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Land relations in Ukraine: institutional traps and exit vectors

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Abstract. *The paper identifies institutional traps in Ukraine's land relations cadastre/registration gaps, fragmented land use, high transaction costs, weak enforcement, and information asymmetry and outlines exit vectors: a "Cadastre 2.0" program, standardized contracts and e-auctions, a national consolidation/land-banking scheme, expedited dispute-resolution tracks, and an MRV/KPI set for 2025–2030. Expected effects: lower costs, stronger investment, and higher productivity.*
Keywords: *land relations; institutional traps; Cadastre 2.0; land consolidation; land banking; transaction costs; e-auctions; enforcement; information asymmetry.*

Introduction. Following the launch of the agricultural land market in 2021–2024, attention has shifted from rule-making to the quality of the institutions that keep the market running daily: security of rights, completeness and credibility of data, procedural transparency, effectiveness of enforcement, and the capacity of recovery policies under wartime conditions. To frame these challenges, we rely on international standards–VGGT and LGAF–and on European experience with land consolidation and land banking that shows how institutional innovation removes structural constraints [1, 2, 3].

Analytical framework. Ukrainian studies on production greening and the transformation of land relations underline the need to align market incentives with socio-ecological constraints and state capacity [4, 5, 6, 7]. The scientific principles of market circulation of agricultural land [8] and the "conformity to productive forces" perspective [9] help conceptualize *institutional traps* as stable low-quality equilibria where high transaction barriers reproduce themselves. This view is reinforced by empirical work on transaction costs in the shadow environment [10] and by broader syntheses on reform traps and state capacity [11, 12, 13].

Data and spatial-organization cluster. Incomplete, heterogeneous, and irregularly updated geodata–combined with weak registry interoperability–raise uncertainty and lengthen deal times. This is compounded by a fragmented land-use pattern with "wedges" and small scattered plots that hinder technological upgrading and inflate logistics costs. European practice shows that large-scale, multi-purpose consolidation, supported by land banking, can address these failures when the legal and institutional design supports long investment cycles [3, 8].

Transactions and enforcement cluster. High costs of information search, bargaining, and contract execution incentivize informality and depress investment, while lengthy

disputes and a low share of enforced decisions entrench poor rules of the game [2, 9]. The result is a vicious circle: mistrust breeds circumvention, which in turn deepens mistrust.

Information-asymmetry cluster. Limited or delayed disclosure of key terms and price metrics creates insider rents, weakens competition, and slows regional market integration. Solving this requires not only better data publication but also a legal presumption of publicity for essential deal parameters [2, 14].

Exit vectors. The policy mix combines technological and procedural solutions. *Cadastre 2.0* entails full integration of the cadastre with registries of rights and encumbrances, a mass resurvey under unified accuracy tolerances, INSPIRE-compliant metadata, and a transparent change log [1, 5, 13]. Standardized transactions–template contracts for sale, lease, and *emphyteusis*–plus a presumption of public disclosure of essential terms and a "by default" rule to transact state/municipal assets via e-auctions reduce transaction costs and raise predictability [2, 9]. A national multi-purpose consolidation program with a land-banking operator should replace the mosaic of tiny plots with functionally efficient blocks aligned to reclamation and transport infrastructure [3, 5]. In parallel, *fast-track* mediation, arbitration, and court procedures backed by title insurance can strengthen execution of decisions [11]. These steps should be coupled with Green-Deal-style safeguards: soil-fertility assessment and certification, binding reclamation, and water/soil-footprint accounting embedded in parcel legal regimes [10].

MRV/KPI 2025–2030. Track progress across linked indicator groups. *Data*: share of parcels with verified boundaries (target ≥95%), mean planar error, completeness of attributes/encumbrances, and regularity of updates [1, 2]. *Processes*: median registration time and official costs, share of deals via e-auctions, and share of contracts with public disclosure of essential terms [14]. *Market*: deals per 1,000 ha, regional price convergence, and a "price-cleanliness" indicator signaling fewer informal top-ups. *Enforcement*: share of disputes resolved in <90 days and share of enforced decisions [10]. *Recovery & ecology*: demined/reclaimed area, share of parcels with approved reclamation plans, and verified restoration of soil fertility [4].

Conclusions. Combining Cadastre 2.0, transparent procedures and e-auctions, consolidation and land banking, expedited enforcement, and environmental safeguards yields a coherent roadmap out of institutional traps. The approach aligns with VGGT and LGAF principles, draws on Ukrainian scholarship on land markets, transaction costs, and institutional–productive-forces alignment, and targets lower costs, stronger investment, and higher productivity without sacrificing socio-ecological balance.

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