

ANDREW CARTWRIGHT

Recognizing the plot:
Land ownership and access to
social security in rural areas

ABOUT THE PAPER

Andrew Cartwright is a Research Fellow at the Center for Policy Studies of Central European University in Budapest, Hungary. His research concentrates on social and economic development in rural areas, with a special focus on post-socialist countries.

The paper draws on a series of case studies from Hungary, Serbia and Romania as part of the “Local State and Social Security in Rural Hungary, Romania, and Serbia” project, led by the Max Planck Institute for Social Anthropology, Halle and funded by the Volkswagen Foundation, 2008-2011.

Working Papers reflect the on-going work of staff members and researchers associated with CPS. They are intended to facilitate communication between CPS and other researchers on timely issues. They are disseminated to stimulate commentary and policy discussion among the international community of scholars.

CENTER FOR POLICY STUDIES
CENTRAL EUROPEAN UNIVERSITY

Nador utca 9
H-1051 Budapest, Hungary
cps@ceu.hu
<http://cps.ceu.hu>

The views in this report are the authors' own and do not necessarily reflect those of the Center for Policy Studies, Central European University.

© Central European University

RECOGNIZING THE PLOT: LAND OWNERSHIP AND ACCESS TO SOCIAL SECURITY IN RURAL AREAS

Andrew Cartwright

ABSTRACT

Property ownership has long been a significant consideration in determining access to social security. The aim of this paper is to investigate how both ownership and access to productive resources in rural areas can influence the types of social security services and benefits that are allocated. The argument is that whilst it is common that formulae for assessing the property values tend to be fixed by central regulations, there still remain significant areas of discretionary decision making over the exact value of rural productive resources as well as the consequences this has for determining the scope of beneficiaries of social security. The paper explores the ways in which the exact process of valuation and discretion are worked out in the context of changing relations between local, regional and central state actors. The paper draws on a series of case studies from Hungary, Serbia and Romania as part of the “Local State and Social Security in Rural Hungary, Romania, and Serbia” project, led by the Max Planck Institute for Social Anthropology, Halle and funded by the Volkswagen Foundation, 2008-2011.

This paper was presented at the conference ‘Local State and Social Security. Negotiating Deservingness and Avenues to Resources in Rural Areas’, Max Planck Institute for Social Anthropology, Halle/Saale June 30 - July 02, 2011 organized by Tatjana Thelen, Larissa Vetter, and Keebet von Benda-Beckmann.

CONTENTS

Introduction	3
1. Land as an imputed income	3
2. Recognizing use over ownership	6
3. Breaking the chain of beneficiaries to land	8
Conclusions	10

INTRODUCTION

The aim of this paper is to explore the changing relevance of land ownership for determining access to social security in rural areas. A whole series of laws and regulations recognize the formal ownership of land as a significant consideration that regulates access to a range of social security benefits. The paper intends to show how different local state actors can decide just how far ownership and use of land should be considered relevant for assessing entitlement. In some cases, land ownership acts an absolute bar, yet in other cases, for various reasons, local officials can decide to ignore it.

The material for this paper comes from the Volkswagen Foundation funded project ‘Local State and Social Security in rural Hungary, Romania and Serbia’.¹ With the kind permission of those researchers involved in this project, I would like to use examples of the land/social security connection that they uncovered as well as drawing on my own visits to the field sites and a recent research project carried out in Hungary on the implementation of a program for the rural elderly.

There are three sets of examples that show how land might be considered relevant for assessing need. They involve a range of policies that are either directly or more indirectly supportive of rural social security. The first shows how land can be a bar to benefits but how local discretion might be able to introduce qualifications. The second shows how local knowledge of the actual use to which land is put can be introduced as parallel or supplementary consideration to those set out in the regulations. This section also contains illustrations of the difficulties in asserting use on the ground against actual formal ownership. The final set of examples presents cases that examine the so-called chain of beneficiaries connected to land ownership, in other words, who is expected to be supported by land and how far are changing patterns of support reflected in policy and practice. In the final section, I offer a short discussion over the extent that these changing patterns of discretion show changes in the power of local state actors to exercise significant control over the interpretation of local need, ideas of deservingness and the ability of local natural resources to somehow meet some of their needs.

1. LAND AS AN IMPUTED INCOME

In each of the countries in this study, the ownership of rural land is recognised as offering one of the principal means for meeting everyday needs. Just how much land is required varies with time and place. In 1948, the Romanian Institute for National Statistics, concluded from their analysis of the recent national census

If three hectares represent the general minimum land necessary for the maintenance in agricultural of an exploitation comprised of four persons, then more than half of the agricultural exploitations in Romania do not reach this level and [the members] are compelled to some side line income to reduce their needs.²

1 For more details of this project see http://www.eth.mpg.de/cms/en/research/d3/project_lsss.html

2 Golopentia, A. and Georgescu, D.C., *Populatia Republicii Populare Romane la 25 Ianuarie 1948: Rezultatele provizorii ale recensamantului de A. Golopentia and D.C. Georgescu, Institutul central de statistica, 1948* p.18

Fifty-one years late, the Romanian National Commission of Statistics, this time in conjunction with the World Bank, concluded that

Land in rural Romania is one of the major assets a household has and land ownership reduces significantly the risk of poverty. Landless households, representing 16% of the rural population, face a 55% chance of being poor in 1998. In contrast, those with three hectares or more, representing 8% of the rural population, face only a 22% poverty risk.³

According to Law 416/2001, ownership of farm land should be taken into account when determining eligibility for social assistance. If a household owns more than two hectares of land then they cannot claim social assistance under the Minimum Income Guarantee Act, the assumption being that the amount of income generated from that land would be more than sufficient for the applicant to live on. Several difficulties have been identified with the practical implementation of this law. For one, the actual valuation of the income that can be imputed to different sizes of land is a matter for local councils to decide and this can lead to considerable variation in the treatment of similar parcels of land. According to a report commissioned by the UK's Department for International Development, one of the main reasons why there are large variations amongst roughly equivalent rural holdings and, in some cases, rural land being valued at significantly higher rates than urban properties, is that by assigning high values and imputed incomes to land, local councils are thereby absolved from sharing the costs of providing minimal incomes.⁴

In both the Hungarian and Romanian cases, the local authorities employed different strategies to reduce the amount of own contribution they would have to make to paying out social assistance. In Tarnabod, for instance, where the research was carried out by Alexandra Szöke, the mayor admitted that the main reason for having such a large public works program rather than having people on minimum income, was that the former was paid at a rate of 95% central state contribution and 5% local, whereas the local contribution to availability allowance was 80% central and 20% local. As almost all of the settlements covered here suffered from lack of local revenues, maximizing state transfers and minimizing own contributions was a key consideration.

Even though local councils might avoid certain costs by assigning fictitiously high values to imputed incomes from land, this did not mean that local officials were unsympathetic to the real costs involved in making land work. In Jirilovca, where research was carried out by Mihai Popa, the secretary in charge of adjudicating claims, complained that there were many people who would qualify for receiving social aid if the benefit was considered 'from the point of view of revenues'. In her view, rather than imputing income, land should be recognized as being more of an expense for a household. In Dragomiresti, the village where research was conducted by Stefan Dorondel, the local social worker said that just one hectare of land would prevent someone from claiming social assistance. And, according to the Vice Mayor, there was no-one in the village who had land who was also in receipt of means tested social assistance.

3 From Rural Poverty to Rural Development, National Commission of Statistics, Bucharest, p.30

4 Evaluation of the Implementation of the Minimum Income Guarantee (Law 416/2001), Final Report, Funded by the Department for International Development and the World Bank, Evaluators, Birks Sinclair & Associates Ltd. Mountjoy Research Centre, Durham, page 11

As the reviewers commissioned by DfID argued

The general conclusion must be that assets are not treated equally in all localities and that applicants in rural areas are likely to be particularly disadvantaged. In rural areas, there is a particular problem of elderly or disabled people with assets. While it is assumed that in urban areas, after the age of retirement, they will not obtain any income from labor unless exceptionally, for those in rural areas it is automatically presupposed that they obtain income from labor on their land until their death.⁵

In contrast to these cases of strict recognition, the following cases offers examples of when local officials decided to actively ignore the supposed revenues from land or to reluctantly collude with attempts to hide land.

The first involves a case reported by Mihai Popa in Jirilovca. It involved a household who was applying for high school assistance for their son. Not only did this family own four hectares of land, they also took care of an unrelated old lady who lived in their household. According to the central regulations, both the old lady's pension and the four hectares of land should have been considered as relevant revenue for determining the teenager's entitlement to high school assistance. In both cases, however, they were ignored, the adjudicating social worker explaining that if she was to take into account the pension this would automatically bar the boy's application and, secondly, she was only interested in the fact that the household should not have over 1.5 million lei per capita, which in her view, they clearly weren't. For these reasons, she was prepared to ignore the potential income arising from ownership of the four hectares. Revealingly, she also admitted that this was not the first time she had ignored land when it came to determining eligibility for benefits.

The second example of non-recognition comes from the Serbian village of Gaj and the cases set out by Slobodan Naumović. In any application for social help, an applicant had to submit statements by two witnesses concerning the number of household members, the numbers who were employed, the dependents and to accompany this with documentary proof that the household does not own over half one hectare of land. According to the informant, who was also responsible for locally representing the municipality and for organizing local official records, these witness statements can often be a 'source of grave problems', giving the following example:

[In Banat], agricultural land is registered on the oldest male, the grandfather, or eventually on his wife. If a witness can sign a fake statement that a grandfather is not a member of a household, then that household is cleared from a property that can blocks access to social help. Many have accessed rights that they were not entitled to in such a fraudulent way. He gives an example of a local veterinarian who asked the local representative, MB, to make a fictitious statement excluding the grandfather from the household, and who after MB objected, then found willing witnesses in Kovin and obtained what he was after. He later triumphantly informed MB that he succeeded with fake statements. How can the woman at the desk in Kovin (the municipality) know? "So what was I to do? To report him, and make a mortal enemy in my own village? The hell with it!"

5 Ibid page 12

In both cases, the local officials have important roles in producing case files about the actual circumstances of the application. In the first instance, there was a clear consensus between the adjudicating social worker and the local authority official that for several reasons, the four hectares should be overlooked. Both officials had paid a site visit in which they could see that there was little evident wealth in the household, secondly, they both valued the work that the parents did in looking after the old lady and thirdly, they did not wish to penalize someone who for no fault of their own, lived in a household that has land that could not support the family. In the Serbian case, it was not so much that the local official believed that the application was deserving, more that he feared the consequences should he reveal the true situation behind the application.

An additional consideration in the high school case was that the financial implications for ignoring the land were less likely to be felt by the local authority. Whereas ignoring land when assessing social assistance cases could expose the local authorities to significant additional costs, high school assistance was funded 100% from central transfers. As there were far fewer potential beneficiaries, there were also less chance that the adjudicating officer's decision would be reviewed, leaving her free, in this case, to see no land.

2. RECOGNIZING USE OVER OWNERSHIP

The following cases offer a different approach to the way that ownership of land is recognized as relevant for meeting own needs. The examples concern how state policy recognizes the importance as well as some of the costs of making land work. Not only do they provide incentives to engage in agricultural production, they also provide preferential access to other social securities, in particular, around health care.

One example is the small producer's licensing scheme in Hungary. The means for administering this system are relevant from our point of view because applications are processed by the agricultural officer situated in the Mayor's office. In this respect, they draw upon local knowledge and the latitude for interpreting central regulations. In the study, there was one example of the ways in which this process was worked out in Bohonye, where Gyöngyi Schwarcz carried out the fieldwork.

Briefly the licensing scheme allows for small scale part-time producers to sell up to 600,000 HUF of agricultural produce per year of produce tax free. They can also cover 20% of their expenses with invoices. It is possible for more than one individual to be listed as part of a household thereby increasing the scope of benefits available, in particular, the fact that listed individuals can pay their health insurance contributions at a lower rate than others.⁶ In this sense, the agricultural officer admitted that it was a good programme for the longer term unemployed. In his view, there were approximately 250-300 households in the village which held licenses and whilst this was a significant proportion of the population, it was only half the numbers that were covered by the scheme in the beginning of the 1990s.

In order to be successful, applicants had to show that they are engaged in agricultural production on their land or on other land to which they have legitimate access. Two cases were mentioned

6 A similar scheme exists in Poland, whereby those who own one hectare of land are entitled to pay health contributions at a far lower rate than other employees.

concerning legitimate access. In one case, a family applied for a permit to sell Christmas trees but, according to the administrator, he knew that they had no land of their own and, he was convinced that they would illegally cut pine trees from other private or publicly owned land and, for this reason, he rejected their application. In another instance, albeit more hypothetical than based on an actual example, he said that he would have no problem accepting an application from a poor family proposing to sell herbs or other forest products, even when he knew that they neither owned nor leased forest land themselves. To him, such a practice should be supported even though the applicant clearly had no use rights to gather in the forest. One justification was that herbs and forest products should be considered wild, involving no cultivation and therefore without any valuable inputs being used. The willingness to tolerate self help on other's land was not because the land in question was state owned. In Bohonye, the forests were owned by a mixture of state and private owners.

A similar instance where the legal ownership of land was considered as insignificant was in Serbia, in Donja Trepcka, where the research was carried out by Andre Theimann.⁷ In this case, the mayor, who was one of the main producers of *rakija* in the village and was the holder of many awards for the quality of his works, told of another producer who he admired, who made *rakija* from what wild pears. According to the mayor, the family lived on the higher, more remote slopes of the village. When pressed, he admitted that they did not own or even lease the land where the wild pears could be found, but regarded the matter as irrelevant considering both the quality of their product and the fact that no-one else was working that far up the hill.

Both cases offer examples of the autonomy that local state actors can sometimes enjoy when it comes to recognizing local land use practices, legal or not. Katy Fox offers another example when supplementary considerations constrain local officials from acting on what they know is local land use.⁸ In her example of the implementation of direct payments to farmers under the Common Agricultural Policy, the policy/village interface sets up conflicts between local state knowledge of land use and the documentary requirements of accessing direct payments. In the areas she studied in Romania, informal renting was common. However, despite the fact that direct payments were supposed to support actual users rather than formal owner, none of the informal renters were able to claim direct payments. As Fox explained

Officializing agreements and fixing relationships in legal documents made villagers uneasy as they had relied to a great extent on informal local arrangements to make livelihoods both during socialism and afterwards.⁹

The officials adjudicating over applications came from a central state agency and had no particular local knowledge of the area, basing their decisions on applicant's ability to identify their land on official maps and point to registration of their rights in the official Land Register. The reason for this approach was to overcome the potential for conflicts of interest, and particularly, the danger that external auditors would be able to detect fraudulent applications for direct payments. Even though local officials were sympathetic to the complaints of the informal renters, they said that were unable to intervene.

7 For more on the workings of social security in this village, please refer to the research of Andre Theimann, in this conference and the paper with Duška Vranješ, Of the 'Privatizing' and the 'Projectifying' State: Two Emerging Types of Social Care Relations Compared

8 Fox, K. (2009) «Confusion, Secrecy and Power: Direct Payments and European Integration in Romania», *Ann Roum Anthropol* 46, pp. 63-75

9 Ibid page 70

3. BREAKING THE CHAIN OF BENEFICIARIES TO LAND

The final set of examples concerns the link between known owners and what might be called potential owners and the role of the local authority in regulating local land relations.¹⁰ As mentioned above, many portrayals of rural land in post-restitution scenarios stress how more than one generation can be supported by its incomes, even if they are not physically close to the land, are not engaged in agricultural production, nor in some cases are they featured on the legal titles of land ownership.¹¹ The case study that will be proffered concerns the operation of a rural policy in Hungary and the way in which it can be said to accelerate land related decisions concerning the legal visibility of potential owners.

In Hungary and Romania, there was a tradition during land restitution to allow land to be left undivided. This meant that although an applicant might have a valid claim for the return of parcels of land in more than one place, it was decided that these would be amalgamated, usually in the same location as those who similarly were uninterested in the physical reclamation of family land. The most common reasons for doing this was that the owner or owners were not in a position or simply did not want engage in production themselves. The advantage to the successors to the collective farms was that they could sign individual lease contracts with the owners, but had larger surfaces to work with as before. Many owners took advantage of this, including the large numbers of elderly owners and the large numbers who no longer lived in the village of their family. Often, such undivided land were held in common between different generations of kin, and, importantly in this regard, the agreements as to the division of proceeds were often kept within the family rather than officially recorded.

In both countries, it was common for rent to be paid in kind, as feed crops, cereals, fruit and vegetables, as well as winter wood supplies. There were also cash payments and, unsurprisingly, these were favored by the future, urban based owners not involved in agriculture.

The reason for focusing on this class of elderly owners holding land on trust for other kin and future generations is that, at the local level, these ownership practices were recognized by a range of private and local state actors. Giordano and Kostova, for example, wrote about the reappearance of a new class of brokers or *arendasi* in Bulgaria, who took it on themselves to identify owners, to liaise with renters and to otherwise secure larger surfaces for renting to larger farms.¹² In Romania, I wrote of several cases in which local mayors got involved in disputes between renters and owners, particularly in those frequent cases where agreed payments were not met.¹³ This reflected the view that returned land could be a principal means for ensuring standard of living. Although many of those writing about the need for land consolidation highlighted the problem of high transaction costs involved, there were other examples in the literature where local larger farms say that dealing with so many owners was not so much of a burden, and they recognized the importance of land as not only supporting the elderly

10 For more on this scheme, see Gergő Medve-Bálint, Sara Svensson and Andrew Cartwright 'Inheritance Matters: Changing land use trends amongst the elderly in rural Hungary', Center for Policy Studies Working Papers, 2010

11 For example, see Leeni Hansson and Marjatta Marin, 'The Adjustment of the Elderly to Socio-Economic Change in Rural Estonia,' in Ilkka Alanen (ed.), *Mapping the Rural Problem in the Baltic Countryside: Transition Processes in the Rural Areas of Estonia, Latvia and Lithuania*, Ashgate, 2004 and Barbara Tryfan: *Inter-generational Relations and the Polish Farmers' Pension System*, *East European Countryside*, Volume 11, 2005

12 See C. Giordano and D. Kostova, 'The Social Production of Mistrust', in C.M. Hann (ed.) *Postsocialism, Ideals, Ideologies and Practices in Eurasia*, Routledge, 2002

13 A.L. Cartwright, *The Return of the Peasant*, Ashgate, 2001 p.188

villagers but also supporting those kin relations who might in time, become the future owners.¹⁴

State policy to encourage elderly owners to give up their land in return for additional pension can be seen as fundamentally disruptive to these local arrangements. In the Hungarian case, the announcement of the scheme met with some great hostility, appearing as an attempt to accumulate land by preying on the vulnerable in order to acquire land for all kinds of ill gotten purposes.

The aim here is not to review the whole program, but to examine several features which arguably show a changing conception of land as a means of family support. The total numbers of beneficiaries in Hungary was never more than 100,000 and given the huge numbers of single and joint owners, this is still a minority in the rural land owning sector. However, the scheme also reveals a potential significant change in the ability of local state actors to influence property use for the benefit of local social security.

When it was introduced in 2001, the aims of the Land for Pensions scheme were to encourage land consolidation and to alleviate the situation of pensioners with generally low incomes. Government Directive 255/2002, declared that

“the program is meant to give a ‘realistic alternative’ to those who cannot farm due to age and who want to “make life a little bit easier in their remaining years by the extension of the pension.”

Open to those over 60 with 1-20 hectares who could show that they were the sole owner of land, the scheme proved popular especially as it offered substantial additions to pensions that went well beyond the market value of the property.¹⁵ Interviews were carried out with successful applicants and responsible administrators in two villages in eastern Hungary in late 2009. In terms of the profiles of the applicants, all had very low pensions and family members were uninterested in farming. None of them owned land before the change of regime. They received restitution coupons because their parents had owned land or because they had been employees of the co-operative.

One 65-year-old widow described how her children frequently encouraged her to sell to the state in order to top up her pension of roughly 150 EUR per month. She refused at the beginning since she had said that she did not want to strip her children of their heritage. Eventually, the children convinced her that they were absolutely not interested in inheriting the land. A second interviewee, a 74-old widow, said she had “several sleepless nights before taking the decision. One wants to leave something for the children, but also has to live without being a burden on them.” In almost all the cases the decision to sell the land was described as a joint family one. All the interviewees wanted to show that their children had agreed or encouraged their decision, and that there was no sentiment of regret on behalf of the children that they could not inherit the land. One widower did say that his sons were not entirely happy. In contrast to the other would be inheritors, they actually owned land, but as they had made it clear they were not interested in cultivating his land the father decided applied to the scheme instead without asking their opinion. At the time of transfer, none of the respondents farmed the land themselves, all leased to the same agricultural company and most of them assumed that the land was still with them.

14 On the paternalism of successor farms, see Laschewski, Lutz «The Formation and Destruction of Social Capital - Lessons from East German Rural Restructuring», *Eastern European Countryside*, 15: 91-110. (2009).

15 The value of land is calculated taking into the local golden crown value of land (the standard means of assigning notional value based on soil quality and geographical location) as well the estimated value assigned by the owner. The actual annuity that is paid depends on that figure divided across the estimated number of years that the owner is expected to live.

The land histories that were offered revealed a relationship between land and owner that was far more pragmatic rather than sentimental. As one explained, even his father, whose large land property was confiscated in the 1950s, and who was alive at the time of the restitution, considered the land that he got back through the restitution scheme as “money found on the street”. As he continued, “forty years had passed by in the meantime so my father never expected that his confiscated land property would become his own again.”

An additional characteristic was that the land sold to the state was generally unmarketable and could not ensure a proper standard of living. When they received their land two decades ago many informants said they had high expectations of the rewards they could expect from their land. Some worked the parcels themselves, some leased them out and many kept livestock. Unpredictable prices for pork, high input costs and reports of broken contracts led many to give up livestock switching their rent from in kind payments to cash.

In almost all cases, none of the younger family members demonstrated interest in owning, renting or cultivating the land. As one interviewee added,

“I still have 5.5 hectares of land, but my son is a PhD candidate in mathematics, and is not interested even in renting out the land <...> it is insecure, there are many examples of how difficult it is to find or manage the relationship with a tenant, even the Association will hardly pay you anything. It is also difficult to sell.”

Moreover, the annual income from leasing did not exceed 120-150 EUR per year. Most interviewees revealed that they had very low pension and they needed the extra income. As one interviewee put it, “the land has essentially become a burden”.

In these circumstances, selling the land to the state seemed to make sense with its generous monthly payments that compared very favorable to the rents owners could expect. In many cases a single monthly payment is higher than the total annual rent. In this way, it took very little time to ‘earn back’ the value of the land sold to the state through the monthly payments. As one said, it took him 3.5 years to receive the sum he thought he would have received if he had sold the land. Since he sold it at 60 and can expect the extra annuity till he dies, he hopes to get much more from his land.

CONCLUSIONS

The aim of the final section is to situate these examples of recognition and non-recognition in the context of changing local state influence of local natural resources for meeting social security needs. The research carried out in this study has been partly informed by ideas of understanding what might be meant by the withdrawal of the state as well as to situate local examples of discretion over social security decisions in the context of the direct knowledge that local state actors had over the real circumstances of local land use. The examples offered so far offer different dimensions of the structure of social security decision making, showing varying degrees of local autonomy as well as constraint.

One of the interesting questions that arises from looking at some of these scheme practice is whether it offers an opportunity to test some of the ideas of the de-centralization and re-centralization.

In the regional development literature in post-socialist countries, there is a theme which stresses the re-scaling of sub-national governance and the increasing tendency to transfer competence to newly created agencies, whether they are at municipal level, the level of the micro-region or the NUTS II levels introduced as part of the accession process.¹⁶ If the early 1990s saw a radical de-centralization of administrative decision making, then it was possible to look at the later 1990s and early 2000s as a time when local state were encouraged to connect much more frequently with neighboring authorities or ones further afield. Some saw this as a hollowing out of the competence and the capacity of local state and the creation of new tiers of sub-national administration to broker between central actors and local settlements.

In the first set of examples in this paper, even though local state actors were sympathetic to the actual burden of land, the fact that social assistance was partly co-financed by the local budget made it almost impossible for individual adjudicators to ignore the fact of ownership. By contrast, in cases where the budgetary implications were locally neutral and when the initial case file was unlikely to be reviewed in depth by a higher authority, it was possible to overlook the revenues that were supposedly garnered from work or rent, especially when the strict application of the rule would be seen to penalize an innocent party. The Serbian case of the missing grandfather offers another dimension to local state decision making, in the fact that the embeddedness of the official in village life made them careful to avoid the inevitable conflict that would come where they to share their local knowledge with higher tier authorities.

The second set of examples reflects the ways in which actual use of land could in certain circumstances, trump actual legal entitlement, in sense, this goes back a long recognized tradition in socialist property regimes.¹⁷ Collecting wild herbs or pears for making *rakija*, even though this was without any formal permission from the owner, was tolerated on the grounds that no relevant interests were harmed by the actions. The Romanian case of direct payments from the European Union, on the other hand, shows that local knowledge of actual use, even when it would be supportive of actual, albeit, informal users, was unable to circumvent the strict documentary requirements that accompanied implementation of the program.

The final set of examples appears to have less to do with the exercise of local state discretion and more to do with intra-familial decisions concerning the benefits and burdens of land. However, I would argue that in relation to local state influence over local natural resources, there are several relevant features, the main being that the implementation of the land for pension program brought about importance shift in the locus of decision making over land. Whereas in the past, small parcels were jointly owned by a series of resident and non-resident owners, recognized and to be recognized, when this land was transferred to the state, not only did this break the landed ties within families, it also changed the relationship between the local users and the local authority. In both Hungarian villages, relations between the mayor's office and the agricultural company had been fairly close and it was tacitly understood that the former acted as an interested party in seeing the local rent contracts were honored. However, the transfer of the small plots to the state changed all this. Not only did the companies find themselves having to liaise with offices in the capital, they also found the terms they

16 For an analysis of the introduction of new territorial actors, see Imre Kovach, 'LEADER, a New Social Order, and the Central and East-European Countries', *Sociologia Ruralis*, Volume 40, Number 2, 2000 and Michael Böcher, 'Regional Governance and Rural Development in Germany: the Implementation of LEADER+', *Sociologia Ruralis*, Volume 48, Number 4, 2008

17 See Katherine Verdery, *The property regimes of socialism*, Conservation and Society, 2004, Vol.2 (4) 189-198

were able to lease the same land were far less favorable, often being offered only year by year extensions. The mayors in both villages complained that their hands were tied. Even though they sat on the County Land Committee that was supposed to advise on the sale and lease of state property, they said that they were often confronted with sales with very little notice and with outsider buyers presented with offers that the locals, including the agricultural companies, found almost impossible to match.¹⁸

Despite the fact that this program was introduced to support the rural elderly and especially the poorer ones, in the third of applications, it was decided to exclude all those cases where the plots were less than one hectare, even when the sum of the plots added up to more than one hectare. This was troubling to the mayors as well as the county administrators. It was precisely this group of owners whose land presented them with the biggest problems in terms of finding renters, or being able to sell their land.

What the previous set of examples show are changing conceptions of the worth of land as means of guaranteeing social security. Even though it has been a theme through the countries that those with land should not be in poverty and therefore were not immediately deserving of social assistance, in practice, there were varying degrees of recognition of land as less of a benefit and more of a burden. However, given the sheer number of land owners to be found in the countries in this study, at neither the central nor local state level, it was clear that there was no possibility for all burdens to be recognized and, in some ways, lifted.

18 One of the biggest problems faced by agricultural companies in Hungary is that they are not entitled to buy land. Instead, they can ask their members to buy land as individuals and work it within the company. This is usually not much of an option for members, and so, in at least one of the villages, land was sold to a banker from Budapest who used the land formerly worked by the company for hunting.