THE LIBERALIZATION OF THE LAND MARKET IN ROMANIA ECONOMICAL, SOCIAL, JURIDICAL AND POLITICAL IMPLICATIONS

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Abstract: Paper the authors circumscribe intellectual effort that investigates the agricultural legislation economic space of the European Union, more authors try to solve the needs of the situation in the Romanian economy is forced to work in correlation with normal principles QSO in other EU countries inextricably linked to the land market as the main segment of the continental market. Research was conducted using a variety of bibliographic sources: legal papers, economic and agricultural land devoted to research and land market in Romania and other components are the European Union, legal analysis of options related to the consequences for the national economy of Romania liberalization dictated land.

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1. Introduction
The amplification of land market development concerns as a segment of the European Internal Market / European Single Market – which appoints a domestic market - on a continental scale governed by unique rules established by the European Union and characterized by the existence of the four freedoms, represent some of the key issues facing the European community for the sustainable development of society. From this general perspective the study shows diplomas, in the limit case. Completing the internal market is based on the subsidiary principle. Its meaning is simple: each subject must be treated in the most effective way, and the community should treat only areas where the European echelon appears better placed. National states retain their essential powers. Landed property in Romania, member state of European Union, that performs in line with new regulations imposed by the visions of the Romanian Civil Code, into effect on October 1, 2011, and those contained in the Treaty of Accession to the European Union, that Romania has pledged to release land market for individuals in the European Union since January 1, 2014. Study is based on the theoretical research and the consequences that may result from the application of land liberalization for the Romanian economy in the future. Results of this study may be useful for future research aimed at sustainable economic development of Romania and United Europe.

2. Liminary explanations
Property is essentially as institution and policy regarding land ownership is a vision of practical wisdom, an issue that takes into account intelligence, spirit, intellect, although in financial fund policy what matters most is age and experience but also hotness mind.

An attempt of understanding the land policy at national and European Union level it must start from the reality of practicing modern and intensive agriculture, since farming is the main branch of Europe’s economy, the importance of the common agricultural policy results, on one hand, from related with the inel market and monetary economic Union (MEU), and on the other hand, it affects a large part of the
territory of European Union (over 90% of the European Union, is occupied by rural areas); to determine the place and role of agriculture in the European union we will highlight the fact that value of agricultural production of the Union exceeded 500 billion Euro, about 3% of GDP.

In terms of diversifying the form of property and land usage polarization of local Romanian agricultural structures but European at the same time, we focus the ways and directions for the development of agriculture land economic evolution of land as the base for pricing, reactivation of agricultural land cadastre and organization of agricultural space, professionalization of management activity over agriculture and rural development, full integration of Romanian agriculture in land use plans-component of the European Union common agricultural policy (CAP).

In the development process, diversification and modernization of Romanian agriculture, the development of viable regional economic structures and is more current than ever, considering that reconstruction setting un the conform ownership of land law had a negative result an fragmentation and dispersion of the arable land (over 15 million parcels); with all the positive effect of commisionaring duties the owners and their successors could not be stopped by the negative bias that influenced the evolution of agriculture and post-revolutionary Romanian economy.

The great land ownership that existed in Romania before the ’89 revolution, has consolidated through sacrifices and multiple effotres: socialization of agriculture (Union of GAC&GAS, subsequently transformed into CAP < IAS & AEI); they transformed the small land ownership into the great land ownership of the people, in which the Romanian socialist state invested huge amounts of money. After 1990 it returned to small land ownership, for small plats it was chosen the concept of “small property-big exploatation”, but nobody belived in this state.

Central and local authority of past-revolution Romanian brought serios damage to society but un particular to agriculture, population become atypical, without hope and initiative, without results, progress any good state like a corollary of hard work. In
this period e assisted to intense fights for power and unjustified welth.

3. Agriculture and National Sovereignty

Starting with the 1\textsuperscript{st} of January 2014 Romania is obliged by the Treaty of Accession to the European Union to liberalize the land market for individuals in the EU, which will amend the existing regime until now, where only legal entities had the right to buy land. According to The Treaty of Accession to the EU, on the 1\textsuperscript{st} of January 2014, Romania has pledged to liberalize the land market, so foreign citizens, individuals in European Union, can buy agricultural land without restrictions. (1) The European Union is a formula for organizing relations between European countries. Formulas come and go, peoples remain and therefore it is better for this formula to be seen in a realistic manner rather than mystifying it or asking of it more than it can express in every moment of its evolution. Selling land to foreign citizens will establish the country's total dependence on foreign countries. In a politically changed context how will the lands be recovered from the foreign citizens? State sovereignty is reduced not only on those with dual citizenship but also on a part of the national territory bought by foreign citizens. What kind of country is that which has no sovereignty over it citizens and its whole territory? (1) Current liberalization of agricultural markets pose challenges for both developed countries - that want to protect the population included in this sector – and for less developed countries whose unsubsidized farmers manage with great difficulty to compete subsidized products from developed countries. Developed countries (in EU), although a very small proportion of the population is included in the field of agriculture but with high productivity levels, subsidize up to 50% the production of cereal, livestock and the animal sector. U.S. subsidizes 50% including cotton production up to 40,000 tons in 2004, creating great difficulties for the cultivators deprived of subsidies from less developed countries.
4. Agriculture and Population Sustenance. Food Crisis and Agriculture

Feeding a numerous population would raise special problems of agriculture and farmland. Its value will increase remarkably over the next century. Who will have good soil will be rich. Agricultural land will be more expensive than gold.

(1): Transition periods and derogations granted to Romania in Chapter 4 “The free movement of capital”: the Accession Treaty of Bulgaria and Romania to the European Union. Romania joined the European Union in 2007. After the negotiations Romania obtain a 7 years transition period (until 2014) for the acquisition of agricultural land, forests and forestry land by EU and EEA (European Economic Area) citizens. Also Romania obtained a five years transition period for the right to purchase the land for secondary residences. Given the multilateral implications and especially for Romania’s multidimensional security such a transition period is very short especially as other components of the single European market (labor market) have not been accomplished and do not work. Starting with the 1st of January 2014, Romania is obliged by the Accession Treaty to the European Union to liberalize the land market for EU individuals, which will alter the existing regime where only legal entities have the right to purchase land. Our observation: Joining a multilateral treaty of a State which did not take part in the negotiation and signing of it. Accession to a treaty is made by issuing an accession instrument to the signatory parts or to the treaty depositary state. It occurs only in open treaties. With closed treaties it is only possible with the unanimous consent of the participating states. During accession reservations may be made to the Treaty. Reservations to the Treaty, unilateral declaration of a state, made with the occasion of signature, ratification or accession to a multilateral treaty which shows not assuming certain obligations, in our case the liberalization of land market, basically arising from the Treaty stipulations. The possibility to have objections is a sovereign right of each state (if it does not want to enter voluntarily into slavery). All objections should be communicated to all Treaty members that might not agree. In this case, in the relationships
between the state which made the objections and those that do not agree on them, the treaty would still exist except for the controversial part on which the objections were made, unless the states which do not agree with the state that made the objections does not feel bound by the treaty with the latter one.

To restrict transactions with agricultural land outside the city, the Ministry of Agriculture has initiated a bill that was approved by Parliament on December 17, 2013, but with some changes, one of them being to eliminate the right of pre-emption for young people up to 40 years. Thus, concerning the sale of agricultural land outside the city, starting in 2014, owners can sell their land obeying the right of pre-emption for co-owners, tenants, neighbors, individuals and the Romanian state. The law also requires the establishment of the Authority for Management and Regulation of the land market, which will take over the work of the staff and assets of State Domains Agency and will be subordinated to the premier. According to Ro PAC Alliance, the bill regarding sale and purchase of agricultural land by foreigners initiated by the Ministry of Agriculture has a “land expropriation” character, its purpose being in favor of European speculators. "Foreigners already own in Romania, through their companies, somewhere between 1 and 1.2 million hectares, but so far I have not seen foreigners working these lands. All Romanian farmers work their land and the foreign citizens remain with the subsidy coming from the EU."

The productions from these lands do not enter an agricultural circuit, but go on energy crops. After applying the law, only then will be able see the true disaster that exists in the land market in Romania." shows RO Pac president Claudiu Franc, also president of the Cattle Breeders Federation of Romania. On the other hand, representatives of MARD believe that this law aims the merging of agricultural land to increase the size of farms and economically viable farms, given the fact that the middle class in agriculture has not been sustained in recent years. Currently, 11,000 large farmers owning more than 30 acres, in total 4.5 million hectares, take half of the subsidies, and 800,000 farmers have between 1 and 5 acres.

According to MARD in 2011, foreign-owned agricultural area in Romania at the end of 2011 amounted to
over 700,000 hectares, representing 8.5% of the arable land in Romania, although according to RGA in 2010, the INS announced only 470,000 hectares owned by foreign entities. In a ranking of land purchasing in Romania, Italy was ranked first with 24.29%, followed by Germany with 15.48% and 9.98% Arab countries. Hungary also held 8.17% of the over 700,000 hectares of land bought in Romania, Spain (6.22%), Austria (6.13%), Denmark (4.52%), Greece and the Netherlands by 2%, 4%, Turkey 0.78%. Currently, in Romania, the price of a hectare of agricultural land may start at 2000 Euros and can reach up to 18,000 Euros, but, if the irrigation system will be rebuilt, it will increase considerably and will reach the EU countries, over 30,000 Euro. Romania has 13.298 million hectares of agricultural land, of which about 9 million hectares is arable land.

Source Agerpress: Romanian land market was liberalized at the beginning of the year 2014. This is how other European countries acted in the same situation. Poland has limited buying land 100 kilometers from the border, and in France it is mentioned that the owner cannot do what he wants on the land, because it is part of the national heritage. Bulgarian Parliament voted to extend the ban for selling farmland to foreign citizens until 2020. The European Commission has warned that it is a violation of Bulgaria’s international understanding and that Sofia might be liable to financial penalties. In order to join the EU in 2007 Bulgaria has amended constitution by lifting the ban imposed on foreign citizens to purchase agricultural land. A moratorium which expires on January 1, 2014 has been introduced and the parliament decided to extend it until January 1, 2020, a decision contrary to, according to experts, the EU Accession Treaty. The Ukrainian parliament has decided, in November 2012, to extend the ban on selling agricultural land until the 1st of January, 2016. Ukraine is an agricultural area of 41.6 million acres from which 32.48 million acres is arable land. Approximately 7 million lots are owned by individuals. The ban selling agricultural land in Ukraine has been active since 1996 and expires on the 1st of January, 2013.
In Hungary new European rules on selling agricultural land without restrictions should be applied starting June the 15th, 2014, but the Hungarian government is trying to protect its farmland through some drastic measures. Therefore, the Hungarian citizens that are found to be involved in selling of Hungarian land to foreign citizens are liable up to five years in prison, said Gyula Budai, State Secretary of Regional Development Ministry in Hungary. “Hungarian agricultural land will be owned by Hungarians” said Prime Minister Viktor Orban after signing an agreement in Budapest, with the Hungarian Agricultural Chamber leader. In April the Hungarian government decided to grant 200,000 acres of arable land to farmers following program that applies to plots that are currently granted under contracts which expire in May 31, 2017. The program aims to strengthen family farms as well as small and medium ones.

Hungary intends to reduce the share of large farms to 20 percent of total arable land, compared to 50 percent today. Through these measures, the Hungarian legislation tries to protect agriculture and foreign capital speculation. It is thought that up to one million acres of agricultural land in Hungary have already been sold to foreign citizens, mentions MTI Agerpres.

Domestic concept draws a area without internal borders (article 7A from SEA-The Single European Act), they are fully secured the four freedoms: free movement of goods, free movement of persons, free movement of lodging services, free movement of capital, in Conform with the Treaty on European Union. Measures designed to achieve the internal market were presented in 1985 by the European Commission White Paper respect-d stipulating domestic market to achieve this objective by 31 December 1992.

The notion of the domestic market is relatively new term used until 1985 as one of the common market, whose objective was the elimination of all barriers to EU trade in order merging of national markets into a single market, whose condition has been approaching the of a single national market. In concrete plan term European internal market and the single European market are used to designate a same-sized stretched continental
market, governed by unique rules established at Community level and characterized by the existence of the four freedoms.

Common European market in terms of integration is a preliminary stage in the European internal market which govern rules were not yet sufficiently harmonized and in operation they were not common rules both inputs and goods and services. The four freedoms constitute the foundation's largest single market of the European. A unified market can be considered when goods can move freely, partner services, capital and people. These are the four fundamental freedoms that everyone could benefit by 1993. Single market is a unified market as a result of the integration of all markets both market goods and services and market factors but also the competition rules.

Achievement of a common market which subsequently became a common market meant the first step toward European economic union that begins to operate as a separate unit with the establishment of the unified continental scale Square accompanied by politically correct and common policies. Achievement market was scheduled to carefully aiming to apply the four freedoms. This objective and allocated 12 years. The same point is echoed by the Single European Act (SEA, establishing the precise date of realization.

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