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## **The Family Farm in Romania Today: Present and Future Perspectives**

Before considering the present and future perspectives of family farms in post-totalitarian Romania, we at least have to sketch out a few general aspects of the situation which emerged after December 1989's social change.

In our opinion it is necessary to point out some historical aspects in Romanian agriculture. In the period preceding the communist system the typical units of agricultural production were not modern farms, but small family households. In 1921 agrarian reforms abolished large landed properties and in 1945 other agrarian reforms expropriated all properties bigger than 10 ha. The great majority of peasant family households owned less than 10 ha and, during the entire pre-collectivization period, went through a kind of learning process. These households predominately worked by using traditional methods, without knowing modern agro-techniques and, most of them, without any modern technical facilities. The traditional plough, used for 7.4 ha of agricultural surface, was drawn by animals; around 25,000 ploughs were made from wood. More than a million peasants households had no tools even of this kind (*Encyclopedia Romaniei*, vol. I, 1939, p. 340); 36.94 per cent of peasant households had no working cattle (*idem*). There were, of course, some prosperous peasant households under these conditions, as well as some that were using mechanical means, modern for that epoch, but the great majority of peasant households were far from practising modern agriculture. In 1930, 2.5 per cent of agricultural exploitations had more than 20 ha, that represented 40 per cent of the agricultural surface, and they were supplying the internal and external market. The great majority of peasant households produced only for their own use or even less than that, on exploitations smaller than 5 ha. Therefore the style and standard of living of the majority of the Romanian peasantry was far, in the inter-war period, from the modern standards that existed in developed countries at that time.

We have mentioned all the above aspects in order to suggest the idea that in the present, post-totalitarian period, there is no possibility of turn-

ing back to the predominant type of peasant household of the pre-war period, because this was never a modern type of farm. The problem for which we are seeking solutions, is to try to create a truly modern farm, which is efficient, and able to bring its own contribution to the recovery of the national economy raising the living standards of the peasantry.

So the need for agricultural modernization was real in post-war Romania. The idea of creating large units of production was not unfamiliar from the modernizing tendency, but the way this idea was pursued has directed Romanian agriculture on to a bankrupt line of development.

Agriculture was collectivized by force, villagers were obliged to give up their traditional units of production and get involved in the new agricultural units of production. At the same time, a series of expropriations were made and a series of large state properties were built up, following the soviet model of 'kolkhoz' and 'sovkhoz'.

Up to the end of 1989, there existed in Romania three types of agricultural units: (A) agricultural production cooperatives (C.A.P), (B) state agricultural enterprises (I.A.S.), (C) individual peasant households. Out of the 9,846,818 ha within the main area cultivated for produce, type (A) covered 6,548,858 ha (66.5 per cent), type (B) covered 2,107,096 ha (21.4 per cent), type (C) represented 1,190,864 ha (12.1 per cent) (*Anuarul statistic al Romaniei*, 1990, p. 284). The 12.1 per cent owned by individual households was situated only in hilly or mountainous areas, therefore being more suitable for domestic animal breeding, than for cultivation of grains or vegetables.

Beside the above mentioned units there also existed within Romanian agriculture 'stations for mechanization' (S.M.A). In 1989 there were 573 such units (*Anuarul*, 1990, pp. 408-409). As state enterprises, they owned the entire stock of tractors and other agricultural machines used by the cooperatives. From the 151,745 tractors that existed in Romania in 1989, 116,653 had previously been owned by these stations, the rest were the property of the state agricultural enterprises, while none of them were owned by individual households.

From the produce of the agricultural production cooperatives, the state used excessive shares, which resulted in the decrease or even the annulment of farmers material incentives. Agrofeed production was directed mainly to export, with the aim of acquiring the currency needed for forced industrialization. This may explain why, in the internal market, there began, especially during the last decade of the communist regime, to be a chronic lack of agrofood, very frustrating for the great majority of the population. At the same time industry built up, with great sacrifices, by the population, proved itself to be inefficient and non-competitive on the mondial scale (pseudo-modern) so that it was not able to provide the basis of an efficient modernization of agriculture.

However, the creation of the great production units was also linked with mechanization, the usage of artificial manure, and an increase in the number of specialists with medium or superior qualification.

Without giving too many details on the subject, we should mention, for instance, that the endowment of agriculture with machines and tracks was considerably raised during the last four decades of 'socialist' agriculture. So, from a total number of 13,713 tractors that existed in 1950, there came to be in 1989 151,745, an 11 fold increase. This situation proved to be inefficient, as we have already said, because of lack of material incentives for the peasantry to work more effectively. Also because the members were permitted no real contribution to the cooperatives management. All decisions being taken above their heads by state organs. The lack of interest of the peasantry in the cooperatives good development was clearly mirrored in the fact that the 'great agricultural campaigns' (especially the harvesting of crops) was made, year after year, by the mobilization for 'patriotic work', without payment, of: military men, pupils, students as well as of workers and office-workers from towns, in some circumstances 30 per cent of the active population, namely 3 million people, were involved in agricultural activities. As a result of the general economical decay, the stock of farm machines and tractors sank in the last years of the regime to such a plight of functional incapability, for lack of carburants and spare parts, that there often remained no alternative but to resort to animal traction of equipment and means of conveyance. The false modern character, and the lack of economical effectiveness came out in all the evidence.

The industrialization carried out by the communist regime and the urbanization that went hand in hand with it implied important changes in both the number and the composition of village populations, and of the agricultural population in general. There was a massive migration of the population from agriculture to industry, from village to town, because of the attractive force of industry and town, as well as, the repelling force exerted by agricultural working conditions, along with the living conditions in villages. This was especially so in mountain regions which have almost become depopulated. Beside the phenomenon of migration, commuting has also been intensified: an important part of the work-force in towns often comes from villages situated nearby. Villagers have been employed in industrial centres, on building sites and so on, maintaining their homes in villages and thus the link with agriculture through some of their family members, often taking part in agricultural work during weekends and vacations.

The rural population has also undergone a process of ageing and feminization, because town, industry, construction work, and schools encouraged, to a great extent, the young and male contingents of the work-force to leave agriculture. The average age of the active population reached 45

at the end of the communist regime and in some countries, the most industrialized ones, even the age of 50. The index of masculinity within the active population in agriculture has become smallest in the age-group from 30 to 39 years old, and the largest in the age group from 60 to 69 years old (Mihailescu, 1990).

The above mentioned phenomena has been pointed out by some sociological studies written in the period under discussion. For instance, in one of them, about rural families and their way of life, Ion Aluas and Traian Rotariu (1989), investigated a sample of the rural households from Cluj county in 1985. In the active population of villages, the proportion of peasants (if we take into consideration only the principal activity of people because in Romanian villages, both before and after 1989, all persons were practically involved, more or less, in agriculture) reached 50 per cent from the total number of active persons, the rest being workers in their own locality (20 per cent) or outside (30 per cent). In relation to gender, only 26.5 per cent from active males had the social status of peasant, while 75.9 per cent of active females had it. Around 50 per cent of the male population was commuting between town and country.

On the other side, this study demonstrates the existence of a significant category of the population involved in a certain type of modern agricultural activity (mechanization specialists), that were neither female nor elderly. These persons, representing at the time 5–7 per cent of the rural active population, could today form a contingent of people able to work on modern exploitations.

Rural families may be classified into four main types:

1. 20 per cent were made up of inactive persons (old people)
2. 20 per cent were purely peasant types (having a high age average)
3. 40 per cent were mixed, with active workers (regularly male) and peasants (regularly female)
4. 20 per cent were non peasants (salaried actives)

These are, briefly speaking, the general conditions from which change in agriculture started after December 1989.

In 1990 there began a new process of radical change in the Romanian agricultural system. It was of a contrary type to that of the first period, after the second world war (the process of re-privatization of agricultural property and production).

What happened with the three types of units of production that existed as we mentioned above, at the end of 1989?

a. The agricultural production cooperatives went on with the process of dissolution. This phenomena was, at the beginning, rather weak, especially in the first year. In 1990, C.A.P continued to play an important role in agrofeed production: from a total of 9,402,113 ha of agricultural surface,

cultivated with the main products, C.A.P owned 4,820,760 ha (51.3 per cent) (*Anuarul*, 1991, p. 282). Its disintegration was accelerated in 1991, when the majority of such units ceased to exist. Their disappearance came about in peculiar circumstances: in many cases, their wealth was not shared among the cooperative members, as would be have been normal, but it was seized by the most enterprising villagers. A series of buildings, installations and equipment was plundered and then left degraded. The zootechnical farms of C.A.P were suppressed, the animals were shared among the peasants; most of them were immediately slaughtered, and their meat marketed. So, the supply to the population immediately improved, but live-stock was considerably reduced on the national scale. Important damage was done both to the national economy and to the village communities where those cooperatives functioned.

b. The state agricultural enterprises continued to function, even having the main role in crop and meat production for the town markets. The law of the land fund which we will refer to in what follows, did not stipulate the re-sharing among the villagers of lands that became, in different ways, state property. It was only in 1993 that the privatization problems of big animals farms/poultry farms were discussed. In the same uncertain and slow way as in the case of industrial enterprises.

c. The stations for mechanization of agriculture also continued and are continuing to function as state enterprises. Their stock of tractors and other agricultural machines have been reduced by comparison with 1989. For instance, their stock of tractors had been reduced in 1991 to 132,761 (*Anuarul*, 1992. pp. 300–301) this stock was, in greater part, old and wornout, S.M.A. work now on contract for individual peasant holdings that have recently been created. They have a certain monopoly position, because the great majority of the new independent holdings have no tractors or machines. In many cases, this monopolistic situation degenerates: the execution of the work depends not only on the contract, but on the tractor-drivers or mechanics good will, usually gained with special 'attentions'.

In 1991, Parliament adopted a law of land fund, aimed at reprivatization in agriculture. Having a series of troubles, the application of this law has been delayed, and is only now in course. The main trouble, that the law cannot avoid, comes from the changes that were made during the 'socialist' decades of agriculture. A series of fields were withdrawn from agricultural use, and buildings were raised on them. In some places, artificial lakes were created, with barrages and hydroelectric plants, many surfaces being flooded and villages dislocated. A series of agricultural fields were transferred, under different pretexts, to state property. Included in the I.A.S, they were not treated as property to be returned to their former owners. All these aspects make almost impossible the reestablishment of the property relations that existed four and a half decades ago. The areas available

for sharing are less than the demands of those who were illegally deprived of their lands, or subsequently of their descendants, who are claiming their old properties. Therefore, a cruel fight has started for acquisition of the land, in the best areas, those more fit for agricultural activity, between the former owners, or between their descendants. Many incidents were brought to court, after becoming violent fights among neighbours and even among the members of the same family. The completion of the process of issuing legal property certificates has been very much delayed: even now (June 1994) it is not fully finished.

So, we reach the real problems of the present and future perspectives of the family farm in post-totalitarian Romania.

The whole process discussed above only concerns 'small privatizations': the law of land stipulates 10 ha as the maximum limit for agricultural property to be given to a claiming family. The great majority of peasant holdings, formed as an immediate result of the application of this law do not reach this limit, being in general very far from it, the average size is 1–2 ha per family. For example, in Cluj county, 245,364 ha of agricultural fields, 161,177 being arable, has been shared among 148,562 families, giving an average of 1.65 ha of agricultural land and 1.08 ha of arable land per family (*Adevarul de Cluj*, 3<sup>rd</sup> of June, 1993, p. 4). The example of this county may be considered typical: on a national scale, around 8 million ha of agricultural land have been shared again among around 6 million former owners, that is, on average 1.25 ha per family. Furthermore, the little portion of land given to a family is not formed in a single piece, but by heterogeneous lots. It is very clear that on such fields modern agricultural farms cannot be built.

Besides, many of the new family holdings are practically deprived of any mechanical equipment, of traction means and even of elementary tools. All the machines and tractors were concentrated, as we have already seen during the communist regime, in the stations for mechanization of agriculture and remained in the stations, mostly in a deplorable state. Accessible and cheap credits for the procurement of agricultural equipment are ineffective, new family holdings having, for the most part, no funds for starting any activity in this respect. In the absence of minimal mechanization, the leaving aside of real modern agricultural equipment, on a world level in this century, agricultural units that can be considered modern farms cannot function.

There is furthermore a third aspect which is disadvantageous for modern agriculture, that must be taken into consideration: Who works in agriculture? Who are the new holders of the small private units? We will recall the above conclusion that the rural population, especially the active one, passed through the process of ageing and feminization. To this phenomenon is added a special situation that has to be taken into consideration. Many

from those who were re-given land, are descended from former peasants, who lived 30–40 years ago, who migrated from village to town, leaving agriculture a long time ago. So, in Cluj county about 2/3 from the total redistributed area became the property of some people who are not living in rural areas any longer. These are workers and office-workers, even pensioners, who do not intend, for the great part, to leave their town apartments for the conditions of every day rural life and do not intend to give up their services or careers to become peasants again. From statistics of the Ministry of Agriculture emerges the fact that, on a national scale 43 per cent from those who were given the property are townspeople, 39 per cent are villagers working in towns and only 18 per cent are villagers working in agriculture (*Adevarul*, 3<sup>rd</sup> of April, 1993).

Persons who are not peasants any longer, who have solicited and received land, are able to turn to good accounts these parcels by adopting some principles strategies (or — a combination of these): a) they can rely on the sale of the land that they are not able to work, or do not want to work; they can also lease the land, aiming to increase their pecuniary income, or to obtain agrofeed products; b) they may try to work these parcels in collaboration, with the resources and the united working force of their families, they may practice this kind of agriculture especially at weekends and during vacations. However, it is not very hard to realize that this solution cannot be economically efficient and cannot be a proper way to create modern family farms.

The strategy of working the re-gained lands, elaborated by a series of non-rural families or even by some rural ones, is aimed at the practice of subsistence agriculture: that means production is limited to the needs of family consumption, that is production to complete the resources gained family members, from salaries/or pensions, all these incomes being able to assure the basic food-stuff necessary for their own consumption. Even if a part of the production will be sold on the market, to obtain some money, the fundamental orientation of this strategy does not aim at the obtaining of a profit that may be reinvested, but at the subsistence of ones own family. Such a strategy is far from being the most effective one for modern agricultural family enterprise. It is not to be wondered that, as a result of the practice of this kind of strategy, and the effect of the above mentioned inhibitory factors, important parcels remained chronically unworked since the end of 1989, in the whole country.

What are the possible routes out of this situation, to re-launch and modernize agriculture in Romania and to create everywhere modern family farms, economically efficient, which can produce for the market?

One of the ways that can be observed at present is the establishment of agricultural associations designed to allow collaborative working, under the conditions of economic efficacy, of bigger parcels of land, of procuring

or hiring equipment, of seeds and manure, in a word, by practising a kind of agriculture as near as possible to modern requirements. There are at least two impediments to the establishment and of efficient functioning of such associations. Firstly, there is a psychological obstacle, that is the compromising of the idea of cooperation by the inefficient functioning of agricultural production cooperatives under the communist regime. For this reason, the existing cooperatives were completely destroyed, as we have pointed out, after the change of regime. But there is need for a good adviser, and having nothing better to do, many owners adopt the idea of entering into such associations, but maintain, of course, their private property rights. At this point the second impediment comes into play, the juridical one: until the litigations are finalized and, above all, until the property titles are distributed, there is no juridical basis for establishing the association. With are knowledge, in many cases, informal associations were established, with the aim of beginning somehow to work the land. In the nature of these things, there is no real information about their existence and function. However, it is clearly enough that the achievement of a formal character, of a juridical personality, is very necessary for the stable and efficient functioning of those associations.

The other, and the main, way of establishing and developing family farms is the creation of properties on agricultural lands big enough for economically efficient management, to achieve a profit that could be re-invested. Even for this purpose there are some conditions to be fulfilled.

Firstly, there is the same juridical conditions that refers to the clarification and the legalization of property rights, for the lands to be able to be sold or leased, or even bought following a legal procedure. The law of land from 1991, which we have already referred to, did not stipulate the legal mechanism for the circulation of land titles, for buying/selling, leasing or mortgaging the land; without this, agricultural capital cannot be accumulated and cannot function. Only on those legal bases, can the concentration and the centralization of the property start. At the same time, to reach this aim, there is need of a certain initial accumulation of investable capital as well as of stimulative bank credit; all these imply a certain minimal structuring of the market economy.

Finally there is interference from psychosociological conditions: there is need for a certain change of mentality, without which the real modernization of agriculture cannot be achieved. A new type of peasant is required, the type of the enterprising peasant, who decides to dedicate himself wholly, together with his family, to agriculture, to make from this his real job, to obtain the necessary qualification for it and, on the other hand, to direct himself fundamentally towards the market economy, to succeed in adapting himself to its requirements. He must aim at achieving a certain profit, he



must have a desire for unceasing modernization, for economical consolidation, for practising an intensive agriculture.

There are some signs that such a farmer is emerging in Romanian agriculture, however he is far from being, at this time, the central figure in the world of the village, in rural life.

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