

J. David Stanfield  
Land Tenure Center  
D. David Moyer  
National Geodetic Survey  
Land Tenure Center  
University of Wisconsin  
Madison, WI 53706

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**BUILDING LINKAGES FOR RESTRUCTURING OF RIGHTS TO LAND  
IN EASTERN EUROPE AND THE FORMER USSR COUNTRIES ("LANDLINK"):  
A DISCUSSION PAPER**

**Abstract:** Major political and social change is occurring in Eastern Europe and the countries of the former Soviet Union. One central theme of this change is the creation of market oriented economies. A basic feature of market economies is the privatization of land ownership, i.e., placing real property in the hands of individual owners.

While privatization is of crucial importance for the operation of land markets, the organizational and institutional arrangements for fluid and yet socially and environmentally sustainable land markets must be addressed as well. There are a variety of arrangements which have been tried in the countries which have experimented with market oriented economies in the past. This paper proposes, for discussion purposes only, the creation of a technical assistance network to help assure that these past experiences with the institutions of the real property markets are made available to those creating new institutions in the countries of Eastern Europe and the former Soviet Union.

**INTRODUCTION**

The world is witnessing an unusual historical moment: (1) the discipline of the cold war which kept ethnic, religious, racial and class conflicts somewhat repressed has drastically receded; (2) the boundaries of national economic systems in the traditional market oriented economies are dissolving into regional commercial blocs; (3) all countries of Eastern Europe and the former USSR are struggling simultaneously to transform their centrally planned economies based on public ownership of real property into market oriented economies with a strong reliance on the private control over such property and the development of real property (land) markets.

The simultaneous transition from one economic and political system to another in the formerly socialist countries under conditions of serious economic crises, the

re-organization of economic relations in the market oriented countries, and the resurgence of social schisms are combining to produce the conditions for fundamental and potentially catastrophic change throughout the world.

At the same time, there are elements of hope that this change can be positive. The restructuring going on in Eastern Europe and the ex-USSR countries provides an opportunity for establishing the basic laws and regulations governing rights to real property in a coordinated way, thus avoiding future difficulties with integrating these economies into regional and world systems. The international concern for the environmental health of our planet has provided a base for defining private property systems stressing the rights and responsibilities of the private owners. The formation of trading communities gives the "new" countries opportunities to link themselves with these blocks and to create their own unions. The ending of the cold war has permitted the beginning of free exchanges of information and ideas, which in turn is facilitated by the quantum leap in land information technologies which has occurred in the past 10 years.

If the crises in Eastern Europe and the ex-USSR continue to deepen and the opportunities for positive change are not exploited, massive political and economic problems will roll westward. Part of the needed response will involve capital investments. Investments, however, will flow more freely when the rules of access to and disposition of real property, i.e., property markets, are clearly established. Moreover, foreign investments will be more readily accepted if ways can be found in the countries in transition to reduce the probabilities of the polarization of rich and poor and the deterioration of the environment.

It is an opportune time to mobilize the search for new ways for meeting the challenge of the transition period. The key is clearly people: their ideas, forms of organization, laws, and visions of the future. People who are experiencing the transition and who are committed to finding new social, economic and political arrangements should be helped encouraged to do so.

#### **OBJECTIVE OF LAND MARKET LINKAGE PROJECT**

**The objective of the Land Market Linkage Project ("LANDLINK") is to facilitate the free exchange of ideas about how real property markets can be structured to meet various social, economic and political objectives.**

The mechanism for achieving this objective is the creation of a network of people in the established market oriented economies as well as in the countries in transition to assist with the creation of dynamic, accessible and environmentally sustainable real property markets. The network would not be an organized consortium seeking contracts, but neither would it be without structure. Its organizational

model would come from the telecommunication experiments with computer linked data bases, and its resources will be information and a growing community of informed and motivated people. It would provide support to the countries in transition.

Key concepts of the network include land (real estate) property markets, mortgaging and mortgage financing, land use zoning and planning, valuation and appraisal of real property, surveying and mapping of land parcels, cadastral systems, real property taxation, land banks, leasing and renting of real property, inheritance and probate systems, registration of rights to real property, and gender differences in access to real property markets.

This network will be multidisciplinary and multinational. Land information specialties (surveyors, cartographers, computer sciences, geodesists, geographers, landscape architects, environmental scientists) will be able to work on technological and institutional systems for describing the physical characteristics of land. Economists, appraisers, and property tax specialists will provide assistance concerning the guidance of land use and the appraisal of the value of the land. Social scientists, lawyers, registrars, urban and regional planners, and historians will focus on alternative systems for defining the rights and responsibilities of public and private holders of the land and other real property.

#### **ACTIVITIES OF THE LANDLINK PROJECT**

The following activities are proposed:

- 1. Create a list of people**, their experiences with the various aspects of property markets, the past and planned work in Eastern Europe and the ex-USSR countries. Place this information within a data base network accessible to everyone. This data base will be created through contacts via various professional associations. In the U.S. such associations include the Real Property and Probate Section of the American Bar Association, the American Congress for Survey and Mapping (ACSM), Urban and Regional Information Systems Association (URISA), American Association of Geographers (AAG), and the International Right of Way Association (IRWA). In Europe, important associations include the Committee of the Heads of Official Mapping Agencies (CERCO) and the Multi-purpose European Ground Related Information Network (MEGRIN). Universities, governmental agencies and private companies in the U.S., Europe, Central and Eastern Europe, and the former Soviet Union countries will participate.
- 2. Create an indexed repository** of reports, papers, studies dealing with the re-structuring and re-creation of property markets, with special emphasis on digital formats so as to provide instant access to this information.

3. **Organize regional workshops and seminars** to stimulate the exchange of information about how the institutions of property markets and the technologies applied are being developed, with what results.
4. **Hold two conferences**, one in the U.S. and one in Europe, inviting experts and practitioners from the U.S., Europe as well as the affected countries to assess the principal problems and opportunities in this effort.
5. **Sponsor short and medium term training programs**, to provide the highly trained technical people in the transition countries with information about the wide range of technological and institutional options which have been tried in other countries, the conditions under which they have operated, and with what results.

#### **RESOURCES REQUIRED FOR ESTABLISHMENT AND OPERATION OF THE NETWORK**

For discussion purposes, we have prepared a proposal for the establishment and operation of the LANDLINK network. There are a variety of other options which can be explored and may be superior to the following ideas.

##### **1. Network Secretariat**

A Network Secretariat will coordinate these efforts, to respond to requests for technical assistance and research requests. The network will also assist national and international agencies in drafting terms of reference for specific activities as well as for evaluating proposals that respond to these terms of reference. A Land Market Restructuring Coordination Committee, with multi-organizational representation, will provide overall guidance to the Network Secretariat.

We propose that the Network Secretariat be coordinated through the Land Tenure Center (LTC), in collaboration with the Technology Transfer Center (TTC), both located at the University of Wisconsin-Madison. The LTC would provide the communication and coordination functions, while the TTC would develop and manage the databases required.

The TTC would purchase and operate a UNIX workstation server. This would be the Network Secretariat server that would have database software and listserv functionality. The server would have online access to internet through the University of Wisconsin-Madison Academic Computing Center (MACC) through the University's network, the campus ethernet. This server would also have direct access to other University databases and resources by virtue of the campus ethernet. The Network Secretariat server would have in residence the

databases for professionals, associations, and publications. In the case of publications the complete digital file of the publication would also be available through this server. The mechanism for downloading files would be an anonymous file transfer protocol (FTP) site.

Project contributors will be associations, private companies, and universities. All of these contributors will participate through the network. A contributor can connect to a University facility on the Madison Campus, they can connect directly to the UNIX Network Server in the LTC, or they can connect through any Internet connection from across town to world-wide.

The TTC would have one full-time position to system administer the Network Secretariat server. The responsibilities of this position would include checking messages, responding to messages that can not be answered electronically, adding new information to databases, backing up the system, and uploading new information.

The Network will be the backbone of communication with the other activities and will serve as a central clearinghouse facility and a means to meet electronically with the world. The activities that involve organizing and coordinating workshops and seminars will also be communicated through and posted on the Network Secretariat. The LTC would have one full-time position to provide the communication and coordination services.

The following organizational schema is proposed for the Network Secretariat:

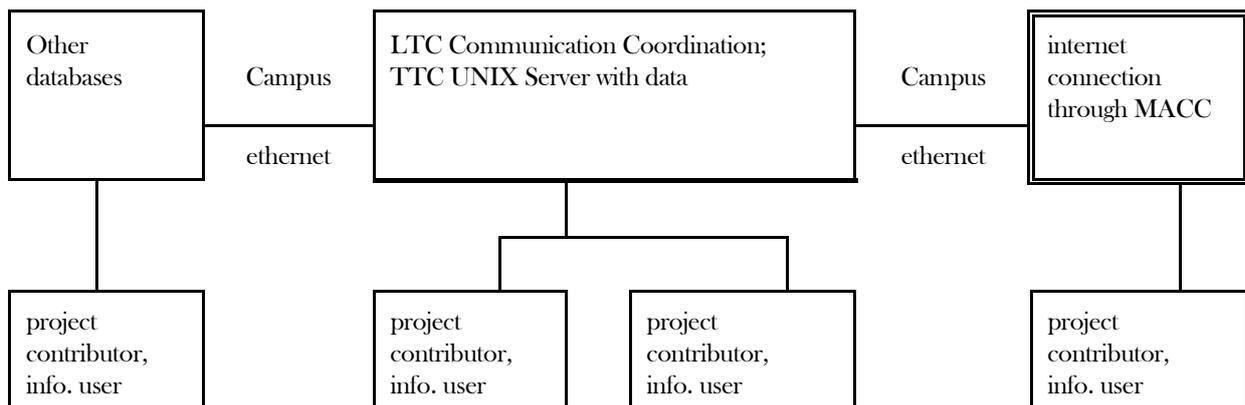


Figure 1. Network Secretariat Schema

Establishing the Network Secretariat (databases through the TTC and communication/coordination through the LTC) would require the following resources:

### **Computing and Communications Equipment and Software**

- UNIX Server with ethernet connections to the Internet;
- Database software for the Server;
- Connect charges through the University of Wisconsin  
MACC;

### **Staff**

- Network system administrator, TTC (full time);
- Communications coordinator, LTC (full time);
- Secretarial and administrative staff (part time);
- Document repository staff (part time);

### **Services**

- Translation services (to English);
- Data entry services

### **Other**

- Communications, supplies

Several other options were explored before this option was selected. It is possible to establish a telephone connection to the Internet using either a personal computer or a UNIX server in a remote location. The problems with this option are the response times to the Internet are too slow, additional line charges would be incurred, the number of simultaneous users is limited, and the long-term stability of MACC's policy on telephone connections is uncertain. The reason for purchase of a UNIX server for the Technology Transfer Center rather than purchasing LISTSERV software for MACC is that the VAX cluster at MACC is rapidly becoming outdated and erratic in operation. The University has an information technology plan to either change out or upgrade the cluster, but these plans are uncertain and purchasing a server gives the project the independent and long life it needs to be successful. The UNIX Server could be replaced with a powerful personal computer.

## **2. Indexed Repository**

The indexed repository will consist of a core document that will provide an overview of the key concepts in a given subject area. For example, the Federal Geodetic Control Subcommittee (FGCS) publication, Multipurpose Land Information Systems: The Guidebook, is one example of this model. Each chapter provides an overview of the terminology and concepts in the subject area and is followed by an annotated bibliography. The specific documents in the annotated bibliography could be directly downloaded through the FTP on the Network Secretariat or the bibliography could direct the reader to the document location on another FTP.

The work involved in the indexed repository will be to define the initial core subject areas and core documents to describe the subject area. Then an annotated bibliography will

be built, permission for duplication received, and documents scanned and translated by optical character recognition software for uploading. Part of this project will also require that the core documents and referenced papers be translated into English if needed.

The resources required to create the indexed repository would include:

- Optical scanner with optical character recognition (OCR) Software;
- Software to create and manage a database for the repository;
- Design services for subject area and core documents;
- Services for the production of an annotated bibliography.

New additions to the indexed repository would be on-going and could be scanned in (if received in hardcopy) or uploaded (if received in electronic form) by the system administrator as they become available.

## **NETWORK CREATION ACTIVITIES**

### **1. People Lists**

The professional associations which participate in this effort (in the U.S., Europe, the countries in transition and in other regions) will provide information to their members concerning the Land Market Linkage Project and will request their cooperation. Each association will develop lists of names of interested and relevant people. Association professional meetings will include activities related to the emerging network. A small amount of administrative support will be provided to the associations to assist in this stage of network building.

### **2. Conference and Workshops**

The second set of network activities will be two international conferences and several regional workshops, the two conferences to be organized in the U.S. and Europe and the workshops in Eastern Europe and the former Soviet Union.

The initial activity will be a Conference on Land Markets held in the U.S., with participants from the U.S., Western and Eastern Europe and the former Soviet Union. Subject to the recommendations of that conference, subsequent activities would be the offering of specific regional workshops on land market problems and the development of communication linkages. Themes on which the Conference will focus will include the following.

An introductory session would explore the definition of basic terms, such as "land", "land markets", and "environmental sustainability". A background paper for this session will be

distributed to all participants prior to the conference to facilitate use of common terminology. Attention would be focused on developing an analytical framework, with some attention to theoretical issues as well.

Several themes could be explored for each country, for example through the preparation of a limited number of review papers by a knowledgeable person or set of persons, taking advantage of work already done (such as the CERCO Questionnaire "Administration of Cadastre", September, 1993). A tentative list of questions these papers could address might include:

a) What is the legal framework for land markets?

--Are the basic concepts of property well defined in law and practice, including ownership, lease rights, mortgages, inheritances, easements, etc.? If so, what are the operational definitions of these rights?

--What rights to deal in land (buy, sell, rent, mortgage, give as inheritances, give away, lend) are restricted by law or custom?

--Do all citizens have the same rights to property or are there restrictions for some groups which do not apply to others?

b) How is the real property registration system (RPRS) organized?

--What agencies are responsible for the recording, displaying and updating of information about these interests in land? An important feature of this information is that it provides a legal basis for defining and defending private and public rights to land. We have provisionally defined "land" as the surface of the earth and that which is attached relatively permanently to it.

--Do these agencies form a well coordinated system for legally registering interests/rights to different types of land (agricultural, urban, shoreline, industrial, forest, pastures, etc.)?

--Are geographic descriptions of properties included in the description of properties (survey plans, cadastral maps, etc.), and if so what technologies are used to prepare these descriptions?

--What agencies actively use the real property registration system's information for other purposes (such as property taxation, land use zoning, agricultural and other land use management programs)?

--What functions of the RPRS have been computerized or are in the process of being computerized, with what results?

c) How do people relate to land markets?

--What are the transaction costs for carrying out and recording dealings in land (time involved, distances, lawyer and surveyor fees, transaction fees and taxes)?

--What methodologies are used by those engaged in land transactions (buyers, sellers, agents, banks and other agencies) to appraise the value of properties?

--Is there a well developed system for buyers and sellers of land to get information about the supply and demand for different types of land (advertisements, listings, etc.)?

--Are there special programs for assisting people who do not have much capital to get access to land via the land markets (land bank, mortgage guarantee program, public housing for poor people, etc.)?

Following the recommendations of the initial conference, a second conference will be held in Europe to stimulate wide European involvement in LANDLINK, and then a series of regional workshops will be held in the countries of Eastern Europe and the former Soviet Union. Discussion in these regional workshops will focus on such specific problems as property valuation and appraisal, registration systems, mortgage administration, land banks, mortgage financing, zoning and land use planning, real property taxation, real property rental markets, inheritance of real property, overcoming cultural and legal constraints to participation in land markets, options for legal descriptions of real property (survey and mapping techniques and land information systems (LIS)).

These regional workshops will be organized in response to perceived need in each region. The participants will be professionals engaged in the activity being treated, and will be organized in cooperation with relevant professional associations as well as other public and private agencies.

We propose that six regional workshops conducted during the two years of the proposed project, each one involving 50 specialists from the countries in transition as well as from Europe and North America.

### **3. Document Collection**

An essential part of the network is the collection of relevant reports, research papers, books and other documents which describe experiences, consultant reports and research results. The major funding agencies which will have access to the network will introduce into their procedures a review process for the release into the public domain any research results and consultant reports within a reasonable time following their preparation. Also individual users of the

network will be given preferential access rights to the network once they agree to provide the network with reports, papers, books, etc.

#### **4. Training**

Short-term training seminars will be conducted on topics defined by the initial Conference as being of highest priority. An example is training in the creation and management of modern real property registration offices, taking advantage of the advances in land information systems technologies, but adapted to the needs of each jurisdiction. Small groups of registration office managers would spend one month at European and U.S. model offices, followed by on the job training offered by European and U.S. registrars in the countries involved.

#### **5. Funding strategy**

This project is designed to support the creation of the LANDLINK network. Once created and in operation, the network will be sustainable, without any further outside assistance, since the fees generated from users will pay for network maintenance.

Users will include agencies and companies which become involved with the implementation of land market programs and which require experienced people and tested ideas for their programs.

#### **ACKNOWLEDGEMENTS**

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