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Decollectivization of Agriculture in Central Europe: The First Regularities of the Process

Introduction in the aspect of collectivization

The twentieth century has had a chequered history, as regards rural areas and agriculture in Central Europe. A series of more or less radical land reforms, preceded by outbursts of peasant unrest, and speeded up by the impending threat of a Russian solution to the question have ruined the long-lasting model based on large latifundian properties. Agrarian reforms, involving the distribution of family farming, have often referred to the Danish model of agriculture, spreading in the Europe of the day. These reforms, checked by the outbreak of the Second World War, were completed in the forties by the new communist (or communist controlled) governments, though their guiding principles were by no means oriented on the propagation of the Danish model. For it was as early as the end of the forties that a different, fundamental process of change was started, and namely, that of collectivization. Nevertheless, it was not the ultimate process of change in that region. The last was decollectivization commenced in 1989. Following observations of the process which have been carried on in the Czech Republic, Poland and Rumania since 1990, and also in Slovakia and Hungary, the author intends to characterize the first, already manifest, regularities¹.

It seems, however, that the starting point for these deliberations must be a definition of the process of collectivization, which is different from that usually adopted. There is a saying that each generation of historians writes

¹ In this paper use has been made of field observations and preliminary studies prepared within the framework of the research project: *Les décollectivisations en Europe Centrale et Orientale*, under implementation since 1990, and directed by prof. Marie-Claude Maurel, Montpellier University.

history anew. This is required especially in the case of those periods when changes of political systems are carried into effect, and a new social order seeks its legitimization. This alone would be sufficient reason to approach collectivization from a new angle. Irrespective of the fact that the history of collectivization abounds in blanks concealing its most dramatic threads, it is worth considering that process in a different, present-day perspective, that of the just initiated process of decollectivization of agriculture. An additional argument for the case is here the fact that the notion of collectivization is not entirely unequivocal. What is generally understood by it is the process of liquidation of peasant farming and formation — under strong political, economic and administrative pressure (and also by resorting to terror) — of large, co-operative farms. The process thus understood had its time limits which, in Central Europe, covered the period 1948–1962. An analysis of the process of decollectivization, taking place at present, calls for a new, much broader treatment of collectivization as such. And so, collectivization of agriculture should be regarded as a process of formation of organizational, production and social structures in agriculture and also of the specific mechanisms of their functioning, constant with the principles of organization and operational logic of the collectivistic economy and society. Such an understanding of collectivization puts pressure on the factor of bringing the structures and functional mechanisms of agriculture into agreement with the rest of the economy and of the rural community — with the rest of society. From a methodological point of view this would mean treatment of the processes taking place in the rural areas in Central Europe in a way analogical with that once applied with regard to similar processes in Western Europe. The process of modernization of agriculture was analysed there i.e. as the absorption of peasant farming by capitalist economy [Servolin, 1989].

The process of collectivization so broadly conceived is divided into two subperiods: the first (1949–1962) was oriented on establishing foundations of the collective economy in agriculture which involved the necessity of depriving peasants of economic autonomy, control of property and their being subject to the discipline of collectivistic organization. In this connection new organizational structures of production were being created which, at that stage was, however, but a means and not an end in itself. The sixties and seventies were the second, basic sub-period of collectivization: the one of establishment of the collectivistic order in agriculture. Shaping the broadly understood agricultural structures, establishing the premises of their rational functioning and creating the occupationally active 'new man' in agriculture were the three principal features of that stage.

In spite of the uniform model, similar initial intentions and functional mechanisms of collective economy, somewhat different operational structures evolved in each of the countries covered by the present analysis. They

were a result of the degree of economic development of the given country, its postwar political history and also — and that not only in Poland — of the inertia due to the impact of the 'long agrarian history' which had not been overcome by the radical land reforms nor by collectivization. The area of the big state farms overlapped largely that of the latifundia of the past. The mounting crisis of socialist economies — a manifestation of which was the ever more notable share of private enterprises (often operating in the so-called shadow economy) — as the indispensable complementing of the economy of shortage, attempts at reforming the socialist economies (taken up in various periods and with various results) decided ultimately about the 'pre-collectivization' aspects of agriculture². There was no uniform type of collectivized village. In each of the countries here discussed there appeared various ratios of state farms, both co-operative and private. What is particularly interesting is the presence of the last named, since it was only in Czechoslovakia that they did not play any significant part. Let us analyse their position and functions in somewhat greater detail, for it is only then that we shall be able to grasp the scope of the process of collectivization. This will be, at the same time, an indication of the degree of collectivization — at the end of the eighties — in Polish agriculture where privately owned farms were still the dominant group.

The starting point of the analysis has to be the political character of property in the socialist system. This means that functioning of all the forms of ownership, including the private one, does not depend on economic efficiency but on decisions of a political nature. Polish family farms were functioning according to a different kind of rationality — based on the so-called 'hard' principles of financing — than their socialized competitors. However, the limits of that rationality were mapped out by a collective economy which determined all the intraeconomic relations³. That is why private farming, otherwise enjoying a considerable degree of autonomy, was symbiotic with regard to that economy. The scope of that symbiotic connection became manifest ex-post in the mass-scale inability, of the major part of Polish family farms, to switch over their operation to market mechanisms; in a parallel breakdown of Hungarian co-operative farms and of the petty farms co-operating with them and, last but not least, in the specific dictate of the Rumanian Farm Mechanization Stations with regard to the

² The author does not think, however, the ever more notable rate of private farms to be a manifestation (as maintained by S. Elek with regard to Hungary) of a tacit decollectivization. The ever more significant share of private economy resulted from the logic of functioning of the socialist economy shortage. On the other hand, attention should be paid to the political aspect of property — also of the private one, in the conditions of socialism which decided about the symbiotic position of private economy with regard to the socialist economy.

³ The problem has been analysed by the author in the article: *Les cadres de la mutation fonctionnelle...*, 1993 (see Bibliography).

rising private farms. Pointing out the symbiotic aspect of private farming, the author wants to reveal as well the danger which overestimation of the role of private farming in collectivist agriculture causes to analyses undertaken at present. On the other hand, however, we have to deal with another mystification. For collectivization is often treated as a synonym of 'depeasantization'. As regards the analysed situations, availing oneself of such a notional epitome is but partly justified. The definitions of peasant, encountered in literature, refer to land ownership and to the specific family-based mode of organization of production, the specific operational mechanisms of peasant economy, the set of cultural features (systems of values, customs, attitudes). If depeasantization is approached from that angle, the conclusion is that peasant property survived, though in various degrees until the end of the collectivist period. What has survived as well were the elements of peasant logic of management and family strategies⁴. The mode of husbandry in the majority of Polish, Hungarian and Rumanian individual farms is that of a peasant nature: the family's labour input does not make a factor included in the calculation of the costs of production. The rudiments of the peasant system of values have survived although sometimes in a muted form and even — as a result of migration — have been disseminated in urban communities. Moreover, peasant virtues, as recorded in the case of Rumania, were occasionally needed by communist propaganda. Those two extreme examples — of the symbiotic aspects of private farming and, on the other hand, persistence, or the specific diffusion, of the peasant ethos — point out the enormous complicity of the process of collectivization and its effects.

Decollectivization and its regularities

Each of those situations in the rural areas and agriculture has become — after 1989 — an object of changes generally defined as decollectivization. Though the latter notion is an antonym of that of collectivization, the starting point of the author's definition is the notion of collectivistic agriculture. It is formulated on the basis of the specific character of its ownership, structural and functional relations. This type of agriculture is based on large, complex and hierarchic structures of production founded on collectivistic property (i.e. the property whose subject is collective — a body of workers or the state) and functioning in consonance with the dual socio-productive rationality. And so, the process of decollectivization cannot but denote changes in the area of ownership relations, structures of production and also in rationality of functioning. Changes in the eco-

⁴ In the literature descriptions of the peasant family food strategies are to be found followed by urban families in Rumania. Such strategies also appeared in Poland during the crisis in the eighties.

conomic sphere (especially in ownership structure and organizational hierarchy) evoke those in the social make-up of the rural community. Another consequence are changes in the area of attitudes and system of values. Therefore decollectivization of agriculture is connected with changes in the rural areas and makes a component of the process of transformation of the post-communist societies. Hence the author's intention to focus attention, above all, on the processes occurring in agriculture and to try to grasp the regularities manifest therein.

CHANGES IN OPERATIONAL RATIONALITY OF THE UNITS OF PRODUCTION

All the analyses of the processes of decollectivization of agriculture concentrate (and with reason) on changes in ownership relations. Yet, from a chronological point of view, the earliest were the spontaneous changes in rationality of functioning of the units of production. Some of them commenced during the period of decline of the socialist economy, within the framework of attempts striving for improvement of its efficiency⁵. Nowadays changes are extorted by the economic situation. Depending on the degree of their radicalism, and on the previous condition of the economy in the country concerned, market reforms currently under implementation may evoke recession accompanied by unemployment and often by inflation. Budgetary expenses on agriculture are rapidly curbed⁶. This is but the beginning of a number of changes unfavourable to agriculture, including a widening of the cost-price gulf, a decrease of the domestic demand for food, loss of the former communist markets and of the financially inefficient Soviet market and, last but not least, competition on the part of the highly subsidized food from the West.

Moving away from central planning mechanisms regulating the economy, manifest in the growing autonomy of economic entities, impels them to the observations of economic calculation. This factor is beginning to shape the rationality of functioning of the farm. The former principle of rationality and increase in production at whatever cost has already been rejected by most countries but the process of transformation is altering all relations so far existing in the economy. This leads to a continued recalculation of production costs in agriculture. Changes of prices in the economy account for the fact that some branches of production, hitherto treated as extremely profitable, suddenly turn out to be unprofitable due to the tech-

⁵ 1982 saw the reform of the principles of the state farm management and operation carried out in Poland while in Czechoslovakia that was done in 1988. In Hungary changes of this kind were put into effect as early as the seventies, together with the introduction of the 'new economic mechanism'.

⁶ In the years 1986–1988, the PSE index amounted, for agriculture, to 28 per cent (the USA level), to then drop rapidly and in 1994 reach the level of 15 per cent. In Hungary the index fell from 45 per cent in 1986 to 8 per cent in 1992.

nological methods which are used there⁷. Since no means are available for the introduction of expensive changes in the technology of production, the 'technological crisis' becomes regulated in the economic sphere: by a general departure from unprofitable products including those which are no more in demand for various, often temporary, reasons. The second factor in economic rationalization is the drive towards lowering the cost of production. This phenomenon is universal and its objective is carried into effect by various means. The logic of intensification (productivity of labour) involves the generally observed reduction of employment and levelling of organizational structures. In the period 1990–1993, employment in Czech agriculture dropped from 531,000 to 173,000, in Slovakian agriculture from 325,000 to 173,000 and in Hungarian agriculture by some 300,000. The net index of relevant decrease in the socialized sector of Polish agriculture amounted to ca. 350,000. However, changes of the profile of production and restriction of the use of capital intensive means of production (fertilizers, chemical agents, certified seeds and breeding material, etc.) are elements of the logic of extensification. Extensification may either be controlled (e.g. giving up cultivation of poor soil and its being designed to be used as pastureland or for afforestation) or spontaneous (e.g. resignation — on account of shortage of financial means required for the purpose — of some of the expensive stages of technological process such as fertilization, application of chemical agents or of irrigation) a manner of proceeding in most cases irrational from the economic point of view⁸. The simultaneous appearance of those two opposite trends supports either the strategy of adjustment or that of survival. The latter is more popular during the first stage of transformation.

The third component of attaining market rationality by economic entities in agriculture is their rejection of social security functions formerly exercised by them. State and co-operative farms stop, completely or partly, either of their own accord or out of necessity, financing the extensive sphere of social benefits. This causes, in some instances, a crisis in entire local communities but, as observed in Poland, the rapidity with which collectivist farms give up financing of the social sphere often decides about their further financial position. Attempts made by collectivist structures of production in agriculture to adjust to the rules of operation in the conditions

⁷ A telling example seems to be the glasshouse production in Poland, developing dynamically in the seventies and eighties, profitable and expansionary in the eastern market. Changes in energy prices have made it, for the most part, unprofitable because of the applied energy-intensive technology. This leads to its being given up or to cases of bankruptcy. Only enterprises commanding most up-to-date energy-saving technological processes have survived.

⁸ Sowing of fields, their fertilization but giving up application of e.g. chemical agents such as pesticides, or irrigation of cultivated land would have decreased the crops in the future. This would also indicate that the means applied with failure to employ some others, had not been fully utilized.

of a free market end, for the most part, in failure. This is testified by their rapidly rising debt. The phenomenon is accompanied by decapitalization of the units of production manifest in desisting from investments or in selling off their property.

CHANGES IN OWNERSHIP RELATIONS

The following question calling for regulation by separate legislative acts are changes of property relations in agriculture. The necessity of privatization, i.e. making agriculture based on private, and not collective, property is nowhere called into question. Rehabilitation of private property in agriculture is universal and supported by an intricate discourse of an economic and moral nature. It has its national aspects and reflects not only the complex character of private property but, above all, the existence of various groups interested in private property in agriculture. Privatization of agriculture is everywhere a process regulated by law⁹. Its legislative base derives, generally, from the years 1989–1991 though with later amendments¹⁰. Privatization clearly takes a different course in the two segments of the collectivist sector: the co-operative and the state one.

⁹ An exception is, in this case, Rumania where in some regions, e.g. in Transylvania, the process of taking over of land by peasants began as early as 1989, i.e. before the relevant legislative acts were passed. The process is of much more spontaneous character in Bulgaria and Albania.

¹⁰ And so in Czechoslovakia a series of legislative acts was adopted (beginning in October 1990) fixing the recovery of the property confiscated in various periods. What crowns them all is the law on restitution of May 21, 1991 (amended in February 1992). The mode of transformation of the agricultural production co-operatives (division of property and changes in the status) was established by the law of December 22, 1991. In Poland all the unions of co-operatives were abolished, by virtue of a law, in January 1990, and in the following year (1991), and in 1992, amendments were introduced into the co-operative law, admitting revalorization and enhancement of members' shares at the expense of the reserve fund. The new co-operative law, providing for the introduction of more substantial changes was only passed in July 1994. The law on privatization of the state sector was passed in October 1991 (amended in December 1993). In Rumania, the decree of January 1990 granted members of co-operatives the right to a homestead plot with an area of 5,000 sq.m. In February 1991 the new agrarian law was passed, providing for maintenance of state farms (JAS), for dissolution of agricultural production co-operatives until July of that year, distribution of land, however, allocating plots of no more than 10 hectares per family and 5 hectares per capita. In Hungary a series of amendments was introduced into the co-operative law in 1989, admitting distribution among members of 50 per cent of the so-called reserve fund and granting the co-operatives a higher degree of self-dependence. They were suspended, in June 1990, as a result of protests on the part of former owners. In June 1991 Parliament adopted the final version of the law on compensation, laying down the principles of granting compensation for collectivized land. Now the law on transition, specifying the principles of privatization of the co-operative assets other than land, was passed in January 1992. The co-operative law adopted at the same time provided that the compulsory transformation of the co-operative be effected by the end of 1992.

The laws regulating recovery or acquisition of individual ownership rights in the so-called co-operative sector — often drafted under political pressure or in the heat of an electoral campaign — are for the most part a result of an attempt at a compromise between respect for the right of ownership and certain standards of social, if not people's justice. The most telling example of such a compromise is the Hungarian solution. In that instance the principle of compensation respects, on the one hand, the state of possession in the past but, at the same time, establishes the maximum amount of indemnification and the degressive mode of its calculation. On the other hand, acquiring the ownership right to co-operative property is a function of the period of employment with, and the position taken in, the co-operative concerned. The legislative acts established everywhere two potential groups of future owners: those who had been expropriated in the past and now regain the right to, at least a part, of their property and of the new ones who have acquired a proprietary right by virtue of a title other than its possession in the past.

The process of regaining possession of land is spectacular and imbued with the symbolics of agrarianism, yet it does not seem likely to be conclusive to the shape of the future agrarian structure. The relevant legislative acts are striving — to mention the Czechoslovak route of restitution, Hungarian compensation or Rumanian new land reform — towards the recreation of land ownership structure that existed in the forties, i.e. in the years between the implementation of the land reform and collectivization. The legal validity of agrarian reforms of the forties has nowhere been questioned¹¹. Consequently, wherever land was collectivized, ranks of its former owners or their heirs, claim their right to it within the time stipulated by law. In the Czech Republic more than 260,000 people have declared their intention to take land over from the co-operatives and dispose of it on their own. In Hungary 800,000 people lodged 3,000,000 applications for compensation. At the end of 1993, a total of 325,000 owners were in possession of 1,500,000 hectares of land, 90 per cent of which was let by them to the new co-operatives. As regards Rumania, more than 5,000,000 people claim to have land title. In Poland, where the question of reprivatization has not been settled by law as yet, more than 1/3 of the applications lodged with the Ministry of Privatization pertain to agricultural property.

Parallel with the process of taking possession of land, another one, perhaps even more important is going on — that of privatization of the so far infrangible collective property of the co-operatives, i.e. its division into

¹¹ The principles of the agrarian reform have not been called into question even by the Polish Landowners' Society grouping former owners of the estates which were nationalized. And, since no principle of reprivatization has been adopted in Poland as yet, they demand from the state indemnification for the parcelled estates or (if they were not subject to parcelling) their restitution.

parts and of its private, individual management. Though in each of the cases presently analysed, the course of the process is somewhat different it requires everywhere an estimation of the value of the property in the co-operatives' possession so far, a determination of the community of potential owners and laying down of the principles of distributing the property. Each of the above mentioned stages involves difficulties of a specific kind. Estimation of the volume of the property does not mean just the technical problem of conversions taking into account the rate of depreciation and inflation but also the fundamental question of assessing the value of something, in a situation where free market rules are already binding in the economy but a market for the given assets of the co-operatives (e.g. for land)¹² has not as yet appeared nor will it ever exist¹³.

The criteria of determination of the community of potential owners are similar everywhere. Whoever had contributed initial capital (land, farm buildings, livestock, assets in money brought in) to the co-operative and/or enhanced its property with his labour input, is entitled to take a share in the distribution of the property of the co-operative concerned. Those criteria have been instrumental in specifying a rather large and diversified community of potential owners, with two distinct groups: the 'internal owners', i.e. all those persons whose topical circumstances are connected with the co-operative and the 'external ones' whose position does not depend on it. The two criteria are essential, in various degrees, when establishing principles concerning the distribution of co-operative property. In Czechoslovak principles of distribution a greater part is played by the capital brought in whereas in the Hungarian ones — by labour. Ascribing greater importance to the former or the latter depends on the general philosophy of the reforms under implementation in the country concerned.

An effect of that technically intricate and economically complex process, having a double economic and moral legitimization is the rise of a numerous and variegated community of owners of hitherto co-operative agriculture (not only of co-operative land). In Hungary the number of participants in the distribution of co-operative property amounts to 1,143,000 of whom 289,000 are the present members of co-operatives, 350,000 pensioners, 20,000 the employed non-members and 484,000 the former members or their heirs. Forty per cent of co-operative property — estimated at

¹² In Slovakia, for example, an arduous procedure was worked out of estimation of the initial value of land on the basis of 12 soil quality classes.

¹³ This pertains to buildings that were only needed in the centrally planned economy of shortage. And so, for example, big stores, quite unnecessary when there is no longer any need to hoard reserves, have become the cause of financial collapse of some of the Peasants' Self-Aid Commune Co-operatives in Poland. As has already been mentioned, these stores are no longer needed in the conditions of the new, rational economy. There are no buyers ready to purchase them and no persons prepared to take them on lease yet, the co-operatives are obliged to pay a high tax on those buildings.

60,000,000,000,000 forints went to the present members of the co-operatives, 39 per cent to pensioners, 20 per cent to 'external owners' and 1 per cent to workers. As far as land is concerned, the present members possess 21 per cent of it, pensioners 40 per cent and persons defined as external 39 per cent. In the case of Rumania former members of co-operatives, as well as being former owners, comprise 30 per cent of the total of more than 5,000,000 people entitled to obtain land, 20 per cent former members or agricultural workers and 50 per cent town dwellers. Twenty five per cent of the owners possess plots no larger than 1 hectare, 39 per cent ranging from 1 to 3 hectares, 18 per cent from 3 to 5 hectares and 15 per cent — farms larger than 5 hectares. In 25 out of 40 departments, the number of owners exceeds that of the people employed in agriculture and many of them live in town. In the Czech Republic, the share of 'external owners' is also much higher than that of the internal ones. A telling illustration of the case are two co-operatives. In Owczary, situated 100 km from Prague and farming 5,000 hectares, the number of people having the right to participate in the distribution of its property amounts to 2,557 of whom 8.6 per cent are member-owners, 28.3 per cent members non-owners and 63.2 per cent owners but not members of the co-operative discussed. In Blatnice (Moravia), ca. 2,000 hectares, the corresponding figure is 1,596 of which 20.1 per cent are member-owners, 28.3 per cent members non-owners and 49.6 per cent owners but non-members. Here the principles of distribution are in favour of property contributed in the past. The effective property subject to distribution duly assessed, 50 per cent of it was allocated for distribution according to the area of land contributed in the past, 30 per cent in consonance with other property once brought in (buildings, equipment, livestock), the remaining 20 per cent to be divided according to labour input. Thus a considerable, if not the major, part of the property went to the external owners.

From a formal and legal point of view, the process of privatization of co-operative agriculture was completed at the time of distribution of the co-operative property or, rather, with the allocation of each of its parts to a specified individual owner (defined by name). This has created a very numerous and, in many respects varied and spatially dispersed, group of owners of production capital in agriculture. Formally it has created a situation enabling a free disposal of that capital by its owner. In actual fact that freedom is limited by barriers of an economic, social, and psychological nature. Economic limitations consist, primarily, in the lack of a market in those agricultural assets which, in turn, reduces the possibilities of disposing of them. Social limitations are inherent, first and foremost, in the characteristic traits of the owners: their external position with regard to, and physical distance from, the farm, in their connections with the urban environment, retirement age and living on incomes from other sources and

also a lack of basic knowledge of agriculture or management of capital. As has already been mentioned, an additional factor involved are barriers of a psychological nature. A large majority of present owners — though commanding all the necessary titles — may be defined as 'accidental proprietors' due to a fancy of history. Apart from an ever less numerous group of pensioners, these are people whose attitudes were moulded under the impact of realistic socialism and whose individual resourcefulness competes with helplessness in which they were trained at the time. This is not an encouragement to enterprise but rather to the striving for the protection once provided by collectivism. The results of a survey carried out, in 1991, among farmers affiliated with co-operatives in Poland, the Czech Republic and Hungary are telling indeed. Only 1/5 of the respondents were in favour of changes in social relations of production and private property. They are described by M.-C. Maurel [1994] as 'owners affiliated with a co-operative'. The rest manifested attachment either to the then existing type of relations or to private property, if not to both of them simultaneously. Those were the people of a pro-co-operative orientation, 'collectivists' and 'neo-collectivists'. A few months later they came into possession of a part of the property of their co-operative. What does that 'new property' mean to them? Far from suggesting anything the author wants to refer to Gerlach and Serega's research findings, dating from the mid-eighties and pertaining to the Polish peasants' attitude toward their farms (that formally have never been collectivized): as many as 2/3 of the respondents declared their farms to be a burden to them and an obstacle to the implementation of the plans for their careers.

Privatization of state farms takes a different course in different countries. Everywhere the state wants to keep a certain number of farms meant generally to serve the purposes of reproduction. They are for the most part commercialized, i.e. transformed into one-man companies of the state treasury. In some cases commercialization makes a preliminary stage preceding privatization as, for example, in Hungary. The state sector has been commercialized in Rumania. The sector, covering ca. 30 per cent of arable land, has been divided into the state sector (12 per cent) and the public one (18 per cent). Next state farms have been transformed into companies of the state treasury. Their personnel, employed there until that time, have automatically become shareholders because the law of 1991 allocated them, as their property, 0.5 hectare of state land. In all the other countries covered by this analysis a notable part of the state sector is expected to be privatized. The process is being put into effect either in consonance with the general rules of privatization of the economy, as is the case in the Czech Republic, Slovakia and Hungary or with specific legal regulations, as in the case of Poland. Whatever the rules applied, privatization involves, everywhere the restructurization of the farm that is, its division

into minor functional units. Nowhere has parcellation been assumed and mass-scale 'conversion' of large landed property into family farms. Various forms of privatization are admitted: tenancy, leasing, sale. The owners (or leaseholders) may be both private and juridical persons: stock companies, limited liability companies, employee companies. In that case the new owners or leaseholders are not accidental. Most of them — as can be noted especially in Poland — derive from the ranks of former managers of the farms subject to privatization. Even if the farm is taken over by an employee company, members of the so-called 'green nomenclature' are usually in possession of the controlling parcel of shares. The process of privatization of the state sector proceeds at a slow pace everywhere. This is due not only to the shortage of capital (which is more readily invested in the branches of the economy yielding profits more quickly) but also to problems connected with land title deeds — not settled as yet (or currently under regulation)¹⁴. These two reasons combined account for the fact that, e.g. in the Czech Republic and Poland it is the lease — covering various periods of time, that has become a popular form of privatization. Although, formally, the owner of the farm does not change, in actual fact it operates as a private economic entity.

TRANSFORMATION OF PRODUCTION STRUCTURES

The third thread of decollectivization is the transformation of production structures in agriculture. Dismantling the collectivist structures begins the moment the given co-operative or state organizational units of agricultural production attain self-dependence, and the state monopoly of food turnover is abolished. The possibilities of transformation of production structures appear prior to, or together with, changes in ownership structure. Generally speaking, neither the state farms nor the co-operatives take advantage of these possibilities. Modernization of organizational and production structures is not spontaneous and automatic but extorted 'from above'. In every country the necessity is decreed that transformation of the structures be effected within a definite, rather short, period of time. The decreed mode of their modernization results, on the one hand, from the actual and liable resistance on the part of the old collectivist structures and, on the other, from the governments' fear of disorganization of the agricultural sector and of the ensuing losses. According to the requirements of the new co-operative law, passed in January 1992, the Hungarian agricultural co-operatives had to be transformed by the end of that year.

¹⁴ In Poland the sale of land is checked as a result of the lack of a law on reprivatization; in the Czech Republic by its restitution to former owners of big landed property following an amendment of the law and abolishment of the limitation of the area of the recovered estates; in Hungary — by the reserve of land which the farms were obliged to apportion for its purchase for compensation bonds.

The law also determined in greater detail, the stages of transformation and the final date of withdrawing from the co-operative and taking back one's assets. The Czechoslovak co-operative law, of December 1991, determined precisely the procedure and stages of the transformation involved, their duration and the transforming structures. Now in Rumania the relevant law, of 1991, provided for winding up of the old co-operatives to be effected by July of that year. In Poland the Agricultural Property Agency of the State Treasury was to take over state farms within less than two years, the period subsequently extended to three years. This is one set of factors deciding on the mode of transformation and the character of the rising production structures.

The second set make the manifold limitations of the possibilities of the owner's disposal of his property. To the above described barriers of an economic, social and psychological nature, the formal and legal ones should be added as well. Disposal of agricultural property is, as a rule, subject to certain restrictions. In Poland, for example, the revalorized contributions to the co-operative could not have been withdrawn from the bank before a lapse of five years. In Czechoslovakia — applications for restitution of the landed property had to be lodged within a definite period of time, including a commitment that the land concerned would be used for agricultural purposes. In Hungary, the procedure of regaining land by way of purchase for compensation bonds is extremely complicated; the statement on the intention to withdraw from the co-operative has to be submitted within a specified time and the decision on singling out the assets in kind taken by its bodies. In Rumania, in spite of the freedom of land disposing, shortage of agricultural machinery is a great obstacle.

Consequently, the new agricultural structures are rising under the pressure of many factors, to mention but the pressing time, insecurity and passive attitude of the people concerned. The new structures of production, especially those that have evolved on the basis of the co-operative sector, are far from original. The neo-collectivist structures prevail everywhere. Thus, in the Czech Republic (at the end of 1993) 14 per cent of the land was still used by state farms, 50 per cent by agricultural co-operatives, 36 per cent by other subjects though not necessarily family farms. Now in Slovakia, in spite of a similar legal basis, transformation took a different course. There 23 per cent of the land is held by 93 state farms, 69.4 per cent by 970 formally agricultural co-operatives and 5.4 per cent by 15,904 private (individual) farms of which 794 only (i.e. 5 per cent) are those with an area larger than 5 hectares. In Hungary state enterprises and companies of the state treasury command 20 per cent of arable land, the transformed co-operatives (treated now as enterprises of voluntarily associated shareholders, formed on the basis of their private property) 53.3 per cent and the family farms and other private forms of organization of production

26.5 per cent. Until the end of 1992 almost all (99 per cent) of the co-operatives operating so far were transformed into those of a new type. That ostentatious transformation in which a prominent part was played by the 'green barons' is, however, but the beginning of further changes. In Poland the share was rising at the time of the private sector consisting mainly of 2,150,000 family farms, with the attendant slight drop (to 3.3 per cent) of the share of the co-operative sector and of the state sector (to 13.9 per cent). Its decrease by a half was only seen in the following year (1994). The new production structures are the large estates acting as agricultural enterprises, based on long-term lease contracts and in most cases run by members of the former managerial staff. In Rumania the rather specifically understood private sector covers ca. 80 per cent of the land. Its share of the former state farms, transformed into companies of the state treasury, makes ca. 12 per cent, individual farms — together with the simple forms of association ca. 50 per cent and companies ca. 12 per cent. According to relevant estimates the simple associations — i.e. those having legal status (the term 'co-operative', having explicitly negative connotations, is not applied there) and also family associations having no such status — use ca. 41 per cent of the distributed land. That structure is very unstable because it often happens that one family farms a part of its land individually, letting another part to the co-operative and cultivating the remainder in association with other families. Family association — a creation of law — is clearly a temporary solution oriented towards a collective cultivation of the land. All those forms of organization of production, in most cases completely deprived of technical equipment, are dependent to a large degree on agricultural service stations converted into companies, where the controlling interest has been retained by the state.

Some effects of decollectivization

The process of changes, now under way in Central-European agriculture is a new process. However, its notion as such, though of a somewhat different nature appeared as early as the fifties. What was determined as decollectivization at the time was the spontaneous dissolving of agricultural production co-operatives in the period of the post-Stalinist thaw. About 80 per cent of the previously formed co-operatives disintegrated in Poland at that time. That notion of decollectivization was, of course, a narrower one in comparison with the meaning currently ascribed to it. Nevertheless, there is something else that is more important. In the fifties decollectivization meant a return to the pre-collectivization status quo ante. The process taking place today certainly does not lead to a restitution of the pre-collectivization status quo, and its broadly conceived social consequences are hardly perceptible as yet.

Let us examine some of the social effects of the three processes singled out here which are components of decollectivization. Changes in functional rationality bring about as their secondary but, nevertheless, socially significant 'products' unemployment, decomposition of the social system existing until that time and annihilation of that of social differentiation and hierarchies. Equally essential are the social consequences of privatization. For it creates a numerous group of owners which practically did not exist before. The group is variegated internally and is liable to become a source of conflicts in the future. The assertion that the owners are differentiated by the volume of possessed goods is a platitude. It appears much less so if associated with the, generally, low level of social acceptance of property disparities in post-communist societies and also with the origin of the present-day agricultural fortunes. Being of either feudal, kulak or nomenclature origin does not find legitimization in the eyes of public opinion. A distinct collision of interests seems to divide the external and internal owners. At its root there is the separation of property (land and capital) and labour. The conflict may be largely in line with that between owners and workers. External owners are interested, above all, in the dividend on property, the internal ones — in the income gained by work. That potential conflict, where the owners seem to be the stronger party, is alleviated by their actual position. According to F. Simon [1994], the example of the Czech Republic shows that the owners' attitudes toward agricultural property are passive. This is justified by both the heritage of the past and the fear of the future but also accounts for the fact that, in spite of the huge number of owners, restructuring of agriculture is taking place without their control. This control has been taken over — due to their qualifications, by managers which leads to the rise of 'managerial pseudo-ownership'. This observation seems to be pertinent to other countries as well. One may speculate that those ranks of owners will start shrinking, and the course of the process is going to depend largely on the conditions of the concentration of capital. Meanwhile, privatization of agriculture has brought about the frustration of a considerable part of its beneficiaries.

Decollectivization has led to the dispersion of property but its impact on fragmentation of production is much less pronounced. This is also due to the fact that — on account of such a notable rate of neo-collectivist structures — the process of decollectivization of production structures is uncompleted as yet. The author has made an attempt to explain above the causes of their appearance. Now the forecasts concerning the future are, for the time being, rather a confession of faith than a conclusion derived from empirical observation and scientific analyses. The collectivist forms of organization of production do not find justification in the peasant system of values once prevailing there, nor in tradition. They are, however, a part of the legacy bequeathed by the communist system. The most effective

mechanism of crushing it has turned out to be the economic mechanism. The future of the neo-collectivist forms of organization of production may be decided, of course, by the owners' revolt, nevertheless, what seems more likely is that the conclusive factor will be their economic efficiency.

Generally speaking, decollectivization results in the rise of two internally differentiated structures of production: large and small. Their nature and functions are different in the respective countries. Small structures revolve around the form of the family farm, the specific type of organization of production where land, capital and labour belong to the family. Yet, there are many kinds of family farms thus defined, depending on rationality which directs their operation. Their poles are marked out by the 'peasant farm' with its production oriented, above all, towards securing subsistence to the family concerned and 'family enterprise' with orientation on marketable output. A large number of the newly rising small structures of production are nearer to the notion of 'peasant farm' being interested mainly in self-providing of the family. However, this is not a farm in a position to meet on its own the needs of an agricultural family, neither as regards its food demand nor its income. This is not an economically independent unit, with distinct social security functions. It is among those units that all the farms with less than 1 hectare should be ranked and also (at least) those with less than 5 hectares. In Poland, in the case of farms ranging from 1 to 3 hectares, the income derived from agricultural production amounts to 17 per cent only, in that of those with 3-7 hectares to 39 per cent. In all there are 1,300,000 which amounts to 2/3 of all farms in this country. These farms have withdrawn, for the most part, from market oriented production and are interested primarily in self-providing. A similar process has afflicted the small-sized Hungarian farms which — due to the collectivist crisis in agriculture were ousted from the market. The petty farms arising in the Czech Republic, Slovakia and Rumania are mainly subsistence farms and, in the orientation of their functioning nearer to a homestead plot than a peasant farm.

At the opposite pole of the small production structures there is a much less numerous group of 'farmer-type family farms' making the only source of subsistence of the given family and oriented on specialized marketable output. The development of that type of organization of production depends not only on individual enterprise but, above all, on agricultural policy. And this has not been clearly specified in any of the countries discussed. The post-communist large-size production structures seem to be more homogeneous if the neo-collectivist forms are excluded. In most of them irrespective of their legal status and ownership structure — their logic of functioning tends toward that of an agricultural enterprise.

The process of formation of the new production structures in agriculture is at present under way. However, what is striking is the fact that the newly

appearing organizational forms of production are striving for the model of dual agriculture, based on two different structures, availing themselves of two different kinds of internal logic of functioning and exercising different functions.

As has already been mentioned, decollectivization of agriculture in Central Europe is an incomplete process, an evolving one, in the course of which ownership structure and the social forms of organization of production are subject to change. Observation of the process in Hungary, the Czech Republic and Poland in the years 1995 and 1996 has shown it is the ownership structure that is going to decide about the ultimate shape of the social forms of organization of production. The process of recomposition of the structure has, as a matter of fact, already begun¹⁵. In each of the above countries the process of coming into possession is under way and striving for limitation of the number of owners and concentration of capital. The modes of becoming owners, the applied methods and means of pressure as well as the social make-up of the group of people entering into ownership have to be the subject of further studies.

¹⁵ The dynamics of changes of the organizational structures of agricultural production is depicted by the percentage of arable land area according to its users, as given below:*

	The Czech Republic	Hungary	Poland	Rumania
	In the year 1991			1990
state farms	33.3	32.9	18.6	30.1
co-operatives	61.3	51.5	3.9	60.5
small producers	4.1	15.6	76.2	9.4
	In the year 1995			1994
state farms	4.5	17.6	7.3	17.6
co-operatives	41.9	30.5	2.9	41.0
small producers	53.6	51.9	89.8	41.4

* Based on Statistical Bulletin, 1991, No 1; and 1995, No 4.

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