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Transitions from Collective to Family Farming in Central Europe: a Victory of Politics over Sociology

Apology

This paper was originally to be entitled 'Transitions from collective to family farming in post socialistic Central Europe: background and strategies for change' and would have consisted of a detailed presentation of Czechoslovak, Hungarian and Polish agriculture before 'the change of system' and strategies for change adopted by the post-socialistic governments. However, circumstances have conspired to make this impossible. On the one hand, clear strategies for change have yet to emerge in Czechoslovakia and Poland, in Czechoslovakia because policy-making has effectively stopped pending the elections in June, and in Poland because the government has shown a certain degree of instability. (The strategy in Hungary is clearer, although little can yet be said about the success of its implementation.) On the other, the time available between my return from Central Europe and the deadline for Conference papers is so short that a detailed paper of any sort is out of the question.

The paper has therefore taken on a different character. It is not empirically grounded in 'hard data', rather it is based on impressions, conversations, and round figures (and it is probably full of errors, for which I alone am responsible); but it has been expanded to include additional sections on problems and prospects. If there is a single common thread in the restructuring of agricultural production in Central Europe it is that governments have underestimated the extent of the transformation that the transition to private farming will entail because they have ignored the sociological realities created by forty years of a socialistic system of which they so thoroughly disapprove.



1. Background

Agricultural production in Central Europe was an integral part of the socialistic economic system. This was true even in Poland, where production continued to take place in small privately-owned farms. Agriculture formed part of an economic system which deliberately and self-confidently followed very different rules from market economies. It should not be surprising therefore that its transformation is proving problematic. But agriculture has not been seen in this way. Because agriculture in Poland remained predominantly private, and because collectivization as carried out in Czechoslovakia and Hungary has traditionally been viewed as one of socialism's most monstrous crimes — hurding unwilling peasants into unnatural collective farms, which fell apart of their own accord in the crisis years of the 1950s — there has been a general feeling that a return to private farming would not be problematic, would somehow be a return to a more 'natural' means of agricultural production. But, for those currently engaged in agricultural production in Hungary and Czechoslovakia any move to private farming is in no sense a 'return' to anything; while in Poland, private farming in a market context entails a radical change of perspective and the removal of many certainties.

1.1. HUNGARY

It is easiest to begin with Hungary. Hungary's relative success in making collectivized agriculture work in the sense of achieving agricultural self-sufficiency, becoming a significant agricultural exporter, keeping the urban population well-supplied with agricultural produce, at the cost of low levels of state support — in the 1980s agriculture was a net contributor to the state budget — was based on many things. But one of the most important, as I have argued elsewhere (*Collective Farms Which Work?*, Cambridge University Press, 1985), was the judicious intermingling of large and small-scale production techniques, and the development of the appropriate labour types to go with them. Where economies of scale could be gained easily and large-scale production was appropriate, Hungary's collective farms introduced into agriculture industrial production relations and what I termed 'socialist wage labour': 'wage labour' because labour was performed for a wage in the context of an extended division of labour and was supplemented by social security and pension rights; 'socialist' because it was in the context of socialistic production relations and not subject to, among other things, the possibility of dismissal if market conditions changed. In other branches of agriculture, where economies of scale were more difficult, where labour-intensive production was the norm, Hungary continued to encourage the form of 'family labour' which has been associated with peasant family farms since the work of Chayanov, if not before.

I now feel this two-dimensional typology was insufficiently precise, but for the purpose of this paper it is important to see that both types of labour were dependent on socialistic nature of production relations, and that both were essentially non-market, or at the very most only ambiguously market, forms. This is more or less self-evident for the labour performed for a wage in the large-scale sectors of collective farms. (Although it can rightly be argued that collective farm managers did not enjoy considerable autonomy and the most successful of them did profit-maximizing-type decisions in the neo-market environment of the New Economic Mechanism). It is less self-evident that the 'private', 'familylabour' performed on household plots was an essentially non-market form production, but this is the case. The rural entrepreneurs that Szelenyi discusses in *Socialist Entrepreneurs* (Polity Press, 1988) were, as Szelenyi would be the first to admit, the exceptions. For the majority, production (the decision what to produce, how much to produce etc.) was not determined by market considerations. Produce was of course marketed. Hungary's great success in getting collectivized agriculture to work was primarily its ability to create channels to bring privately produced goods to the public market, rather than leave it to be consumed within the family farm. But for the vast majority of the population that engaged in small-scale agriculture, private farming was an income-generating, more accurately income-supplementing activity. Private farms were not commercial ventures. No capital was put at a risk. Administrative barriers made the acquisition of additional land difficult. The factors of production were given. Investment was almost entirely in terms of labour. And for the most part it was performed as a spare-time activity outside 'normal' working hours.

Hungary's relative success was predicated on its ability to integrate and bring to the public market two forms of production, one that was suited to large-scale production, and the second that was suited to small-scale production; but neither of them followed the logic of a market economy, neither of them encouraged entrepreneurs in the classical sense where the desire to make ever increasing profit dictates the nature and structure of production.

1.2. CZECHOSLOVAKIA

Although by the 1980s Czechoslovak agriculture too had achieved self-sufficiency and yields in certain crops that exceeded Hungarian norms, it was less successful than Hungary's agriculture in two ways. First, it required a higher degree of state subsidy; second, the consumer was less well-supplied with agricultural products. Both these factors can be seen to have been the result of Czechoslovakia's more orthodox collectivization and its focus on 'socialistic wage labour' to the detriment of 'family labour'. The orthodox communists that ran Czechoslovakia did not learn (or rather 'unlearned', since there were agricultural reforms too during the Prague Spring

of 1968) the lesson that the Hungarians had learned in the 1960s, namely that to encourage small-scale farming within the collective farms does not open the flood gates to capitalism. Although Czechoslovak collective farms were on average slightly smaller than their Hungarian counterparts, they were characterized to a much greater degree by the spirit of large-scale farming and the development of a complex division of labour within agricultural production, with correspondingly lower figures for labour productivity.

1.3. POLAND

If Czechoslovakia was characterized by 'socialist wage labour' then Poland was characterized by the 'family labour' component of Hungary's successful symbiosis. The socialist sector remained tiny. The majority of production took place in family farms. And, for ideological reasons, the family farms were kept tiny. Polish communists too were worried about the possibility of market relations in agriculture resulting in the re-creation of capitalism. Until the 1980s they were distinctly ambivalent about giving any encouragement to the role private sector, and when, in 1983, the Constitution was amended to recognize the role private agriculture it was in terms of 'individual family farms of working peasants', no mention of the market, no mention of entrepreneurs.

Though tiny, Polish plots were nevertheless considerably larger than the household plots of Hungarian and Czechoslovak collective farm members, and their function was income-generating rather than income-supplementing. Nevertheless, the economic climate in which the plots operated was not a market one, and the production goals farmers set themselves were not entrepreneurial ones. Administrative restrictions hampered the acquisition of additional land and machinery, and all upstream and downstream activities were controlled by a state enterprises. On the other hand, nationally organized social security and pension schemes softened the requirement for self-reliance in old-age or infirmity. Farms provided a source of income in a state-dominated economic structure in which the state also provided growing social and welfare provision. They were not the locus of market-oriented, profit-maximizing entrepreneurs.

Polish peasants were slowly losing that traditional 'peasant' quality of being able to live independently from the larger society; but this had been achieved without them having to learn (or fail while attempting to learn) the skills of financial self-reliance in a market environment. They had been brought into society from traditional peasant isolation, and, although they retained many features of underdevelopment, they enjoyed some of the benefits of the welfare state together with relatively stable 'market' (because they were not market-determined) conditions.

Polish communists feared the growth of capitalism in the countryside

and were antithetical to the private sector. By hindering spontaneous entrepreneurship and developing social security and pension systems as citizens' rights, they protected Polish peasants from the (inevitable) negative consequences of a concentration of land-holdings; but they ended up encouraging a system of agricultural production as isolated from market forces as collectivized agriculture which did not even have the advantage of achieving economies of scale.

2. Strategies

The long-term aim of all three countries would appear to be efficient, private, market-oriented agriculture, with occasional reference to environment-friendliness and the positive values of family farming. And the methods by which this is expected to be achieved differ only in degree: create private ownership and let market forces take their course.

2.1. HUNGARY AND CZECHOSLOVAKIA

In Hungary and Czechoslovakia the need is felt, as in Poland (see below) for some agricultural support policies, in line with western norms, and for regional (rather than agricultural) development policies for the underdeveloped regions. But they have the additional problem of what to do with the collective farms; and here they have adopted similar solutions. The principle in both countries is the 'personalization' of cooperative property, that is to say the transformation of what was widely seen as fictional collective property into personal property. The collective farm members, enriched and empowered with their new personal property, will subsequently decide how they wish to continue farming, on an individual, cooperative or commercial company basis. New laws introducing western-style cooperative regulations are drafted to control the activities of such cooperatives.

Once this process has taken place, it will be up to market forces to separate the efficient from the inefficient farmers, and regional policy to mitigate the worst of the negative consequences. The trend is likely to be in the direction of breaking up overly large units into their constituent parts rather than the consolidation of holdings that will be the norm in Poland.

2.2. POLAND

Poland feels itself lucky that it does not have the problem of what to do with the collective farms, although, of course, there is a small collective farm sector and the policies towards it are remarkably similar to those adopted in Hungary and Czechoslovakia. Since production already takes place in small-scale private holdings at the moment, all that appears to be necessary is for market forces to take their natural course, tempered

by a sensible policy of agricultural support so that Polish farmers are not disadvantaged when compared to their West European neighbours, and by a regional policy which will provide alternative employment for the large numbers who will inevitably be squeezed out of agriculture.

3. Problems

The problems associated with agricultural transformation in Central Europe can be grouped under three major headings. First there is the fact that the social forces which were naively expected to carry out the task do not exist; second there is the fact that all transformations of agricultural relations cost money, but there is none available; and third there are problems associated with the ambiguous priorities used for the restitution of agricultural land.

3.1. THE ABSENCE OF SOCIAL FORCES

By this I mean, in the cases of Hungary and Czechoslovakia, that the peasants of political rhetoric simply do not exist. Collective farms have been a fact of rural life for over thirty years. The generation that opposed collectivization is now either retired or has long ago abandoned agriculture. Furthermore, its children are not the most part intellectuals living in the towns with no direct experience of agricultural production whatever. One of the most common mobility patterns in post-war Hungary, at least (where the information is readily available), was for the children of the former 'middle peasants' to be successful academically and leave agriculture altogether.

But, more important than this, the nature of agricultural production for those who remained changed radically. Collective farms introduced factory methods into agriculture — a complex division of labour (foremen, managers, lawyers, accountants, agronomists, clerical staff, skilled workers, unskilled workers) and industrial methods of remuneration (wages, an eight hour day, overtime pay, sick pay, social insurance, pensions, paid holidays, a workplace canteen, transportation by the collective's bus etc.). Collective farmers received a money income similar to the rest of society and on a par with industrial workers, and they spent it in same way as the rest of society — on televisions, cars, the gas bill, the electricity bill and so on.

It is naive to expect people who have worked up to thirty years as 'operatives' in large production organization to suddenly become entrepreneurs. Yet this is what was expected; unlike industry, where privatization simply entails the invention of new private owners for factories which will either go bankrupt or remain substantially the same, the expectation in agriculture is that the very basis of production will change. People who have worked as

'operatives' for thirty years are not simply being asked to work, doing basically the same job, for a new, if drastically more demanding, boss. They are being asked to transform themselves overnight, burdened as they are with gas bills, electricity bills, cars to run, perhaps home loans to repay, into risk-taking, responsibility-taking entrepreneurs.

In both Hungary and Czechoslovakia, the majority of collective farm members are wary of independence. If they want land at all, they want only enough for a cushion of supplementary income. Collective farms may well not have been ideal, but they provided a steady income with which to pay bills. Poland does not have the problem of persuading farmers to give up the security of the 'devil they know', but it too has the problem of creating commercial farmers out of a cushioned, quasi subsistence agricultural system, a system in which, paradoxically, the 'kulak' stratum of dynamic farmers which emerged in the wake of 1980s reforms was the first to experience the chill wind of market forces. Being entrepreneurs in a pseudo-market has its penalties. Loans taken out at a fixed interest rate of 3% become variable interest loans at rate of 56% in the market reality of 'shock therapy'.

If the social forces do not exist, they will have to be created — and in conditions of general, and especially agricultural recession.

3.2. TRANSFORMATIONS COST MONEY

One of the many lessons of the experience of collectivization in Hungary is that to restructure radically agricultural production relations costs money. In the ideologically charged climate of the 1950s this fact was not recognized. Collectivization failed and large sections of the population went hungry. In the 1960s, when ideological controls were relaxed, money was put into transforming agriculture and both Hungary and later Czechoslovakia achieved self-sufficiency in agriculture. In the immediate post-socialistic years the atmosphere is equally charged, with an ideology of a different hue, and there is a similarly naive faith in the superiority of an abstract system — the free market. But 'downscaling' agricultural production in the case of Hungary and Czechoslovakia, and 'upscaling' agricultural production in case of Poland will cost money. The scale of agricultural production is either too big or too small: in both cases money must be spent 're-tooling'.

But government policy towards the agricultural sector, in as much as it exists, does not appear to recognize the need to invest in structural transformation, but also in ability to ensure stable conditions for production. Agriculture in all three countries is experiencing severe recession. The following figures are merely indicative of the size of the crisis. In Hungary while the general retail price index increased 145% in 1991, the agricultural producer price index increased only 99%. Some 50% of agricultural

salaries do not reach the national minimum wage, and average salaries are 25% lower than those in industry. In some areas in Eastern Hungary, rural unemployment is 35%. In Poland, agricultural production costs increased 70% in 1991, but prices obtained by farmers increased by only 30%. Unemployment is regionally up to 30%. State farms, under the same production conditions, converted a 6 billion zloty profit in 1990 to a 5 billion zloty loss in 1991. In Czechoslovakia while consumer prices increased 40% in 1991, the prices farmers received fell by 3–10%, and some collective farms closed 1991 with a loss. Such conditions are not conducive to the stimulation of entrepreneurs, and in Hungary and Czechoslovakia where now entrepreneurs are required there is financiers are not clammering to offer the loans that would be necessary to set up even a 5 ha private farm.

In the absence of the ability to supply a 'carrot' of incentives for structural transformation, the governments are seemingly resigned to accepting the 'stick' of letting the recession have its head and forcing reluctant individuals through bankruptcies in the state and cooperative sectors into independent family farming.

3.3. AMBIGUOUS PRIORITIES IN LAND OWNERSHIP

Although the idea that farmers of land should also be its owners is, for understandable historical reasons, somewhat exaggerated in Central Europe, nevertheless the principles behind the various forms of legislation devoted to restoring effective land ownership are somewhat perverse. 'Effective' land ownership should be stressed because title to land remained with the peasants during collectivization in all three countries.

A slight digression here is to appropriate. In Poland private ownership of collectively farm land remained unchallenged, although the fact that only the land originally contributed could ever be taken out with no additional share of the cooperative's increased wealth rendered withdrawal a decreasingly realistic option. In the more extensively collectivized countries of Czechoslovakia and Hungary, mechanisms were sought to counter the force of the legal title and dispense with ideologically unacceptable 'unearned income', especially as original farm members died out or migrated to the towns. In Czechoslovakia the response to invent a 'Type IV' cooperative which did not pay land rent and to pass legislation which declared the supremacy of the land-user (the collective) over its owner. In Hungary the solution was to allow the collectives from 1969 onwards to acquire (albeit at unrealistically low prices) the land they farmed and gain title to it in their own right. By the 1980s, the Hungarian collectives owned 61% of the land they farmed, and of the 35% that was still owned privately, 89% was owned by pensioners.

Although the legislation for reestablishing effective ownership in Hungary and Czechoslovakia differs, both countries having determined that

history should be put back, they betray similar uncertainty as to which criteria to use to draw a line for the *status quo ante*. And in both countries the issue is complicated by the fact that two distinct processes are taking place: restitution either of or in compensation for land illegally confiscated, and the personalization of cooperative property.

3.3.1. HUNGARY

In Hungary, the reparations issue was to have been settled before cooperative property was 'personalized'. The Reparations Act which included provision for land restitution was finally passed in June 1991. It included special support for agricultural producers, so reintroducing, by the back door, the preferential treatment of the agricultural sector which had been the basis of the Constitutional Court's rejection of the earlier bill. The Act provided for restitution in land, but in a highly mediated fashion in the light of the principle of compensation in the form of vouchers that characterizes Hungary's approach to restitution. After the law came into effect on 11 August 1991, former land-owners had three months in which to register their claims. Claims could not be for a particular parcel of land, but were translated through a complex degression formula to a voucher for a certain number of 'gold crowns' worth of land. Collective farms then had to make available to claimants land of a similar quality. The claimants then used their vouchers and the special support for private farming to bid for the land made available by the cooperative, up to a maximum of 500 ha.

The time-tabling of the restitution issue has almost certainly been upset by the passing of what is effectively a Second Restitution Act in April 1999 putting back the end-date to 1939. The original formula for the reparations bill as devised by the Smallholders Party — their strongest election pledge and only distinctive policy platform — was to re-establish the 1947 pattern of land holdings. This date made sense in terms of agricultural policy because it was after post war land reform (which the Smallholders Party favoured) and it predated all attempts to collectivize or introduce restrictions on the 'kulaks'. But it was not an important date in terms of major nationalizations, and once it was decided that agriculture should not be treated as a special case the date was moved to 1949. The Smallholders went along with this because the bulk of collectivization did not begin until after 1948. Moving the date back to 1939 not only introduces the complication of Jewish property confiscated during the war, it also allows the large landowners of the pre-war years to pursue claims for the return of their land. Yet if there was one issue that united all parties in 1945 it was the pressing need for land reform. The degression formula in the reparations act will ensure that the heirs of the landed nobility and other large landowners such as the church obtain only a portion of their former holdings. Nevertheless, it introduces an additional complication which remains hard to justify on the grounds of social justice. The post war land reform was a

spontaneous democratic movement which was ratified by an ambiguously democratically elected government headed by the Smallholders Party.

The deadline for 'personalization' of cooperative property was April 1992. Although the Restitution Act, by introducing vouchers, was careful not to allow claims that might physically dismember an existing collective, the 'Transitional Cooperative Law' as passed and immediately amended in January 1992 is at pains to widen as far as possible the number of people who have claims on collective farm property and to permit the break-up of farms. Any individual with a valid claim can opt to take land or equipment out of the collective; and anyone who has been a member (not necessarily a working member) of a collective for five years, or the heirs of such individuals, have a right to shares in the new cooperative. Furthermore, as amended, the Act specifies that 40-80% of shares would be distributed on the basis of length of service, and 20-60% on the basis of property contributed to the farm. Voting on the future of the collective, whether it remains a cooperative under the terms of the new cooperative legislation, or breaks up into private farms, or transforms itself into limited liability companies must have taken place by 1 January 1993.

3.3.2. CZECHOSLOVAKIA

In Czechoslovakia, the process was slightly different because of the preference in Czechoslovak restitution legislation for the return of physical property rather than financial compensation. But there is an important underlying similarity in that the fate of the collective farms is to be determined not by those who currently farm them, but by those who are either too old to be actively engaged in agriculture even if they wanted to, and those who have lost all links with agricultural production.

In 1990 many collectives which have come into being as part of the centrally prescribed wave of mergers in the 1970s (a similar wave took place in Hungary) broke up into their constituent parts. In 1991 the legislation which provided for the free use of members' land by the collective was abolished and land rent reintroduced. In addition, restitution legislation allowed for the return the smaller amount of land that was seized and given to collectives under various spurious pretexts in the early years of collectivization. As in Hungary, the 1992 Transformation Act seeks to restructure the cooperatives as bodies with personalized property (with a deadline of the end of May 1992) and then allow them to decide on their future form of operation. Under the terms of the Transformation Act 50% of the shares in the new co-operative are to be distributed on the basis of land originally contributed to the collective, 30% on the basis of other property originally contributed to the collective, and 20% on the basis of work performed for the collective. Since some 80% of the current membership of collectives have only contributed their labour to the farms, this means the bulk of the shares will go to outsiders.

In Czechoslovakia, too, the 'personalization of cooperative property' is compound by the restitution issue and the probability of conflicting claims for land. Although the end-date for restitution has not belatedly been put back ten years as in Hungary, 1948 is an ambiguous date for landed property in Czechoslovakia. Czechoslovak history has always been dominated by nationalism, especially in respect of the Germans. The immediate post war land reform was not simply a reform in favour of the small-peasant farmer, it was also an attack on the German nobility. Since the nobility in Czechoslovakia was mainly German, this was almost the same thing. But it was not quite. The minority of the nobility who identified themselves as Czech retained their land and only lost it in 1948. With an end-date in 1948 for restitution, they too have a claim for the return of their land.

3.3.3. POLAND

Only in Poland is there no possibility of the former aristocracy successfully pursuing a claim for all or part of their land; and this is more for present day political expediency rather than unambiguous principle. If Poland were to question its post war land reform, not only would it be taking ownership away from the people who farmed it for the last forty years, it would also be returning it in many cases to the former German Junker aristocracy. For nationalist considerations alone this would be unacceptable.

Restitution issues aside, Poland's small collective farm sector is going through similar transformations to those in Hungary and Czechoslovakia. Since 1991 members have received shares in formerly 'common capital' (50% of which they can take with them if they leave the collective), and a new law governing the operation of western-style cooperatives is expected in June-July 1992.

3.3.4. LESSONS

The upshot of these ambiguities is two-fold. First, there will be conflicting claims for individual pieces of land, a situation in which lawyers will end up the main beneficiaries. Hungary, with its bidding system, seems better placed to cope with this eventuality — at least there will be some financial gain from the conflict of interest. Second, it is certain that title to the land will necessarily go predominantly to people who are not in a position to farm it. That is to say, it will either go to village people who are too old to farm, or it will go to their heirs who live in cities and are in a position to farm. The fact that farmers do not own the land they farm is not necessarily a bad thing, of course (although the prospect of banks or financial institutions owning agricultural land is perceived with horror in Central Europe); but, if it has been decided to embark on restructuring land ownership devolves to those that are not in a position to farm and for whom the realities of agricultural production are alien.

3.4. OTHER FUNCTIONS OF THE COLLECTIVE FARM

To address this issue in detail would require another paper, but it should not be forgotten that the collective farms performed important social and cultural roles, not only for their members, but in village life generally. Even where (increasingly) they were not the major local employer they still were an important part of village life, in some cases providing services such as housing and drainage for the village. In the haste to create a private agriculture on the one hand and local self-government on the other, there is a danger that the question of what institutions might take over these roles, and how they might be funded, has been ignored.

4. Prospects

The picture painted above is one of expectations of change in agriculture in a situation where the size of the transformation required has remained unrecognized and, most important, the social actors that the change requires are simply do not exist in Central Europe. For Polish peasant-farmer and Hungarian and Czechoslovak collective member alike the move to commercial family farming will require a radical rupture with habits gained over thirty years and more. And for the few 'exceptions to the rule' who might want to take the plunge, the current economic climate is far from conducive, for agriculture is in crisis in all three countries.

If the social actors are not present, they will have to be created, and, in the absence of a coherent policy for agricultural transformation, the manner in which they will be created will be determined by economic forces and the nature of the economic climate. If the current recession in Central Europe generally is short-lived, if CAP reform and the Uruguay Round are successfully completed it is conceivable that prospects for agriculture will improve. If so, those who are tempted to move into private agriculture but do not dare to because of poor prospects, high interest rates, the high price of inputs etc., will take the plunge, either singly or on a cooperative basis, while those who prefer security will find jobs outside agriculture or in agricultural-related services. That is to say, the governments of Central Europe will succeed in creating the class of private farmers they desire by means of the economic 'carrot'.

If the recession continues, or even deepens, which is not inconceivable given the extent of dislocation in Central and Eastern Europe and falterings of the German, Japanese and US economies, the governments of Central Europe will have to result to the 'stick'. Private farmers will be created by poverty, by the bankruptcy of the collective farms, by unemployment benefits from those who, after all, have their land to fall back on. But the private farming of those forced to become farmers in this way will be subsistence farming. Farmers will be forced to take on again that characteristic

of the traditional peasantry: marginality to and independence of the larger society. If the recession is at all prolonged, the countries of Central Europe will find themselves again burdened by their traditional problem of the last two centuries at least — rural overpopulation.

How will the countries of Central Europe cope with these scenarios? In the worst case scenario of a return to rural overpopulation and subsistence agriculture, my suspicion is that Poland will cope best because the tradition of this form of agriculture is not so far distant. The losers will be Hungary and especially Czechoslovakia where workers in agriculture have been used to a steady job, and a regular and relatively high income for some thirty years. In the best case scenario of sustained economic growth in Central Europe, Hungary, with its existing economies of scale and (if limited) traditions of entrepreneurship will come out best. The consolidation of holdings that is necessary in Poland even within the small family farm norms of the EC will take generations; in Hungary larger holdings are waiting to be bought or rented by those who are willing to take the gamble and are able somehow to raise the capital required. In theory the same is true of Czechoslovakia, but the germ of entrepreneurship is less developed. A combination of relatively high living standards and ideological orthodoxy under the old regime meant that taking a second job or engaging in the 'second economy' are less widespread there than in Poland or Hungary where both became the norm. The atmosphere engendered by Czechoslovak 'normalization' after 1968 was to lay low, sit it out, and make the best of what you have got. In Poland and Hungary, for different reasons, the economic and political climate encouraged people to maximize incomes, and this stimulated some to think entrepreneurially.

Creating new social forces can never be painless; but the pain could be lessened if the governments of the Central Europe recognized the dimensions of the task they have set themselves and developed policies to facilitate the agricultural transformations.