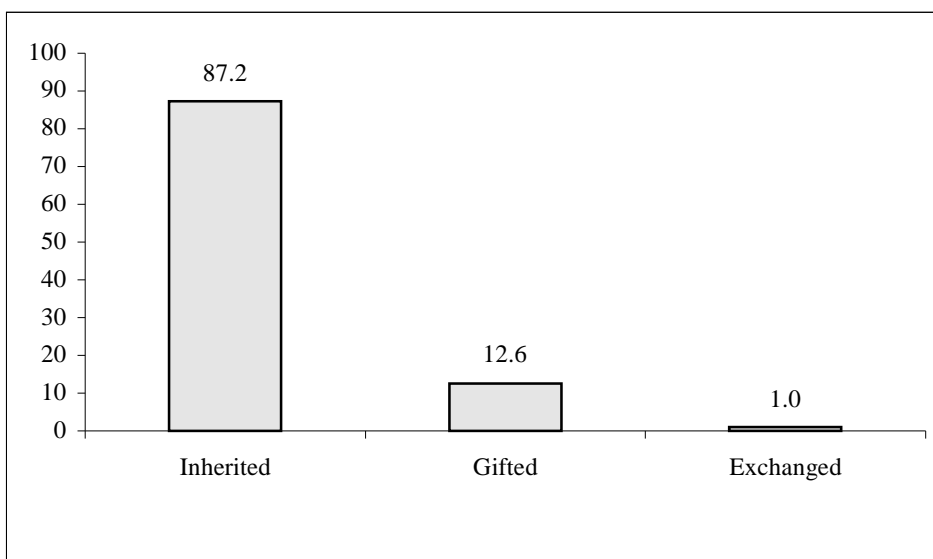


Figure 2. Structure of land transactions (exchange, inheritance, gift) in land certificate form on the 1st of July 2003, Total - 752 thousand transactions
 Source: STATE LAND RESOURCES COMMITTEE (2004) [16].

As shown in Figure 2, inheritance is the predominant type of transaction, accounting for 86 % of the total amount of land transactions involving the transfer of ownership. This is explained by a simple reason: half of all land plots are in posses-

sion of pensioners passing on land rights to their relatives [1]. One of the most common forms of land plot transferal of the Ukrainian agricultural land market is land lease.

Land lease was re-established in Ukraine

through the Law "ON LAND LEASE" [4] after a 70 year break. Land sharing of non-state agricultural enterprises provided a powerful incentive for agricultural land lease relations' development. Nearly 6.7 million certificate owners, 41,600 farmers, as well as the new forms of business, were interested in developing land lease relations.

Currently in Ukraine, there are two ways of transferring land by lease: (a) the Certificate of the Right for Land ownership Share and (b) the State Act of the Rights for Private Land ownership. The majority of certificate owners entered into leasehold arrangements with agricultural entities and individuals. On the 1st of January 2004, land shareowners made 5,235,600 rent contracts, with a total leased area of 20,927,400 hectares. And on the 1st of January 2005, the amount of such contracts was 5,031,200, with a total area of

19,982,500 hectares of leased land.

As seen from Figure 3, leasehold agreements with enterprises which issued land certificates still dominate (69%). Such a figure can be explained mostly by retirees' reluctance to change the leasers. The part of retirees' leasehold agreements in the total amount of rent contracts is 2,691,700, or 53.5 %.

On the 1st of January 2005, 12.716 million hectares of agricultural land were transferred into lease based on the State Act of the Rights for Private Land ownership. 99.9 % of this amount, or 12.708 million hectares, was transferred for agricultural production and only 8,700 hectares, or 0.1 %, was transferred for other purposes. 158,400 hectares of agricultural land, or 1.2 %, were transferred into lease in different localities.

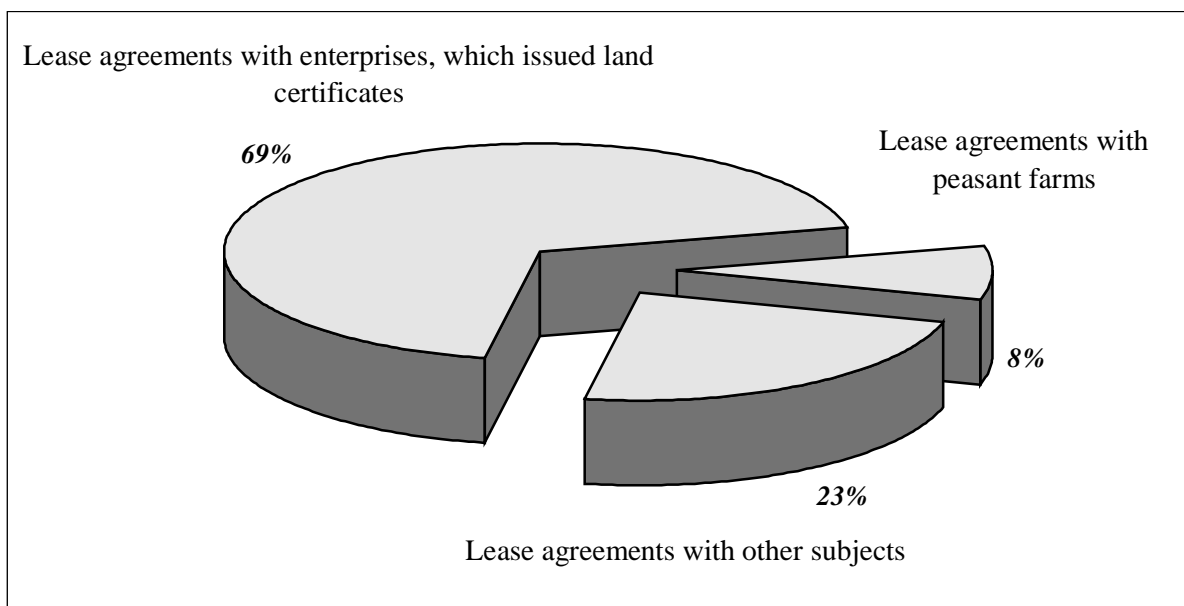


Figure 3. Structure of land share lease agreements at January 1, 2005, % of total

Source: STATE LAND RESOURCES COMMITTEE (2005) [16].

Almost all prerequisites for the development of an agricultural land market have been established in Ukraine. The state's monopoly on land ownership has been eliminated, Ukrainian peasants obtained rights of private ownership on most agricultural land, and new forms of business on the agricultural land market developed. Further, market transactions of agricultural land through exchange, gift and inheritance/bequest have been implemented in Ukraine.

But several impediments to the further development of an agricultural land market still exist. First is the moratorium on the purchase and sale of agricultural land, which should be immediately lifted. The moratorium is interrupting the devel-

opment of the land market, as well as its infrastructure, including consulting agencies, brokerages, real estate agencies, insurance companies, etc.

Current agricultural land transactions in Ukraine are accompanied by the complex and intricate procedure of registration in different agencies and departments. That is why the formation of an Integrated Registration System of the rights on land and real estate is also one of the most important prerequisites for further agricultural land market development. One more problem to be addressed is that land evaluators and landowners have little access to market information regarding agricultural land prices or demand and supply. Difficulties in access to such information, and even its

absence, are reflected in current land prices. Solving these issues will hopefully accelerate the development of the agricultural land market in Ukraine.

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**ИНСТИТУЦИОНАЛЬНЫЙ ПОДХОД К РЕФОРМИРОВАНИЮ
ПРОМЫШЛЕННЫХ ПРЕДПРИЯТИЙ**

Реформирование отечественных промышленных предприятий является необходимым условием осуществления рыночной трансформации экономики. Это вызвано неконкурентоспособностью промышленных предприятий и производимого ими продукта, неэффективностью их функционирования и как следствие неконкурентоспособностью экономики страны. Теоретическое осмысление происходящих трансформационных процессов, выбор приоритетов экономического развития определяют формирование методологии системного реформирования отечественных промышлен-

ных предприятий. Поэтому возросла потребность в использовании институционального подхода, для которого традиционным является представление экономики как сферы взаимодействия индивидов, формирующих социальные институты, являющиеся своеобразными общественными благами.

Создание макроэкономических и политических условий, обеспечивающих свободное развитие рыночных сил экономики, оказывается успешным и приводит к росту конкуренто-

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