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LOCAL POLITICS OF LAND CONVERSION: AN EXAMPLE TAKEN FROM SUBURBS OF WARSAW AND OLSZTYN¹

1. Introduction

The land conversion issue has appeared at a time when Central and Eastern European governments have extended private control over land and shifted decision-making powers from central to local level. Since then, farmers have been able to decide on land sale or purchase independently [Swinnen et al., 1997]. Most restrictions and difficulties related to land sales have been lifted. Moreover, local authorities have gained enhanced rights of self-government. The aim of the new system of local government in Poland is to satisfy the common needs of local society at a broad level, to create a background for the rational and harmonised development of territorial units, and to provide a basis for balanced budgets. In this paper, we argue that decentralisation and extension of private control over land have led to an increase in agricultural land conversion in Poland, because farmers, local government and the rural society as a whole all gain from the conversion of agricultural land to housing land.

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In the case of farmers, the low profitability of agricultural production, and the high prices of housing land are causes of their interest in land sale for non-agricultural purposes. Local governments consider land conversion to be a factor of economic development. Because of land conversion, local governments obtain increased budget revenue and other benefits from the improvement of physical infrastructure. The third group of actors, *i.e.*, local society as a whole, also expect benefits, such as new employment opportunities and the provision of services for newcomers.

This paper reports findings from research in two districts in the environs of Warsaw (the Piaseczno district) and Olsztyn (the Stawiguda district), two major urban centres in Poland. The first district is located in the Mazowieckie province, which is the largest in Poland with respect to total area, the number of inhabitants and the acreage of agricultural land. At the same time, some rural areas have a direct influence on the most dynamic centre in Poland, the capital city Warsaw. The second district studied is situated in the province of Warminsko-Mazurskie, which occupies a high position with regard to natural resources. This region belongs to the so-called „Green Lungs of Poland,” and contains high levels of bio-diversity and specific landscape features. Data and information were collected by examining archival records, a review of documentation and semi-structured interviews. Within the framework of field research, 38 interviews were conducted; these concerned district offices, urban dwellers, farmers and families who do not own land. The review of documentation concerned legal acts of the Republic of Poland, decisions and regulations concerning local councils and articles in the local press.

2. National policy

Only areas that are marked in land registers as wastelands, and in the case that there exists a lack of these, other lands that have been assigned the lowest quality rating, can be designated for non-agricultural use. In the case of construction and development or modernisation of buildings, such solutions have to be used so as to restrict negative impact on land. Local plans for spatial development are a basic measure enabling the use of agricultural land plots for non-statutory purposes. It is necessary to add that the preparation of such a plan is a key task of local government, but with respect to protected areas such as national parks, reserves or landscape parks, it has to be negotiated with the responsible administration (Figure 1). The management situation in protected landscape areas is a little different; these areas do not have a separate body to administrate them and their main function is to be corridors between the protected areas mentioned above. However, they

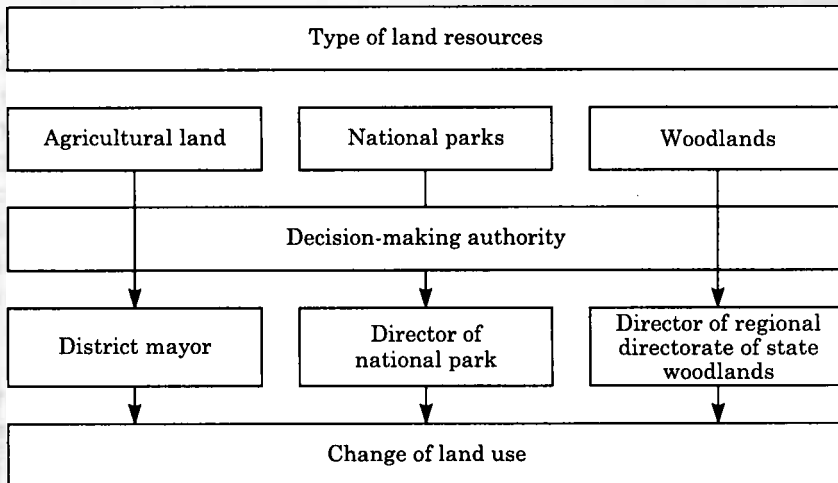


Fig. 1. Bodies participating in the preparation of a spatial plan

Source: Wasilewski and Krukowski, 2002.

are under local government administration, and districts have to respect the restrictions related to this form of environmental protection.

The Act of 7.07.1994 on Spatial Development [Dziennik Ustaw, 1994] is the legal basis for the approval of plans for local spatial development. This act defines the range and the principles for the transformation of land, as well as the rules of spatial development. The principle of sus-

Table 1. Fees for conversion of agricultural land (1 ha) to other uses

Arable land and orchards		Pasture and meadows (P&M)	
Grade	Equivalent of tons of rye	Grade	Equivalent of tons of rye
Land evolved from soils of mineral origin			
I	750	(P&M) I	750
II	650	(P&M) II	620
IIIa	550	(P&M) III	500
Land evolved from soils of organic origin			
Iva	350	(P&M) IV	300
Ivb	250	(M) V	250
V	200	(P) V	200
VI	150	(P&M) VI	150

Source: Polish Central Statistical Office

tainable development is a basic consideration in this respect. According to the Act, every individual or entity has the right to develop a plot to which he/she/it is legally entitled to, within the limitations defined in the plan and the rules of community life. In the case of the transformation to non-agricultural purposes of consolidated arable land with an area exceeding 0.5 ha of grade I, II or III quality, it is necessary to obtain the permission of the Minister of Agriculture and Rural Development. In the case of the transformation of agricultural land of grade IV quality with an area exceeding 1 ha, and certain agricultural lands of V and VI quality grades, the president of the relevant province issues permission.

The above permits are issued following a proposal from the relevant district. The district board can approve a decision on the protection of agricultural land of lower quality grades. A person who obtains permission for the withdrawal of agricultural land from production is obliged to pay a single fee, as well as annual fees for permanent exclusion of the land from agricultural production. The value of the single payment (Table 1) is expressed as the value of a fixed tonnage of rye according to the prices announced by the Central Statistical Office. Such fees can be suspended, if withdrawal of land from agricultural production concerns the creation of housing sites of up to 0.05 ha per house, and up to 0.02 ha per flat in a block of flats. These regulations allow for the location of farm buildings in rural areas, if the criteria specified in a local development plan are fulfilled. These criteria are defined and issued by the mayor of a group of villages (mayor of a town/district, president) once the decisions and concerns required by the act, and other specific regulations are satisfied.

3. Land conversion in the selected districts

The districts selected for the study are characterised by a relatively high acreage of agricultural land valuable for environmental purposes, or located in areas with attractive landscape. As can be seen from the data collected since 1993, the area of agricultural land has gradually declined (Figure 2). Between 1993–2000, the area of agricultural land shrunk by 622 ha in the Stawiguda District (11.1% of the agricultural land in the district), and by 671 ha in the Piaseczno District (9.2% of the agricultural land in the district). This process has undergone a similar pattern in the two districts. The largest area of agricultural land in the Piaseczno district was converted in 1997. A similar phenomenon was observed in the Stawiguda district. However, this took place more gradually, over two consecutive years (1996–1997).

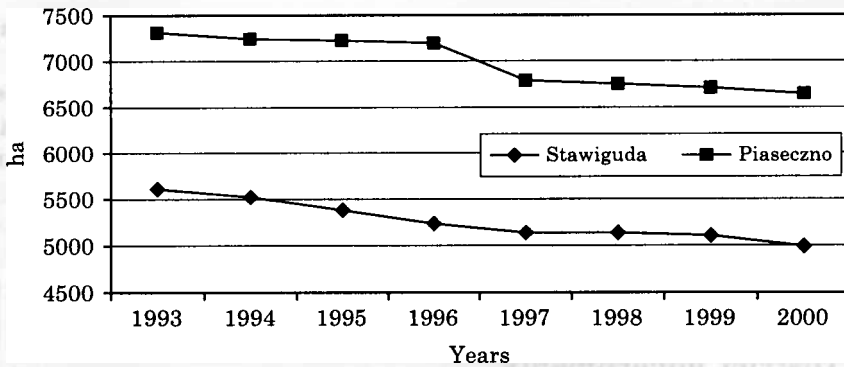


Fig. 2. Area of agricultural land over the period of 1993–2000

Source: Polish Central Statistical Office.

Land excluded from agricultural production is not utilised entirely for housing sites. Certain parts of this land are forested, used for mining or for the development of infrastructure (e.g. roads). However, land allocation is closely related to the plan of spatial development of a district. The phenomenon of declining agricultural area does not explain the real scope of housing development. The real amount of land allocated for housing sites is set in the plan of spatial development. From 1994–2000 in the Stawiguda district, 32.5 ha of agricultural land was allocated for housing (excluding the area allocated previously). At the same time, 86.5 ha or 13.9% of excluded agricultural land was converted. In fact, we did not collect the relevant data for the Piaseczno district, but 1,920 ha of agricultural land is allocated for conversion into housing sites in the district plan of spatial development for the years 1994–2000.

These figures prove the high speed of the conversion process and the ever-growing demand for land in the Piaseczno district. Additionally, the district council approved regulation concerning the conversion of a further 900 ha. So the scope of the process in the Piaseczno district is enormous. Once all the agricultural land allocated for housing sites, and the land, on which the conversion procedure has just started, are used for housing, the district will have lost about 50% of its agricultural land.

Urbanisation will significantly reduce the role of people involved in agriculture. It may also cause a significant and unrecoverable depletion of rural landscape and homogenise currently diverse landscapes. This is a very important issue connected with environmental protection as well. The majority of the land in these districts (the whole of the Stawiguda district) are protected by Polish law. The standard form of environmen-

tal protection, in the form of so-called "protected landscape areas", meets the following demands:

- Protected landscape areas shall embrace sites of distinctly diversified landscape occupied by various ecosystems. The management of these systems shall ensure the ecological balance of natural systems.
- Protected landscape areas shall be taken into account in land use management plans.

4. Politics of land conversion

4.1. District governments

District governments gain increased budget revenue from land conversion. These increases in revenue result from the change in the tax system, since the agricultural tax has been replaced by the new real estate tax. In addition, the inflow of urban people gives rise to revenue generated by personal income taxes. These two taxes are the major components of district budget revenues. The importance of the increase of incomes in this respect largely results from the level of incomes generated in the districts studied (Figures 3–4). The process of land conversion has led to significant increases in revenue in both of the counties.

The additional budget revenues generated in this way are ten times as high in the Piaseczno district as in the Stawiguda district. This difference explains why the Stawiguda district is more interested in all possibilities of raising income. Yet local government officials are reluctant to admit to

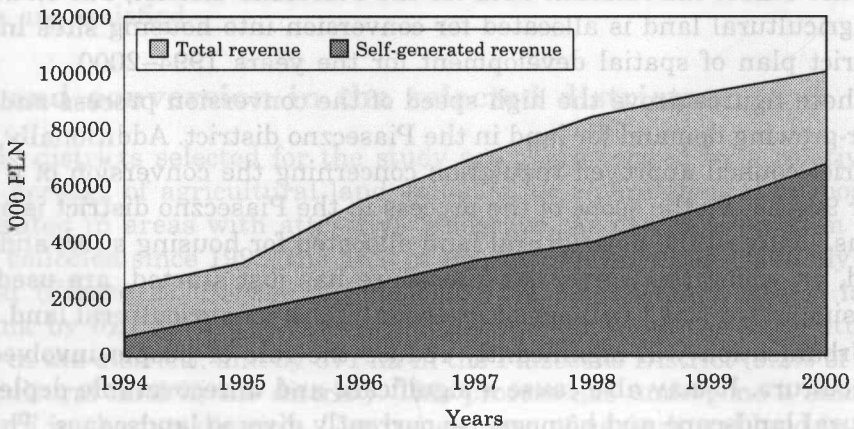


Fig. 3. Total and self-generated budget revenue of the Piaseczno district over the period 1994–2000

Source: Polish Central Statistical Office.

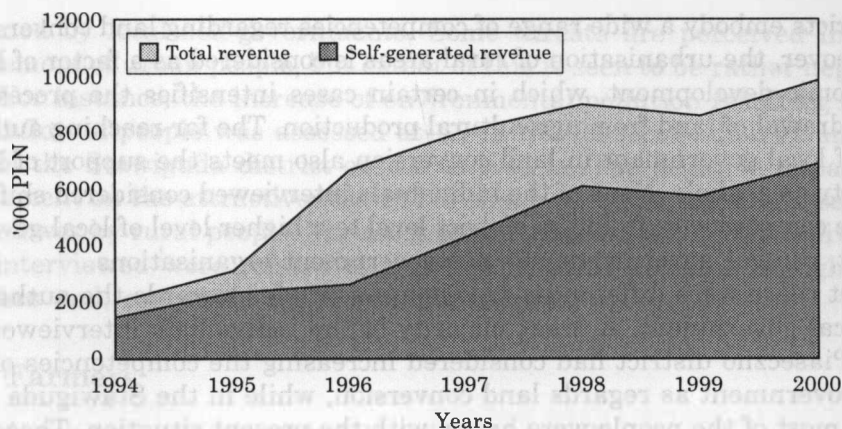


Fig. 4. Total and self-generated budget revenue of the Stawiguda district over the period 1994–2000

Source: Polish Central Statistical Office.

their financial interests in land conversion. Instead, they tend to justify conversion by indicating the demand for land surrounding urban centres. Any admission of their financial interests could expose counties to criticism from environmental organisations. At the same time, local government officials are right to point out that local society usually favours urbanisation, giving them a strong argument during potential conflicts. Local government officials and local society tend to view natural assets as resources to be used for obtaining finance to meet the basic needs of local society, including social objectives such as the education of young people.

So land conversion is clearly a good way for local self-governments to improve their financial condition. This has been confirmed by analysing budget revenues from agricultural tax and real estate tax from 1994–2000. The budget revenue from agricultural tax in the Stawiguda district increased by a relatively small amount (from 50 000 to 150 000 PLN). Thus, budget revenue in this tax category increased by a factor of 3 in nominal terms over the period concerned. In the case of the budget revenue from real estate tax, a 600% increase was observed. Therefore, a tendency for the share of agricultural tax in local government income to decline in favour of increases in the share generated by real estate tax has been observed, particularly in the last two years of the period concerned. Similar tendencies have been observed in the Piaseczno district. However, this district generates a significantly higher revenue from real estate tax than does the Stawiguda district.

After decentralisation, local government does not only have a financial interest in conversion, but also has the authority to promote urbanisation.

Districts embody a wide range of competencies regarding land conversion. Moreover, the urbanisation of rural areas is considered as a factor of local economic development, which in certain cases intensifies the process of withdrawal of land from agricultural production. The far-reaching authority of local government in land conversion also meets the support of local society as a whole. None of the individuals interviewed considered shifting these competencies from the district level to a higher level of local government, central government, or non-government organisations.

Yet there were differences in people's attitudes towards the authority of local government. A great majority of the individuals interviewed in the Piaseczno district had considered increasing the competencies of local government as regards land conversion, while in the Stawiguda district most of the people were happy with the present situation. These divergent attitudes are caused by the better organisation of society in the Piaseczno district, which has a greater influence on the decisions of self-government. There are social committees for the development of technical infrastructure. The research conducted shows that unorganised individuals do not have a strong influence on the decisions of local government on land conversion. Sometimes, this also has a positive effect. The Piaseczno district, where there is pressure on farmers to convert their land, is an example of this. In many officials' opinions, these farmers would like to convert almost the whole area of agricultural land.

Environmental interests remain marginal in the preservation of open space. Local societies do not consider land withdrawal from agricultural production as a factor causing the loss of rural landscape (Figure 5). Such attitudes favour the approval of increased levels of land conversion

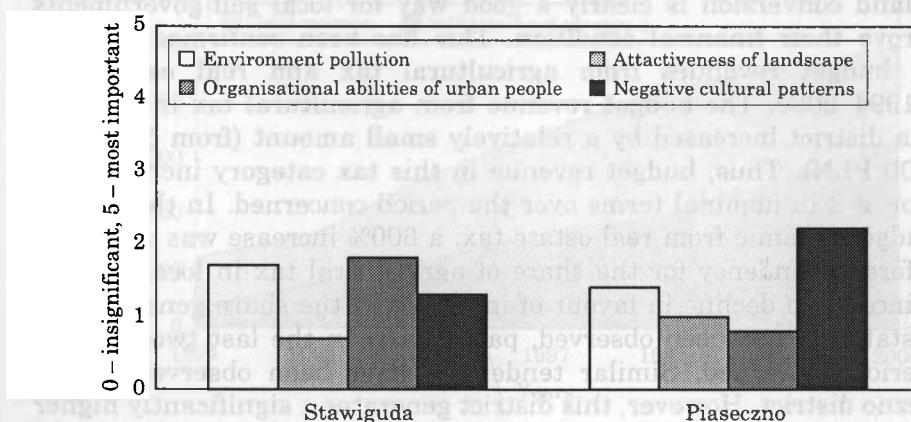


Fig. 5. Scope of threats resulting from settlement of urban people according to rural people

Source: Interviews in the districts investigated

planned by local self-governments. Some threats are perceived in the settlement of urban people, but extent of this is seen to be rather negligible. For instance, the increase of environmental pollution resulting from the inflow of people was assessed at 1.7 in the Piaseczno district and at 1.4 in the Stawiguda district on a 0 to 5 scale. The negative impact of settlement on the attractiveness and diversity of landscape was assessed even lower by rural people. The most serious threats felt by the individuals interviewed were related to negative cultural patterns brought by settlers and, concerned the Piaseczno district.

4.2. Farmers

This group is also considered an important player in the process of land conversion. Research tells us that farmers own almost the whole area of agricultural land that is used (and/or can be used) for housing purposes in the districts of Stawiguda and Piaseczno. Therefore, farmers decide whether or not land is going to be converted.

The majority of farmers expressed interest in the sale of land for non-agricultural uses (Figure 6). Such attitudes are more often found in the Piaseczno district, which to a large extent results from the extremely fragmented farm structure in this region. The incomes generated from farms by agricultural activities do not assure the basic needs of farmers' families. The questionnaire conducted shows that the level of annual agricultural in-

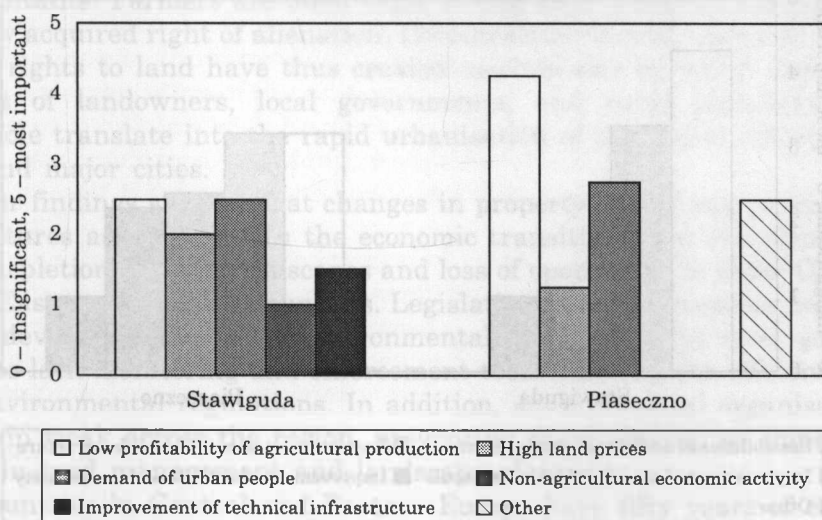


Fig. 6. Factors driving farmers to sell land for non-agricultural purposes

Source: Interviews in the districts investigated.

come per ha amounts to about 2000 PLN per capita. On the other hand, the average price of 1 ha of agricultural land sold to urban people for housing amounts to 600 000 PLN. The low profitability of agricultural production and the relation of agricultural incomes to the price of housing plots are the main factors favouring land sales by farmers in the Piaseczno district.

Farmers in the Stawiguda district consider the low profitability of agricultural production to be a major factor of agricultural land sales as well. However, lower land prices and higher levels of agricultural incomes in Stawiguda make this factor less important compared to the Piaseczno district.

4.3. Non-farming rural people

The approval of the remaining part of rural society, *i.e.* the families who do not own land, is also an important element of land conversion for suburban housing (Figure 7). If they did not approve of the process, its scope could be significantly limited. The low level of ecological awareness resulting from a lack of education within this group prior to, and at the beginning of the transition, causes them to not consider land conversion as a threat to the environment. Moreover, a great majority of them reckon the process will bring clear gains to the district in the form of economic development, and will thus improve their living standards.

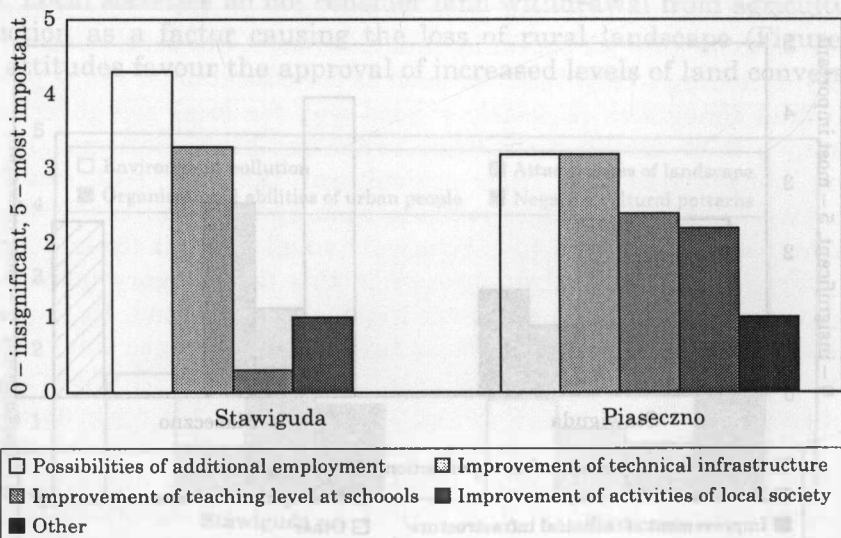


Fig. 7. Factors favouring approval for land conversion by non-farming rural people
Source: Interviews in the districts investigated.

The individuals interviewed in both counties expect that the development of housing and the inflow of new people will result in an increase in the number of jobs and will create new demand for various services to be supplied by the locals. The possibility of improvements in infrastructure is the next factor in this respect. The development of housing is often accompanied by the construction or modernisation of, for instance, sewage systems or the organisation of waste collection and utilisation systems. In addition, the newcomers participate in the costs of such activities. The development of technical infrastructure is also perceived by rural people as a measure of environmental protection, because it does not create any conflict of interests, and largely protects the environment from degradation.

5. Conclusions

Local alliances of landowners, local governments and local societies as a whole drive rapid urbanisation in rural areas around Polish cities. The local governments of districts located near large urban agglomerations use land conversion as a factor of economic development and a way of improving their financial revenues. They are pleased to meet the demand for land from urban dwellers. Local government's promotion of land conversion finds the support of the general rural population, which expects economic gains from housing development and the inflow of new inhabitants. Farmers are often eager to sell their land, exercising their newly acquired right of alienation. Decentralisation and extension of private rights to land have thus created mechanisms by which local alliances of landowners, local governments, and rural populations as a whole translate into the rapid urbanisation of the Polish countryside around major cities.

Our findings suggest that changes in property rights and governance structures associated with the economic transition have contributed to the depletion of rural landscapes and loss of open space in other Central and Eastern European Countries. Legislation in these countries includes well-developed systems of environmental protection. Yet most governments lack monitoring and enforcement tools, limiting the effectiveness of environmental regulations. In addition, environmental organisations remain weak across the region, preventing them playing an important role in land management and landscape planning.

Countries in Central and Eastern Europe have fifty years of experience in socialist urban planning. In addition, they can utilise the experience of other countries to avoid the mistakes of uncontrolled urbanisation. One may therefore be tempted to expect them to have a unique

chance to develop environmentally-sensitive spatial planning. Yet, as our findings demonstrate, environmentally-sound urban planning will only take place in the presence of mechanisms that safeguard environmental interests. Such mechanisms may include procedures that provide a role for central government and programs to raise public awareness of the need to preserve open space and valuable landscapes.

In contrast, our findings suggest that the current trend of decentralising decision-making power to local government works against environmental goals in urban planning. Local governments tend to prioritise economic rather than environmental goals in local development and land use planning. They lack the environmental awareness and foresight required to anticipate the negative effects of uncontrolled urbanisation.

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