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Olena Borodina¹

EGALITARIAN AND MARKET LAND REFORMS IN THE CONTEXT OF BASIC HUMAN RIGHTS AND PUBLIC WELFARE

Based on the generalization and analysis of modern scientific and applied approaches and real results of land transformations in the last century in transition economies, the article reveals the essence of the nature of market and egalitarian land reforms, as well as their goals and general economic results. Egalitarian reform has as its main priority a rapid reduction of rural poverty and development of the new land-owners' skills to build their potential for its implementation in the general societal context.

Market-oriented land reform aims at economic efficiency of the market based allocation of resources to ensure the growth of export-oriented agricultural production. Egalitarian land reform focuses on human and the realization of his or her basic rights, while market land reform focuses on the economy.

Empirical data on land reforms in China show that their egalitarian nature was based on the creation of a society with equal opportunities of its members in the management of and access to land resources and material benefits obtained from them, and on ensuring a wide spread of the benefits from rural growth in society as a whole. Currently, China is the only country in the world that progressed from a "country of low human development" in 1990 to a "country of high human development" in 2018.

The author proves that the purpose of land reform cannot be primitivized to a simple division of land into plots for transfer to private ownership based on free market turnover. Guaranteeing basic human rights and achieving public welfare from a land reform are achieved not only via obtaining land in private ownership, but also via supporting these acts with a fair distribution of control over the production process. Imposing on society a pseudo-scientific concept that land is a commodity that, like an apartment, mobile phone or bag of feed, can be freely bought and sold on market at open auctions, which will consolidate the country's economic power would inevitably lead to even

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greater income polarization, violation of basic human rights and, consequently, to social confrontations and significant social upheavals².

Keywords: *egalitarian land reform, market land reform, land as a common good, land as a commodity, public welfare, basic human rights, control over production*

Introduction. From the point of view of human rights, the land is a common wealth that produces the means necessary for survival: first of all, water and food, living place and recreational resources. It is a guarantor of biodiversity, health, environmental safety and the place for living activities. It is immovable, non-renewable, and inextricably linked to people and living communities. In accordance with the evolution of the systems of land management and control, economic systems, political structures, communities, human cultures and beliefs were formed. That is, land relations are primary, they cause changes in other social relations and they also affect the natural environment of man and all living things on the planet.

It is exactly due to these reasons that, throughout human history, land has been considered not only as a factor of production, but also as a unique social good for its owner: a safe form of preservation, a means to obtain social and political benefits, as a living space and means for family food sovereignty. Unlike other productive assets, land that has long been privately or jointly owned (in particular, as a community property) is almost sacred and, except in emergencies that result in the sale of land, it is preserved as a kind of family or ancestral heritage, that is, an illiquid family asset [1].

Statement of the problem. The redistribution of land to restore human rights is determined by the ideological context, requires political decisions and is accompanied with certain social tensions. One of the decisive arguments of those who control land relations in the country for appropriation of rental super-profits, used to further delay the fair redistribution of land resources in favor of those who cultivate them, is the following: insufficient land to provide to all willing villagers and economic inexpediency of land parceling into small plots. However, one of the most limited countries in terms of land provision, China, has carried out in the XX century, perhaps the most successful egalitarian land reform in the world.

The People's Republic of China (PRC) as of 2020, has only 6% of global land area and 19% of the world's population (1.4 billion people) [2]. According to FAO, this country's total area is 956291 thousand hectares, land area - 938821 thousand hectares, agricultural land area - 527753.9 thousand hectares, and forest area - 212459.9 thousand hectares [3]. Arable land accounts for about 13% of total land area (121.5 million hectares), as most of the country is covered with steep mountains, rocky deserts or dry meadows.

Agricultural lands are collectively owned and leased to farmers in small plots. It is estimated that Chinese rural land use has 1 billion land plots owned by more than 200 million family farms.

² The publication was prepared within research project on "Spatial justice in land use for sustainable development of rural areas" (State Registration No 0121U108142).



The egalitarian nature of China's land reform was based on the creation of a society with equal opportunities in the management and access to land resources and in the material benefits earned from it by all its members. It guaranteed widespread benefits from rural growth [5]. The constant improvement and change in China's land policy is a mirror image of changes in the ideological orientation of the ruling Communist Party (CCP), which at a certain stage of the country's development gave way to ideology in favor of public welfare. Since the late 1970s, land policy has been largely guided by considerations of economic development rather than socialist ideology. Thus, an undeniable success is the fact that, thanks to the land reform, China's large rural population is now fed, clothed, settled, and has access to health care and education.

The experience of land transformations in China has shown that the essence of land reform cannot be reduced to the division of land into plots for transfer to private ownership; the ultimate goal of the reform is a fair and real distribution of control over the production process. In Ukraine, land reforms at the stage of obtaining independence in the 1990s were based on the restoration of peasants' rights to land, which had been seized from them in the process of collectivization. Collectively owned lands were divided into shares (distributed) among those who cultivated them. At the same time, the state agricultural policy subsequently created conditions for the transfer of control over the production process to large capital of non-agricultural origin, which, gradually increasing its economic power, gained access to influence on public policy in general and to the regulation of land relations in particular. The result was that by 2010, through various mechanisms, up to 80% of private land received by farmers during the land distribution virtually came under the control of large capital. In order to prevent these lands from becoming the property of the latter, a moratorium on the purchase and sale of agricultural land was introduced in Ukraine in 2001. The moratorium, which was introduced as a temporary measure, was extended in the following years, because Ukraine lacked relevant legislation, state programs for rural development and support of farming, state land bank and other specialized rural institutions, as well as land cadaster and digitized data for its filling. The opening of a free market for agricultural land in Ukraine was one of the conditions for cooperation with the IMF and the World Bank (WB), which Ukraine delayed for almost two decades. In 2020, the International Monetary Fund (IMF) once again demanded that Ukraine allow the free sale of agricultural land.

The World Bank justified the benefits of creating a free land market in Ukraine. According to its estimates, the lifting of the moratorium will bring 0.7-1.5 billion USD to Ukraine's economy every year. According to Satu Kahkonen, WB Director for Belarus, Moldova and Ukraine, "The calculations we have made show that Ukraine can increase its growth by one or two percent a year, in addition to the main growth if the land market is launched. However, these are very conservative figures, because there will be many more positive points. "

(URL: https://zn.ua/finances/kitay-kotoromu-vse-malo-327200_.html)

In response, on March 31, 2020, the Verkhovna Rada of Ukraine adopted the Law "On Amendments to Certain Legislative Acts of Ukraine on the Circulation of Agricultural Land", according to which from July 1, 2021 the land market opens, despite the



absence of basic institutional conditions for the protection of basic human rights to guaranteed social welfare in the face of such a drastic social change.

If Ukraine, after the first step of land reform (the distribution of land of the large agricultural enterprises and its transfer to those who cultivated it), in the 90s of last century, following the example of China, had made the next steps and created an institutional environment for fair and real distribution of control over the production in favor of those who work on the land, obviously the Ukrainian reality today would be completely different. Empirical proof of this hypothesis can be obtained from a study of the Chinese experience of land reforms.

The aim of the article is to generalize and critically evaluate scientific and applied approaches to land reforms in transition economies based on a comparative analysis of egalitarian and market approaches to land reform and evaluation of its results in terms of human rights and public welfare.

Methodological framework. Theory, policy and practice of land transformations in the twentieth century are characterized by diametrically opposite approaches to the redistribution of land resources and formation of agricultural systems. These approaches deal with the role and influence of state and market in regulating land transactions and agrarian reforms. In historical retrospect, two different-vector directions are observed here, which successively changed each other. The turning point in this sense is the late 70's - early 80's. Prior to this period, political approaches preferred state influence on land reforms to ensure equitable social welfare, and later market was declared the most effective mechanism for land distribution and regulation of socio-economic processes in rural areas.

Since the middle of the twentieth century, after the end of World War II and the overcoming of colonial regimes, the leaders of most countries, especially those that gained independence, considered overcoming the negative consequences of colonial land tenure a priority. Land reforms were caused by deep dissatisfaction with the extreme manifestations of local poverty, and deepening inequality and social instability caused by the policies of colonialism. Those reforms had a great common goal, that is, a rapid reduction of poverty and inequality along with the restoration of human rights, liberation of peasants from the political power of landlords and their monopoly on land and labor markets. The land reforms of that period are sometimes called the "golden age of just land reform." In academic circles, it is called the egalitarian (redistributive) socially oriented land reform. "An early example of equality, which can be called economic egalitarianism, is the Chinese philosophy of agriculture, which assumes that a country's economic policy should be based on egalitarian self-sufficiency." [7]

The choice of the country's development strategy based on the egalitarian approach, which involves the redistribution of land owned by large landowners (private or public) in favor of those who cultivate it, landless agricultural workers, and low-income peasants may be determined by resolute political will. Such a will is the embodiment of demonstrating a strong commitment of the country's leadership to rapid



reduction of rural poverty and overcoming significant inequalities in the welfare and potential in favor of the peasants as a special social stratum³.

Within such a strategy, land redistribution is considered as a redistribution of purchasing power and opportunities for rural development. Land reform in this case is a kind of government tool aimed at eliminating market failures and destruction of monopoly power in the markets of land, labor and credit. In this context, land reform is strengthened by relevant agrarian transformations, which involve a much wider range of institutional and technical changes related to expanding access to land, as well as a number of additional measures, such as: distribution of state lands according to resettlement schemes; registration of land ownership; defining lease rules; regulation of the rent amount; consolidation of very small land holdings at the community level, etc.

Since the early 1980s, the course of land reform in many countries began to change in accordance with the proclaimed new conceptual framework for land transformation, which was endorsed by international organizations, in particular, in the FAO Report "The Future of Our Land: Facing the Challenge" (FAO Report, Rome - 1999) [8]. The basic statement of the concept was that market is the most effective mechanism of land distribution and a means of leveling the regularities of its unequal distribution; market objectively determines the effective owner who will ensure the highest economic efficiency of land use regardless of the guarantee of basic human rights to all members of society. Under external pressure, a number of countries abandoned ongoing redistribution programs oriented to social and spatial justice and introduced market mechanisms in the form of transfer of land ownership via open bidding.

An objective precondition of such changes was the fact that in the international arena a significant number of debtor countries seceded (mostly belonging to developing countries), which due to the prolonged economic downturn hoarded significant debentures to economically developed industrialized countries. External pressure to move to market-based land reforms was exerted by creditors seeking to recoup their capital. Their policy was that debtor countries could not obtain new borrowing without signing an agreement with the International Monetary Fund (IMF) and the World Bank on debt repayment based on temporary market liberalization. Debtor countries were offered packages of programs of structural adaptation and reform of economic policy, which involved absolute deregulation of the market, including the land market. Typically, the programs of economic liberalization and political reform included both short-term programs such as "stabilization", fiscal and monetary policy reforms that involve cutting government spending, devaluation and interest rate liberalization, and long-term programs such as "structural adjustment" oriented to improving the efficiency of resource use, including the privatization of public sector facilities, and promotion of the production and export

³ According to the United Nations definition (2018), a peasant is any person who is engaged or intends to engage alone, together with others, or as part of a community in agricultural production to meet own needs and/or sell products on the market and who to a large extent, but not necessarily entirely, relies on the labor contribution of family members and other forms of non-monetary organization of labor, especially depend on the land and maintains a special connection with the land.



of goods in demand. The responsibility for implementation of short-term policy documents was laid on the IMF; and implementation of long-term programs - on the World Bank. Thus, the acceptance of the IMF terms by the debtor countries is a guarantee of financial support from the World Bank and the provision of new loans by donor countries [8].

Advocating such political and economic reforms, creditors and international organizations authoritatively claim that market is the most effective mechanism for land distribution and a means of leveling the laws of its unequal distribution. The need to comply with the provisions of the IMF program on the currency devaluation and budget cuts is accompanied with a reduction in public spending on utilities, health care, education, social security, investment in rural roads, and development of other rural infrastructure. Instead, such services are transferred to private entities. Although the advocates of market approach express some concern about the growth of poverty, in the future they predict its decline due to a gradual increase in real average per capita income (which in this case sounds like the average temperature in the hospital).

To implement the market land reform, they are actively carrying out technical programs on agricultural lending and legal procedures for performing land operations, which are based on the dominance of private sector, and free from state control. Low-income peasants, farmers and landless workers who wish to purchase land are equated to all other land market participants. They have to find a seller, agree on the sale price, overcome competition from resellers and large landowners to obtain credit, and participate in open bidding at land sales auctions. It is clear that this approach is discriminatory against those people who make their living off land and for whom land is the living place.

Thus, the two approaches to land reform differ in their targets. Egalitarian reform has as its main priority the rapid reduction of rural poverty and development of the capacity of landowners to build their potential for implementation in the public context. Market-oriented land reform aims at the economic efficiency of resource allocation on a market basis to ensure the expansion of export-oriented agriculture. In other words, at the center of the egalitarian approach is man, and at the center of the market approach is the economy.

Market land reform in transition economies is usually eagerly supported by politicians, as they as a rule represent the interests of the country's major capital. Some scholars also promote "economic prosperity" from the introduction of free land market. Among them are those who are not fully aware of the end results of such changes because they do not have sufficient knowledge and complete information about the real consequences of similar transformations in foreign countries, or those who serve the ruling elite or international organizations.

In scientific circles, the opinion is sometimes expressed that egalitarian land reform is "primitive"; land needs to be privatized according to the traditional Anglo-Saxon concept of ensuring high efficiency of agricultural production based on the private ownership of land, associated with capital market and foreign trade. However, this does not take into account the fact that the main effect of land market reforms from the point of view of rural population is increased insecurity both in terms



of insufficient control over foodstuffs and in terms of loss of the habitual rights on land plots and loss of opportunities to provide means of subsistence for themselves and their families at the place of residence. Besides, this overlooks the loss of public control over food safety, biodiversity and the price for food at which the average domestic consumer will buy it.

Among the many countries that radically changed their system of land relations in the last century, the People's Republic of China was one of the few who chose its own path of egalitarian reforms, which it was not forced to abandon by numerous external and domestic obstacles and even by global financial turmoil.

Presenting main results. China is a country with a large population and scarce arable land. In China, as in no other country, a significant contradiction is observed between man and earth, and to eliminate this contradiction, the Chinese government, over the past half century, has made a number of unique land transformations [9]. Modern mechanisms for the state management of land resources in this country were established during the formation of the system of land relations throughout all 62 years of the PRC's existence. During the recent three and a half decades of economic reforms and openness policy (1978-2020), these reforms have become so flexible and socially oriented that even now they receive mixed assessments by many scholars from various scientific trends, from their categorical rejection to noticeable approval. "China chose a special way of carrying out agrarian reforms, the task was set: without changing the social system, to correct the shortcomings that have led to significant obstacles to further economic growth of the country" [10].

This approach has led to the fact that in China the land is not the object of purchase and sale. In the land legislation of the PRC, the term "purchase and sale of land" is practically absent [4]. The system of economic management is based on socialist social ownership on land, which functions in two forms - state and collective ownership. According to the law, urban land, as well as subsoil, water sources, seas, forests, mountains, meadows, swamps and other natural lands are state property. Collective ownership includes land in villages and suburbs, land under residential buildings of peasants, homesteads, as well as other lands in rural areas, accordingly defined by the law.

In the first years of rural economic reform (1978-1983) with the liquidation of the system of "people's communes" and transition to a new economic system based on family contracts in agriculture, two types of land rights were legalized: land ownership and land use. This division was due to the then current two-tier system of management, which included the collective and individual sectors being the latter represented by the contracting farms of the peasant's yard (family). At the same time, the right of collective ownership on land passed to the collective farm, and the right to use the land passed to the peasant's yards on the basis of a land contract. Agricultural land cannot be bought or sold. Land can only be "ceded for a fee" for a certain period. According to the law, only the right to use the land is ceded. Thus, the land in the Chinese countryside is in the collective's jointly ownership, while the peasants have the right to use the collective land on the basis of a contract.



The existing system of land ownership and land use in tandem with balanced agrarian reforms has shown a great progress in achieving the goals of agrarian and rural development: agricultural output has sharply increased (average yield of all cereals by 1997 increased 4 times, wheat yield - 5 times, corn yield - almost 4 times, and rice yield - 3 times [10]). Rural subsectors absorbed much of agricultural labor, poverty fell sharply, and the level and quality of food consumption in the country considerably improved. The commune system was successfully replaced with a socially just system of land use, in which almost all rural households gained access to land and became at least self-sufficient in food [11]. More than 95% of agricultural land was transferred to millions of households [12].

In the first years of economic reform in the countryside (1978-1983) the land was leased to peasant households for up to three years, later (until 2020) the lease term was increased to 30 years; and it is currently planned to transfer the land to the peasants for lifelong hereditary possession [13]. Each peasant household was given 3 fen (0.0201 hectares) of land and assigned a production task (growing cereals and vegetables). No food tax was levied on that crop and no procurement was made. Subsequently, the assignment of production tasks and the entire volume of work to the peasants' yards became the main form of rural management. As a result of the innovation, the productivity of agriculture sharply increased, because the peasants could independently dispose of the results of their labor. As a result, the problem of famine was solved, and the Chinese leadership was able to abandon the food rationing [14].

The introduction of large-scale land reform, oriented to the restoration of a peasant-based agricultural system, was accompanied by a rapid reduction of poverty, because it allowed smallholder farms to use land for their own food supply and freely sell surplus food in the markets.* As a result of land reforms, land became available to all social groups. To meet the food needs of the family, the land was allocated in accordance with the household size so the land use of an average household was fragmented into about 9 plots, being the average size of a peasant landholding nearly 0.5 hectares.

An OECD study states that due to the egalitarian distribution of land rights, China was able to avoid large-scale landlessness of rural workers vulnerable to famine or other economic turmoil [11]. The program of land reform also protected family farmers from possible land loss, because regulations prohibited selling or subleasing land, or using it as collateral.

While maintaining the traditional system of property in the country, reforms in the agricultural sector prevented formation of a system of large private land tenure and under the conditions of market economic relations helped find new real forms of collective economic management on land. At the same time, new economic forms, methods and management mechanisms usually arose at the peasants' initiative «from below», in the form of economic experiments. The central government, as a rule, did not pay attention to the fact that in the course of such experiments the current legal provisions were sometimes infringed. On the contrary, positive experience was studied and analyzed for further legislation and wide dissemination.



The land reforms were accompanied by supportive measures in the pricing policy for agricultural products. During the five-year period, procurement prices for farm produce increased by 30%, while subsidies opened up access to the use of chemical fertilizers and their supply rapidly increased. During this period, farmers' incomes increased by 137%, grain output expanded by 34%, and the level of rural poverty decreased by 22% [12, p. 13].

According to a study by the International Food Policy Research Institute (IFPRI [15, 16]), China's land transformations contrast with reforms in other countries, where small farmers were given insufficient attention from the government and were virtually excluded from value chains. Chinese farmers were guaranteed a market based on quotas for basic crops at prices set by the government, with the opportunity to sell surplus produce of quoted crops at the same government prices and to sell non-quoted crops at market prices. Prior to the reforms, the only buyer of basic agricultural products (including rice) was the China's government. In the late 1970s, the government dramatically increased purchase prices for agricultural products while allowing farmers to sell on free markets the grain produced beyond the quotas of public procurement. Thus, in contrast to many post-communist countries, China introduced a two-step approach, setting quotas and prices for products within those quotas while liberalizing markets for non-quoted products in order to control prices for beyond-quota produce.

The second period of rapid poverty reduction took place in the mid-1990s. There was a rapid rise in prices for certain agricultural products, in particular grain (the price increased by 40% in 1994 and by 42% in 1996). At the same time, the government reduced the number of goods subject to public procurement, and by 1993, more than 90% of agricultural produce was sold at market prices [15].

The IFPRI's research on Chinese transformations emphasizes that there is unanimity among experts about the fact that institutional reform, which led to the land reform aimed at building the Household Responsibility System (HRS), was a major factor in the so-significant growth in the country's agriculture during 1978-1984. According to various estimates, the size of China's agricultural growth reaches 40-60%. Some studies show that 49% of the growth was due to the HRS and 46% due to increased use of inputs (including fertilizers). Another study notes that 78% of productivity growth was due to the HRS and 22% due to rising prices. According to the FAO, major changes in technology become the main driver of agricultural growth since 1984, including the use of seeds and inputs such as chemical fertilizers and irrigation. Annual growth of agricultural GDP ranged within 3-4% and was supported by public investment in rural infrastructure and in the development of science and technology [17].

The benefits from increasing agricultural output led to improved quality characteristics of labor resources who mastered non-agricultural skills in rural areas. Many farms diversified their agricultural profiles. By 2000, rural non-agricultural enterprises (settlement enterprises) absorbed a quarter of the labor force and added 30% to the country's GDP, while farms received almost half of their profits from non-



agricultural sources [18]. Later, rural micro-enterprises became an important driver of stable rural economic development in China in 1980-1990.

A significant boost for the success of land reforms was performed by large public investment. Expenditures on rural investment before 1997 accounted for about 19% of total government expenditures. The IFPRI studies using data from 1970–1997 found that government spending on rural education had the greatest impact on reducing poverty and regional inequality in China, while spending on agricultural research and development (ARD) had the best effect on the growth of agricultural productivity and poverty reduction [15]. The Chinese ARD system developed rapidly, and government spending on it was steadily increased; during 1981–2000, its amount grew approximately threefold [19]. Large investments were also made in rural infrastructure, especially in road construction and electricity supply for peasant households (by 1997, 97% of them had access to electricity).

Along with the promotion of land reform, China took a direct approach to overcoming poverty. Since 1986, programs for formal poverty reduction were introduced, based on the strategy of "regional targeting", that is, poverty reduction via the development of regional and local economies. This strategy effectively addressed large-scale poverty through the development of poor areas and brought limited benefits to the over-impooverished. After 1996, the government changed its strategy by targeting the poor households through the introduction of the principle of "food for work".

Although in the late twentieth century, China's agriculture and rural economy faced many difficulties, they were able to maintain a positive trend. The average annual growth of agricultural output at comparable prices was 3.5%, while the trend of stable development persisted. For several years in a row, relatively high crops of grain and other agricultural products were produced. Thus, grain output in 1995 amounted to 466.62 million tons, and in 1998, it reached 512.3 million tons (the highest level in this country's history). In 2001, despite a severe drought and declining acreage, grain output again reached 452.62 million tons. During this period, in terms of the output of grain, cotton, rapeseed, tobacco, meat, eggs, seafood and vegetables China ranked first in the world [13].

The high efficiency of agriculture in the country is due to the support of small landowners, whose land area is relatively low. There are currently about 220 million small farms in China with an average land area of 0.65 hectares⁴.

China's experience clearly demonstrates that strong state support is crucial in promoting the growth of small-scale agriculture. China has never followed the requirements of the "transitional approach" promoted by international financial institutions. There are still no completely free markets for agricultural products in this country.

⁴ According to UN: Mission to the People's Republic of China from 15 to 23 December 2010 / Office of the High Commissioner for Human Rights, Mandate of the Special Rapporteur to the Right to Food. 23 December 2010. P. 2. Other sources contain information on the average size of farm holdings of 0.5 ha: Tisdell Clem Economic Growth and Transition in Vietnam and China and its Consequences for their Agricultural sectors. *Working Papers on Economics, Ecology and the Environment, University of Queensland*. September 2010. No. 171. P. 16.



One of the representatives of the World Bank, Martin Ravallion, stated in 2008 that success in China would have been impossible in the absence of national institutions designed to implement support policies and make public investment. In his view, "China's experience underscores the importance of combining policies based on pragmatism and evidence, with capable government institutions, and strong poverty-focused leadership" [19] rather than on the demands of the World Bank and the IMF.

Thus, the key conclusion should be considered that in order to focus land policy on the protection of human rights, there is a need for effective state institutions and the introduction of perfect forms of public intervention that meet national interests. In this context, investment policy was reformed; China's government encouraged a policy of attracting foreign direct investment (FDI), which turned the country into a powerful economy that uses only Chinese labor. "While multinational corporations benefited and increased profits through lower production costs due to lower wages and poorer working conditions, FDI inflows were a major factor in China's unprecedented economic growth. Related reforms and restructuring of the economy led to the emergence of large Chinese companies (often state-owned), which began to increase their expansion abroad. While 20 years ago the list of "Global Fortune 500" included only two companies from China, then 10 years later there were 22 of them, and now more than a hundred, being three Chinese companies among the five world's largest multinational enterprises (LME)" [20].

Certainly, there are many unresolved socio-economic problems in China, including income inequality between urban and rural population and between urban and rural areas, abuses of land relations, large-scale conversion of fertile agricultural land into land for development, and so on. The problems of reforming state-owned enterprises, education system, health care and other areas of the economy became the subject of a broad discussion that arose in 2004 at the same time as the beginning of property rights reform. The subjects of the ongoing discussions include the problems of increasing social differentiation, aggravating contradictions between urban and rural areas, the need to create a special system of social protection, especially for the unemployed, as well as prospects for agricultural development and adequate compensation to farmers for lands that are withdrawn from agricultural circulation.

China is often criticized for its high level of per capita income differentiation. The Gini index is now 0.385 and GDP per capita is US\$ 16,181 [2]. As to the problem of ensuring equal distribution of income, Zhang Wein, a professor at Beijing University, believes that social harmony should come as society develops. In the regions with a high rate of economic growth, the Gini index is insignificant [21]. At the same time, today China is the only country in the world that progressed from a "country of low human development" in 1990 to a "country of high human development" in 2018 [22].

It is obvious that in the third millennium, the egalitarian land reform in China has fulfilled its socio-economic functions and in modern conditions needs further improvement, because over time many challenges have emerged in the system of land relations. Today the most serious problems include the duality of the structure of property rights to land, the unequal position of the system of collective ownership



on land compared to the system of state ownership (especially as to the distribution of income from land capitalization), the presence of different systems for urban and rural land management, and intensive seizure of agricultural lands for the needs of industrialization, urbanization, modernization of the economy, etc. In the period from 2003 to 2015, more than 11.5 million hectares of agricultural land was withdrawn for non-agricultural purposes [23].

The modern changes in the system of land tenure and land use began in 2013-2014. The purpose of land reform is invariably aimed at protecting the rights and interests of small farmers and ensuring national food security, as well as at the coordination of human-land relations for the introduction of new tools for regeneration and livelihood in rural areas. Preservation and strengthening of the system of collective ownership on land in the village remains the basic organizational principle of China's land system today and for years to come. The main form of economic management in the agricultural sector is the family farm of the peasant's yard. "Despite China's assertion that the country is building a market economy, the system of state regulation of land use does not change and is based on a top-down structure. The application of this system requires consistency in the local implementation of the land policy required by the central government "[24].

China, as FAO's main partner, has fully implemented the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests formulated during intergovernmental negotiations and formally approved by the UN World Food Security Committee on 11 May 2012. VGGT was directly translated into Chinese when first published in 2012. [25] Also translated were auxiliary manuals, including a technical manual for investors working on agricultural land and advice on how to protect land ownership in the agricultural investment agreements. For all stakeholder groups in China, national workshops were held to raise awareness of voluntary guidance and encourage discussions on improving governance. FAO is also working with China on this country's direct investments in Africa [2]. China currently possesses (with the rights of ownership or leasehold) more than 3.5 million hectares of fertile land in Africa. China's interest in Ukrainian agricultural lands is obvious, and no doubt, Chinese corporations will actively participate in the land acquisition process in the near future.

Conclusions

The experience of land reforms in transition economies in XX century proves that the main contradictions in their introduction and further implementation arise in connection with the changing role of state and market in these processes. They determine prerequisites for the corresponding changes in the income distribution, and new opportunities for growth and guarantees of basic human rights for all segments of the population, including the most vulnerable.

The two conceptually different approaches to land reform implemented by countries with transition economies differ in their targets. Egalitarian reform has as its main priority a rapid reduction of rural poverty and development of the landowners'



capacity to build up their potential for implementation in the societal context. Market-oriented land reform aims at market based economic efficiency of resource allocation to ensure the growth of export-oriented agriculture. In other words, in the center of the egalitarian approach is man, and in the center of the market approach is economy (regardless of the fairness of the final distribution of personal benefits).

Egalitarian land reform leads to a significant reduction in rural poverty and overcoming significant inequalities in the welfare and opportunities of the peasants as a large social stratum that suffers from the monetary and non-monetary factors of poverty conservation. Within the egalitarian land reform, land redistribution is considered as a redistribution of purchasing power and opportunities for the development of rural population, acts as government regulator to rectify disruptions in the work of market mechanisms in rural areas, and ensures the destruction of monopoly power in land, labor and credit markets.

A market-oriented land reform cannot be guided by the laws of free market, because although land has certain characteristics of a commodity, it is not a commodity in its classical sense. It is not reproducible, and cannot be replaced by any other means of production, to ensure the basic human right to food and water. It is spatially limited, which in the economic sense means the insufficiency of territories possessing a combination of certain properties and natural conditions most favorable for food production. The spatial limitation of land in the context of free circulation means that land supply cannot expand even with a significant increase in land prices. That is why the market turnover of agricultural land should be considered in the context of fair distribution, the need to support vulnerable strata, and ensuring high efficiency of resource use, and proper incentives and social values for rural population.

Empirical proof of the importance of basic principles of the human-centered character of land reforms for the country's general economic development is demonstrated by the experience of the People's Republic of China. The egalitarian approach to land transformation in China has shown that the essence of land reform cannot be reduced to the division of land into plots for transfer to private ownership; on the contrary, its ultimate goal is a fair and real distribution of control over the production process.

Thanks to this approach, the economic miracle that took place in China over the past 40 years transformed it from a poor developing agricultural country to a country with a higher than average income. *According to the World Bank [26], in the period 1978–2018, the growth rate of the country's GDP was 9.5%.* China is currently the second largest world economy and the largest trading country with significant import and export sectors. Empirical data on China's economic course suggest that national development policy should be based on the context of a particular country, rather than orient to imported ideology, which serves short-term policy decisions and the interests of certain influential groups.

Obviously, Ukraine, like many other countries, will fail to benefit from China's successful experience. The experience of Ukraine and other transition economies, which carried out reforms in the field of land relations in XX and XXI centuries, shows that



their ruling elites are mostly inclined to support large agricultural enterprises and corporate structures of agricultural holding type (including foreign ones) created via the lease or purchase of large plots, who are mistakenly considered powerful investors in the rise of agriculture. Practice proves that it is exactly the small farms, provided they are properly encouraged and supported by the government, who are able to take an active part in achieving the goals of sustainable human development.

In rural areas, land primarily performs a socio-economic function, because here it is the main factor of production, source of employment and "repository" of personal wealth. In XXI century, land has become a "repository" of personal wealth and social status not only for peasants but also for other citizens, especially the part who have accumulated significant financial assets. That is why under the conditions of current financial, ecological and climatic crises and uncertainties the pseudo-scientific concept of the attitude to the land market, as to any other commodity market - for example, those of fertilizers, mobile phones, housing, etc., is actively imposed on societies. According to this concept, land is a commodity that can be freely bought and sold on the market at open bidding, which will help increase the country's economic power. However, such a path of land reforms will inevitably bring about even greater polarization of income, and violation of basic human rights leading to social confrontation and significant upheavals.

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ЕГАЛІТАРНА ТА РИНКОВА ЗЕМЕЛЬНІ РЕФОРМИ У КОНТЕКСТІ ГАРАНТУВАННЯ БАЗОВИХ ПРАВ ЛЮДИНИ І ДОСЯГНЕННЯ СУСПІЛЬНОГО ДОБРОБУТУ

На основі узагальнення та аналізу сучасних наукових і прикладних підходів та реальних результатів здійснення земельних трансформацій у минулому столітті в країнах із перехідними економіками розкрито сутність природи ринкової та егалітарної земельної реформи, їх цільових установок та загальноекономічних результатів. Егалітарна реформа основним пріоритетом має швидке зменшення масштабів бідності в сільській місцевості та розвиток здібностей набувачів землі для нарощення їх потенціалу для імплементації у загальносуспільний контекст. Ринково орієнтована земельна реформа ставить за ціль економічну ефективність розподілу ресурсів на ринкових засадах задля забезпечення зростання орієнтованого на експорт виробництва сільськогосподарської продукції. В центрі егалітарної земельної реформи – людина і реалізація її базових прав, у центрі ринкової реформи – економіка. На емпіричних даних земельних трансформацій у КНР доведено, що їх егалітарна природа базувалася на створенні суспільства з рівними можливостями в управлінні та доступі до земельних ресурсів і отриманих від цього матеріальних благ усіма його членами; гарантуванні широкого розповсюдження вигід від сільського зростання для усього суспільства. Наразі Китай – це єдина країна в світі, яка прогресувала від "країни низького людського розвитку" в 1990 р. до "країни високого людського розвитку" у 2018 р. Доведено, що цільове призначення земельної реформи не можна "примітивізувати" до простого поділу землі на ділянки для передачі її у приватну власність на засадах вільного ринкового обігу. Гарантування базових прав людини і досягнення суспільного добробуту

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від земельної реформи досягається не тільки отриманням землі у приватну власність, а й підкріплення її справедливим розподілом контролю над процесом виробництва. Нав'язування суспільству псевдонаукової концепції, що земля – це товар, який, подібно квартирі, мобільному телефону чи мішку комбікорнів, може вільно купуватися і продаватися на ринку на відкритих торгах і це сприятиме нарощенню економічної могутності країни, неминуче призведе до ще більшої поляризації доходів, порушення базових прав людини, а отже – соціальних протистоянь та значних суспільних потрясінь⁶.

Ключові слова: *егалітарна земельна реформа, ринкова земельна реформа, земля як спільне благо, земля як товар, суспільний добробут, базові права людини, контроль над виробництвом*

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