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The Effects of Transformation in Central and Eastern Europe

Reflecting Transformation in Post-socialist Rural Areas, (eds.) Heinonen M., Nikula J., Kopoteva I. and Granberg L., (2007), Cambridge Scholars Publishing, Newcastle.

The transformation initiated by the fall of communism brought about permanent change in the whole of Central and Eastern Europe. However, the direction, influence and side effects of transformation continue to be the topic of numerous analyses and publications, including *Eastern European Countryside*¹. How did the system transformation change the face of rural areas in individual post-socialist countries? To what extent does reality diverge from the plans? Can we talk about an improvement in the situation of rural inhabitants and if so, in what areas? How can the effectiveness of agricultural reform in individual countries be evaluated? These are the most important questions raised by the authors of the book "Reflecting Transformation in Post-socialist Rural Areas" published in early 2007 by Cambridge Scholars Publishing.

This book came about as a result of the fifth conference of the Aleksanteri Institute which took place in Helsinki on 10–11 November 2005. Its 13 chapters² are divided into two sections. The first concentrates on the institutional

¹ This subject was discussed in texts by, among others: Nigel Swain, Imre Kovách, Maria Halamska, Dobrinka Kostova, Christian Giordano and Krzysztof Gorlach.

² 1. Eugenia Serova: *Results of Transformation of Russian Agri-food Sector*; 2. Alexander Bedny: *Institutional Factors of Russian Agricultural Development*; 3. Leo Granberg: *Rural Paths in Russia*; 4. Ivaylo Vassilev: *Legacies and Path-Dependence: Continuities and Discontinuities in the Organisation of Bulgarian Agriculture*; 5. Katalin Kovács: *Structures of Agricultural Land Use in Central Europe*; Irina Râmniceanu, Robert Ackrill: *The European Model of Agriculture and Rural Development Policy Choices in the New Member States*; 7. Maarit Heinonen: *Multifunctional Farm Activities in the New Member States*; 8. Arunas Poviliunas: *Lithuanian Local Community Movement as a Resistance to Rural Exclusion*; 9. Aine Macken Walsh: *Community Action in Post-socialist Lithuania: a Comparative Case study*; 10. Ingrid Oswald: "Industrialized Villages" in Post-socialist

aspect and the transformation of the agricultural sector. The second is about changes occurring within local rural communities since the early nineties.

The analyses carried out by the authors constitute a whole which, according to Jouko Nikula – who wrote the introduction, is an attempt at showing the unintended effects of transformation and a critique of solutions accepted in Central and Eastern Europe towards agriculture and the inhabitants of rural areas. Each article shows that the actions undertaken by the authorities have not lived up to expectations and have in many cases generated new social problems.

According to Nikula the fundamental error made by the new democratic authorities was the departure from collective farming and implementation of “ultraliberal reforms” called for by the IMF and the World Bank who prefer family farming (along the lines of West European countries). Private landowners and local entrepreneurs from the sector of small and medium enterprises were to become the new rural middle class, guardians of patriotism, democracy and the common good. However, according to Nikula, instead of spreading wealth decollectivisation brought rural inhabitants the following: a drop in agricultural productivity, the erosion of social ties, unemployment, the limitation or disappearance of socio-cultural activity, anomie and an increase in social pathologies.

The first section of this book opens with four texts devoted to a description of changes from the beginning of the system transformation taking place in the rural areas of Russia and Bulgaria. The authors – Serova, Bedny, Granberg and Vassilev emphasise the economic and institutional aspect. Their point of departure is stating that the aim of agricultural reform introduced after the fall of communism was the reinforcement of the position of private farms. Detailed statistical data indicate that that was neither achieved in Russia nor Bulgaria. Cooperatives in both countries maintained a dominant role in the agricultural sector.

According to Bedny the reasons for such a state of affairs should be sought in the institutional milieu which hinders the expansion of private forms of agricultural ownership. Among the most important factors he includes ambiguous rules in the new market economy; unsuccessful state policy; low standard of social capital and specific attitudes of the managers of collective farms (traditionalism and functioning according to principles applied in

Countries – Step Towards an Integrative Research Concept; 11. Karina Lukin: *Nenets and Russian Discourses on Northern Landscapes*; 12. Nathalie Ortar: *Villagers and Dachniki in Post-soviet Russia: a Complex Relation*; 13. Maria Dyakonova: *The Status of the Youth on Karelia's Rural Labour Market*.

a centrally planned economy). This means that in spite of significant changes in the Russian economy as a whole, certain aspects have remained practically untouched in rural areas: the ownership structure, paternalistic culture of managing collective agricultural enterprises or a peculiar symbiosis of those enterprises and household plots (Granberg).

The result is low effectiveness and competition in the agricultural sector in Russia and Bulgaria as well as financial difficulties of inhabitants of rural areas in those countries (Serova, Bedny, Vassilev). According to the authors opportunities for change in this state of affairs should be sought mainly in a change in state policy and the development of institutions supporting rural areas (including NGOs).

The next three texts draw the reader's attention towards new EU member countries. Following earlier analyses, Katalin Kovács compares the level of change in ownership structure of arable land in three countries in Central and Eastern Europe. Her data indicate that cooperatives have maintained the strongest position in Slovakia, whereas the sector of small private farms has developed best in the Czech Republic, Hungary holding a middle position. According to Kovács, low economic development in the region and high unemployment are conducive to the development of private forms of ownership. Private farming acts as a social buffer, guaranteeing the inhabitants a basic source of income.

The battle with the backwardness of rural areas in new member countries is currently taking place mainly within the framework of the Common Agricultural Policy. Detailed decisions by individual countries show that in recent years the significance of diversification of farms has grown (Râmniceanu, Ackrill). Its main aim is to increase agricultural income by the inhabitants of rural areas supplying new goods and services. Each country and moreover each farm chooses a specific strategy of passing to diversification according to individual needs and potential (Heinonen).

Diversification is one of the answers to the crisis in Europe's rural areas which has been growing since the 1980s. Its social aspect is the leading topic of the second section of the book under discussion. Introducing activities into rural areas which are in accordance with the strategy of modernization in the era of a centrally planned economy has resulted among others in the emergence of a totally new type of rural settlement in post-socialist countries – "the industrialized village". The development of these settlement units after the fall of communism shows that their inhabitants represent modes of behaviour

which are totally different from those in both Western Europe and during the times of socialism (Oswald).

The decollectivization of agriculture resulted in a drastic growth in unemployment among inhabitants of rural areas. This phenomenon primarily affected young people who were entering the employment market after the fall of the centrally planned economy with its principle of total employment (Dyakonova). The worsening financial situation and difficulties on the job market were accompanied by serious consequences of a psycho-social nature, connected with the abolition of the element constituting the existence of a given community – the kolkhoz (Lukin).

Experiences from the times of collectivization largely influence the current situation and development prospects of individual localities. Good financial results of the collective, the existence of a reliable leader as well as successful investments from the days of communism are, according to Aine Macken Walsh, the main reasons for the successful activation of a local Lithuanian community. Referring to further successes from Lithuania Poviliunas underlines the role of social partnership, based on innovation, decentralisation, a grassroots approach as well as the involvement of a wide group of people at each stage of activity.

One of these new groups playing a growing role in the life of rural communities in Russia are urban settlers – the owners of summer homes (*dachniki*) Nathalie Ortar's research presents the reader with changes and complex relations connecting the *dachniki* with local inhabitants.

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This book contains a wealth of empirical material both in quantity and quality, analysed from the mezo, macro and micro prospect of social structures. It is significant that the discussed issues cover a wide geographical perspective – the researchers' scope of interest covers countries in Central Europe (The Czech Republic, Slovakia, Hungary, Poland, Slovenia) the Baltic Republics, Eastern Germany, Bulgaria as well as Russia (six of the thirteen articles are devoted to Russia) – therefore reading this book requires a good knowledge of the social history of the individual countries as frequent reference is made to their unique experiences. An impressive number of issues is raised – from a detailed analysis of the agrarian land ownership structure to a description of giving meaning to individual special elements. However, this seems like a lack of cohesion, the territory cannot be an entirely effective bond of such a wide spectrum of

