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Continuity and Change — Agricultural Restructuring in East Germany

Introduction

The idea of this paper is to discuss rural sociologists' contributions to the restructuring process in East German agriculture since 1989. Therefore, I briefly introduce the historical background of agricultural reconstruction under socialism in the GDR and briefly describe the general characteristics of the current restructuring process. After that, central discourses of agricultural economists and cooperative scientists are pointed out. Rural sociologists' contributions to agricultural restructuring differ in their implicit or explicit assumptions. Some assume that the social changes in the socialist system destroyed the traditional social structures. The results of empirical studies on a local level show that elements of the traditional peasant class still exist, and a revitalization of this group took place to some extent after 1989. Nevertheless, the revitalization of "Bauern" did not necessarily lead to the reestablishment of family farms. The main effect of social changes in the GDR is a disconnection of the peasant classes from the family farm model. Besides, what must be taken into consideration is the fact, that in some regions, especially in the northern parts, the historical farm structures were never characterized by family farms but by large farm estates. Large farms have suffered much more under political pressure than the smaller ones. Under these conditions, different paths of agricultural restructuring and the development of the peasant class can be identified, playing a different role in different regions in East Germany.

Agricultural restructuring under socialism

We may not understand the current development of East German agriculture, if we ignore the changes, which took place under socialism. In 1945 the agrarian structure in the soviet zone of occupation, which became the GDR a few years later, was very heterogeneous. While the sparsely populated northern parts were dominated by large farm estates, the densely populated south was characterized by small family farms. In arable areas in

Saxony and Saxony-Anhalt with very good soils the dominating farm type was the family farm ("Großbauer") with 20 to 100 hectares of farm land. In Summer 1945 a land reform took place under soviet control, dispossessing all farm owners with farms of 100 or more ha of farm land without compensation (Bauerkamper, 1994). Due to the agrarian structures the share of land, which became part of the land fund was different (table 1). Land was distributed to land workers, refugees, farmers with only a little land, and other workers. These new farmers faced many problems. When industry grew again a few years later, many of them took the opportunity to leave their farms. Early attempts to establish collective farms, which took place in 1952, were due to the economic problems of this group¹. As a result of that, and because of the fact, that during the unification process the expropriations were not taken back, the state became the biggest landowner in East Germany.

Table 1

Importance of expropriations in 1945 in different East German regions

Land (geographical order; north to south)	Share (in %) of expropriated farmland
Meclenburg-Vorpommern	46
Brandenburg	35
Saxony-Anhalt	29
Saxony	20
Thuringia	14

Source: Based on Bell 1992: 93.

In the early fifties political pressure on the "Großbauern" grew rapidly. Then some farmers flew to the West and dispossessions took place. In most cases these "devastated" farms were taken over by the cooperatives. The social consequence of these two phases of restructuring is a weakening of the old peasant class ("Bauern") mainly in the northern and middle parts of the GDR. The collectivization was not very successful, although larger farms were still under economic pressure. But after 1959 the collectivization process was politically enforced again, and formally finished in 1961. Nevertheless, the dominating cooperative form at that time was the so-called "LPG Typ 1"², where only plant production was collective, while animal breeding was still individual. Besides, in most communities several cooperatives existed, which

¹ About 83% of the members of the cooperatives belonged to this group (own calculation according to Klemm, 1985: 208)

were strictly socially divided between the traditional farmers (“Altbauern”), and the new farmers (“Neubauern”), who became landowners after 1945. So the main political objective during the sixties and early seventies was to overcome these “inferior” cooperative forms and to build up united cooperatives on a community level. During the seventies plant and animal production was divided. The cooperatives were transformed to LPG-T (animal production), while new LPG-P (plant production) were built up. While in the former the members were more often the old members of the founding generation, the members of the latter were mainly younger and very often outsiders and not descending from the old local farmers’ families.

Main characteristics of agricultural restructuring after 1989

The main elements of the agricultural restructuring in East Germany since 1989 are:

- a reduction of agricultural output prices and level of state subsidies,
- a massive reduction in agricultural output,
- a release of 80% of agricultural employees,
- a partial establishment of family farms³.

Hypothetical calculations in 1990 show, that an evaluation of the agricultural output in 1989 with West German prices meant a reduction of the production value of about 60 per cent (Bose, 1994: 83). Due to that, the government intervened in coordination with the European Union with several financial measures to compensate the worst impacts of unification. Nevertheless, income losses could not be compensated. One consequence was the massive reduction of output, mainly in animal production. The most striking social consequence is the loss of about 80% of the agricultural labour force. This is not only due to the reduction of output, yet also to

Table 2

Development of agricultural employment in East Germany since unification

Agricultural labour force (thousand)	1990	1991	1992	1993	1994	1995
Family labour	3.5	33	34	42	44	45
Total	850	359	208	186	173	159

Source: Own presentation according to German Agrarbericht, several years.

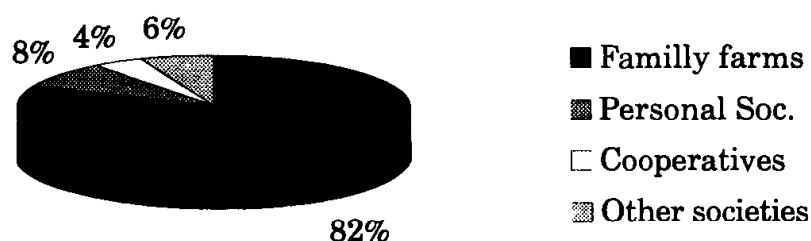
² Landwirtschaftliche Produktionsgenossenschaft

³ A comprehensive overview in Hagedorn et al. 1997. Zierold 1997 provides a lot of information about the social change in rural areas.

the dramatically increasing wages going along with the currency union in summer 1990.

The growing importance of family members' labour force is a result of the changing farm structures since 1990. The number of family farms has grown constantly and rapidly since 1990. Four out of five agricultural enterprises are family (figure 1) and most of them part-time farms. Nevertheless, they use only 20% of agricultural land (figure 2). Yet we have to see, that there is a problem of interpreting data on farm structures, which mainly focus on legal forms. A very important group are the so-called personal societies, which are mostly using the legal form of a GbR⁴. The main reason for its relative importance in East Germany is, that it has advantages in gaining state subsidies. It is very often just a legal construction of a typical family farm, but may also be used for joint ventures of former cadres and others.

Figure 1: Share of farm number in 1995



Source: Based on Agrarbericht 1996

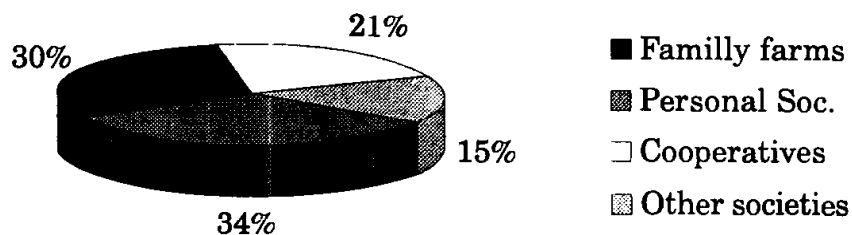
In official statistics there is a legal form (GmbH & Co. KG)⁵, which is subsumed under personal societies, too. In their organization and legal structure they are rather comparable to the other juridical forms, than to the GbR. Because of that they are here, as opposed to official statistics, integrated in the group of "other societies". Most of these societies and the cooperatives (together 3000) are successors of about 4500 former LPGs. (The cooperative is a legal form. They are not identical to the LPG. Some of them are new foundations. The legal form of the LPG was abolished after 1992.). If we consider that the LPGs had to reunite animal and plant production, we realize, that only a few were liquidated. So the successors of the former LPG are still very important.

Although they only occupy half of the land, the great stability of the former LPG is remarkable. Hand in hand with this process, we find three major discourses, which focus on different aspects of the "organization question" of farming.

⁴ Gesellschaft bürgerlichen Rechts

⁵ Combination of Gesellschaft mit beschränkter Haftung and Kommanditgesellschaft.

Figure 2: Share of Land in 1995



Source: Based on Agrarbericht 1996

Beyond sociology — other discourses

The dominating discourse during the years after unification was and still is economic. Economists search for something they call the “optimal organization” of a farm. Facing the agricultural realities in East Germany, the core of the economic discussion is the question of farm size. Cooperatives are primarily identified as large farms and family farms as small. The latter is remarkable because under conditions of East German agrarian structure the term “small” refers to those farms, which were defined in West Germany as very big (e.g. farms with several hundreds of hectares). The economists’ question is, at which stage economies of scale, mainly influenced by technology, are compensated by diseconomies of scale, which are due to rising transaction costs in larger organizations. Some assume that family farms show advantages because of lower transaction costs, so that they may compensate losses in economies of scale. Conclusions differ, depending on how economies and diseconomies of scale⁶ are evaluated. A general problem of this discourse is, that economists reduce the question of agricultural restructuring to only two aspects of enterprise organization. Besides, economists face fundamental empirical problems operationalizing transaction cost⁷.

The question of the cooperative form does not play an important rôle in the economic discourse. Only Schmitt (1991), a famous proponent of family farms, and his scholar Beckmann (1993) argue, that cooperatives face severe problems of organization, mainly because of their democratic structure. With this argument they also contribute to a second, the “cooperative discourse”. This discourse refers to a very old debate about producer cooperatives. Historically, most cooperative scientists agreed to the so-called “transformation law”, (in general combined with the name of Franz Oppenheimer) which considers, that producer cooperatives either fail or will transform into capitalist

⁶ The arguments are of course much more complex, than I may describe here. A good overview on this debate may be found in Wiegand (1994, pp 89—103).

⁷ A more detailed critique in Laschewski, 1995.

enterprises. After the Second World War, producer cooperatives no longer played an important rôle in Germany. Nevertheless, the transformation law has become a new theoretical foundation on voluntaristic thinking, which shows similarities to neoclassical theory (Velasquez, 1975), but differs very much from traditional arguments of Oppenheimer (1898). The debate had a revival because of the so-called "new cooperative movement" (Hahn, 1986) in the eighties. Going along with this movement new theoretical thinking about producer cooperatives evolved, which qualified older arguments⁸. Finally, we find a "political-legitimatory discourse". It deals with the following question. Should one accept the socialist cooperatives as historical entities or should one deny their legitimacy because they are products of a violent restructuring process, enforced by an undemocratic regime? Although this discourse seems to be primarily moralistic, it is connected with strong materialistic interests within the privatization process. Here the question has to be solved, who ought to be the legal owner of the not-individualised cooperative and state property. The common agricultural policy also poses the question of justice. Shall family farms gain special financial support, to compensate at least a few of the negative consequences of state suppression under socialism?

Sociologists' views differs from other discourses in so far as they focus on the social conditions of change. The central issue is the search for the actors in the restructuring processes and their ideas, but also their power. In the following pages, I want to resume the few contributions of German rural sociologists, who dealt with this question.

A late victory of socialism?

At the beginning of the transformation process most German rural sociologists were sceptical about a policy to reestablish family farms in East Germany. The following comment of Oppermann (1990) is typical: "With hardly any exception «Bauern» (peasants) became landworkers in the past (Orig. German)." The main argument is, that the change of social structures within rural society is the main obstacle for the reestablishment of family farms. Behind this kind of thinking, there is a basic assumption concerning the quality of social change under socialism. The transformation of rural society under socialism was complete and is irreversible. Concerning the development of farm structures the underlying assumption may be summarized in the following hypothesis I:

In East Germany "bäuerliche" (peasant) structures were destroyed under socialism and "bäuerliche" culture and traditions were lost.

At the beginning of the 90's research activities in East Germany focused on two central issues:

⁸ Main sociological contributions to this debate are from Hettlage, 1988, 1989. A more elaborate overview is given in Laschewski, 1997.

- the ideas and objectives of agricultural employees,
- the consequences of the striking losses of employment opportunities.

Hubatsch/Krambach et al. (1990) studied the ideas of the "Genossenschaftsbauern" (cooperative peasants). One result of their inquiry conducted in 1989, was the conclusion, that only a few agricultural employees (7.4%) intended to reestablish a family farm. Meanwhile, we know that these results fit the real development. According to official statistics, 45,000 family members are working on about 27,000 family farms (table 2). These are about 5% of the agricultural employees in 1989. But because of the dramatic reduction of employment in the agricultural sector they now represent about 27% of the agricultural labour force in East Germany (Agrarbericht, 1996).

The authors' conclusion is, that peasant traditions changed under socialism. They argue, that under socialism a new class, the "Genossenschaftsbauern" developed, which shows a high identification with the cooperative form of farming. The authors plead for acceptance of co-operative farming as a new way of "peasant existence".

Beyond the German discourse we find similar arguments of rural sociologists studying agricultural restructuring in other post-socialist societies. Swain complained about "a victory of politics over sociology" (Swain, 1993: 17). Politics motivated by family farm ideology ignores the fundamental changes under socialism. Giordano describes the restructuring process in Bulgaria as a case of "reprivatization without farmers" (Giordano, 1993: 9). The latter result is a continuation of Hypothesis I. For the process of agricultural development in the 90's, historical farm structures are not very important, but the mechanisms of social differentiation of socialist society are. Where the establishment of family farms was initiated, they are not necessarily run by the old farmers. In the case of Bulgaria, according to Giordano, the new farmers are the former socialist, technocratic elites.

With respect to the aforementioned second research issue, which deals with the consequences of the employment crisis, we find similar results. Employment opportunities are primarily determined by the criteria of social stratification under socialism. The most important criteria are the formal qualification and the occupational position in the firm hierarchy (Neu, 1996, Laschewski, 1992).

The rediscovering of "Bauern" (peasants)

The picture, which evolves from several empirical studies, now leads to slightly different conclusions. Unfortunately, there was not much theoretical reflection on the empirical evidence by the responsible scientists. A fundamental observation concerning the restructuring process in the GDR has been formulated by the authors of a village study report:

"Unlike one would suppose in a centralist system, the history of the agricultural restructuring differs evidently between localities. The historical

reasons still have consequences for the actually developing organization of agriculture" (Faa, 1994). There are obvious consequences of such a result for thesis no. I. If the existing paths of socialist restructuring were much more differentiated than the ideal path of socialist restructuring contemplated in official literature, then we cannot assume that the destruction of the historical farm structures was universally "successful". In fact, we found a remarkable example for the persistence of peasant structures in a Saxon community. A continuity of family farming was connected with the operation of old stables by the LPG until 1989. In one location, 12 people, mainly women, were employed on their own farm estate. This kind of "family farming" stimulated the reestablishment of "real" family farms after unification. Six of the eight farms are now managed by so-called "Wiedereinrichter", which are farmers, who re-established their farms on their old farm estates (Zierold et.al. 1997). Schmidt (1996) argued, that elements of peasantry also persisted because of the widespread private domestic farming.

Contrary to the aforementioned case of Bulgaria, the establishment of family farms in Germany is predominantly founded in the persistence of peasant structures under socialism. A further study confirms this conclusion. In a survey of the Agrarsoziale Gesellschaft (1994) 71.3% of those family farms surveyed in all parts of the former GDR could be defined as "Wiedereinrichter".

A new hypothesis (II) emerges:

Peasant structures and traditions were not completely abolished in the GDR and they have been revitalized within the restructuring process after unification. In a very convincing way this argument has been proved by Brauer et. al. (1996), who studied the social stratification within a peasant village in the northeast of Germany. They concluded:

"Whoever thought, that after 40 years of GDR the traditional difference between the peasants and the other inhabitants would be obsolete, was on the wrong track. The socially and culturally exceptional position of the peasants is provable through their biographies and is visible in everyday life" (Brauer et. al. 1996: 746, Orig. German).

Their following conclusion includes further important results. "The visible peasant lines of tradition do not suffice for the reestablishment of family farms. The consequences of collectivization did not abolish the exceptional position of peasants, but cut their intergenerational continuity. They put their children on a different biographical path, which led out of farming" (ib.).

Peasant but not a farmer

At first sight, this seems to be a contradiction. On the one hand, the argument is, that the peasants could stand up, but on the other hand, this

does not lead to a revival of family farms. This contradiction only exists, if we suppose, that the peasants as a social class are intimately connected with the organizational model of the peasant family farm. The disconnection of both aspects can be seen as the main consequence of the socialist restructuring of agriculture.

My own research about the restructuring process of former LPG shows, that in all cases studied there was a group of cooperative members, who defined themselves as peasants. They succeeded in taking the lead within the enterprise, and in establishing their own people in management. My conclusion about these processes is, that the peasants did consider themselves as a social class, in terms of Bourdieu (1991) they are a "real" class, and after unification they intended to reestablish their local predominance. Because of the considerable institutional changes, economic problems, and the aforementioned shift of the biographical path of their children, this transformation of the peasant class did not necessarily lead to family farms. If their own children are gone, they cannot run a farm without workers.

Paths of agricultural restructuring

Before enthusiasm increases due to the striking brightness of empirical evidence, I have to put some water in the wine.

- Although we have proved the persistence of peasantry under socialism in several cases, yet we do not know, if it is the case in all parts of East Germany or even if it is the case in most parts.
- We cannot assume, that the peasant classes were always successful in reestablishing their local predominance everywhere.
- We have to take into consideration, that peasants did not dominate historically in all regions.
- Finally, we also have to consider the large differences between peasants. Because of the way collectivization took place in East Germany, we can assume, that the peasant class persisted most likely in regions with historically small and medium sized farms.

But the reestablishment of family farms is more likely in areas with a historical structure dominated by large family farms. So we find in the southern parts of East Germany (Thuringia, parts of Saxony) cooperatives dominated by peasants, but relatively few family farms. In the middle parts we find more peasant family farms. But because large farms suffered much more under political pressure we also find in the same regions new family farms run by the former cadres or West German or Dutch, and real labour managed corporations or cooperatives. Meanwhile, in some northern parts without a peasant tradition we find no influence of the old peasant class. But the reestablishment of family farms is more likely in areas with a historical structure dominated by large family farms.

Figure 3: Development paths of the peasant class

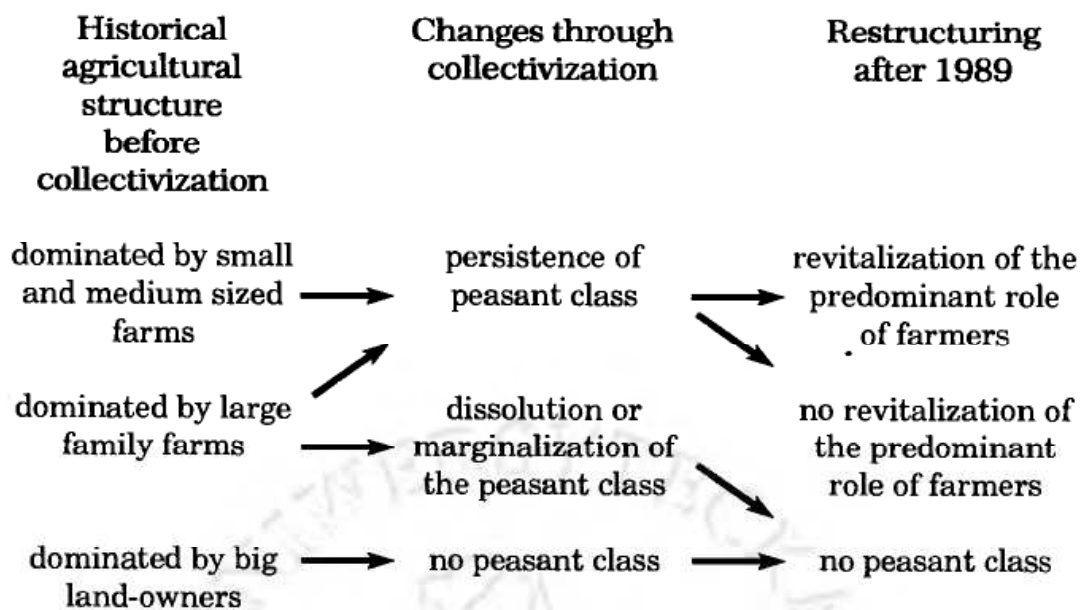
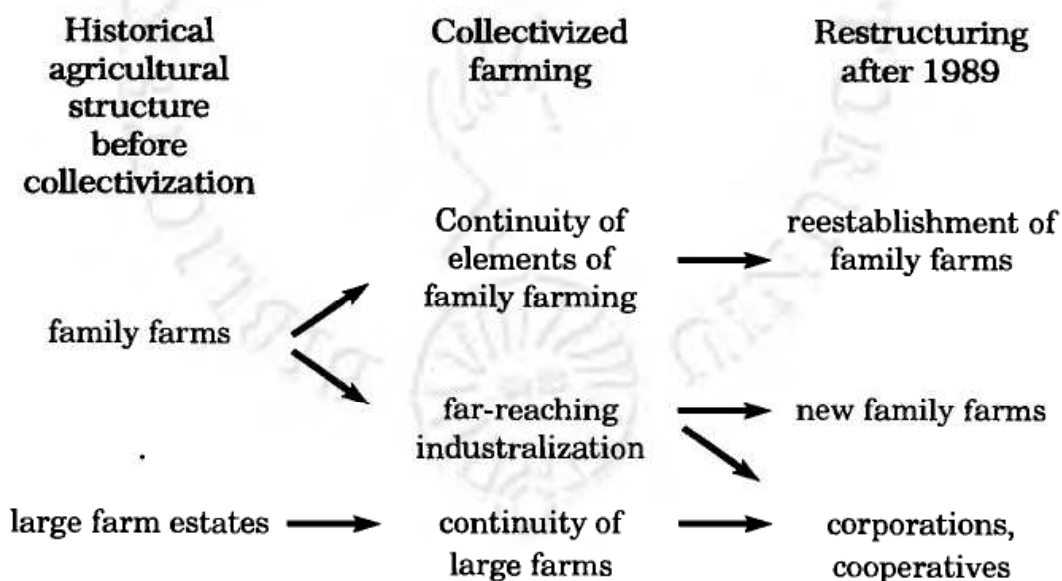


Figure 4: Development paths of farm structures



Conclusion

The agricultural restructuring process in East Germany shows continuities and changes. The industrialization of agriculture under socialism was a considerable change of social structures, but which could not abolish the continuity of the peasantry. Here we have to recall, that socialism itself is a specific path of industrialization, which is characterized by a high level of bureaucracy (Weber, 1988). Yet it is just one path of industrialization, and we know that peasants in a worldwide context show a strong capability of resistance against it. The transformation process after 1989 is, in my opinion,

no general change of social structures imprinted under socialism, but just a shift to a different path of modernization. Therefore, tendencies of industrialization are sometimes rather enforced but moderated.

Under such conditions, changes in farm structures cannot simply be equated with changes in the social strata of rural areas. The development of farm structures is a phenomenon at the surface. Rural sociology, therefore, should focus on the underlying social processes. My opinion is that it will only be successful by using methods, which enable us to study longterm changes.

Some elements of the restructuring process have not yet been analysed. For example, a critical reflection on state behaviour has not taken place, although it is of fundamental importance for the developments after 1945. In East Germany, the state initiated radical changes in farm structures always based on arguments of efficiency and productivity. Thus, no matter whether socialist or capitalist, the state shows a remarkable continuity.

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