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SOCIOLOGICAL ASPECTS OF PEASANT COOPERATION IN POST-SOCIALIST ROMANIA

The crucial characteristic of modern societies is the fact that they possess a stronger ability of adaptation than all the other societies (Parsons, 1992: 9). The power, which modern societies are able to express both inside themselves (through control and development of the resources available) and towards their surroundings (i.e., other existing societies), is mainly (but not only) rooted in the extremely high degree of their social integration, based on highly developed division of labor (organic solidarity – Durkheim) and the specific normative system. This integration is achieved by certain institutions and in all three spheres of social activity: economic, political and cultural. In economy, the main integrative mechanism is the market. Actually, the market performs two functions: the first function, and this function is emphasized by economists, is that of the creation of an efficient economic system (which enables modern societies to use and develop their resources and to use them both internally and externally); and the second function, a function emphasized by sociologists, is that of integration of a society; no other economic system has proved to be better in performing these two functions. There cannot be two or more markets in a global society, at least not in a modern society (of course, this does not exclude internal divisions of a single market – commodities, capital, labor force, etc.). Turning to politics, we find that the principle of citizenship that is the most significant institution. A modern society is a society of citizens, that is, of the people who are equal in their rights, one of which being participation in the political constitution of the society they are members of. In the cultural sphere, a very general and stable value consensus is crucial. This means, above all, that there are not many values that almost all members of a society hold to, and that these values are, let us say, wide enough to allow the citizens to move freely inside them. The societies T. Parsons calls “modern” are of western origin, also often called “industrial”, “developed”, etc.

The intention of the Romanian society (which will be dealt with here in **comparative perspective**, together with the neighboring Bulgaria and Serbia) to enlarge its evolutionary capacity through the process of modernization can be considered quite natural. In fact, most societies in Southeastern Europe (the former socialist countries) are facing the task of modernization for the third time in the last two hundred years. They were first confronted with it after liberation from Turkish rule in the nineteenth century. To be more accurate, some of these societies or some parts of their societies (Transylvania, Vojvodina, Slovenia and Croatia) were dominated by a European society that was itself trying to modernize – the Habsburg Empire. However, their modernization went slower than the modernization in other (central) parts of the Empire. By the beginning of the Second World War, at least some aspects of modernization in Romania had been effected, though it could not be said that the transformation was satisfactory – that is, of course, from the point of view of evolutionary capacity.

The second attempt at modernization was made by the new political (communist) elites after the Second World War. To a certain extent, they legitimized their rule by claiming they were going to overcome underdevelopment. Unfortunately, however, the communist elites wanted to conduct “an experiment” and to modernize their countries without establishing modern institutions. In the end, the breakdown of socialist systems did not place the necessity of modernization in the archives of history: on the contrary, the same question, though this time in the guise of “transition”, was raised once again.

The use here of quotation marks with the word “transition” denotes that fact that the outcome of transition is uncertain, despite best wishes and intentions. *Post-socialist transformation* (Stark, 1994: 4) is a better expression. If post-socialist countries are in a process of transition, we have the right to ask: what is on the other side of this transit? Those who say that ex-socialist countries have been moving inevitably towards a market economy and democratic political system are either naïve or ideologists. They are similar to the former communist “theorists” who claimed that “Socialism is a transitional stage on the way to Communism”. The only thing we can be sure about is that profound changes have been taking place in post-socialist countries. What the final result will be, we cannot say. There is no automatism in social life, and that is why tomorrow never comes. The social world is not what it seems to be. Under the visible surface it hides an invisible structure of interests and forces. In

this light, the task of sociology is not to glorify, but to reveal (Berger and Kelner, 1991: 32-33).

Modern society and agriculture

To be a modern society does not only mean that the country in question should accept and introduce the main political and economical institutions of modern societies, such as a multi-party political system, minority rights, the decisive role of the market in the economy, etc. It must also create and possess a *specific social structure* (in its vertical dimension), with the absence of sharp lines between social strata, with vast middle strata and the presence of intense social mobility also being an important feature of modern societies. Thus, the development of the certain traits of the social structure is an integral part of modernization. In agriculture this implies having farmers (as part of the middle strata) instead of peasants and a strong cooperative system instead of disorganized and fragmented peasantry.

The biggest authorities in rural sociology have established the distinction (of an ideal type) between *farmers* and *peasants*. T. Shanin wrote that *peasantry* consists of small agricultural producers, who use small and simple equipment and work of their families to produce means for their own consumption and for fulfilling obligations to those who hold political and economic power. Of this there are four distinctive characteristics: 1) family farm, as the basic unit of social and economic organization; 2) agriculture, as the main source of living; 3) rural way of life and a specific traditional culture of small rural communities; 4) underdog position, i.e., exploitation of peasantry by powerful outsiders (Shanin, 1973: 14-15, 240). On the other hand, *farmers* produce mainly for the market, using modern techniques and technology. They specialize in their production, and their culture does not differ much from the culture of other social groups, making them an integral part of a modern global society. Of course, there are some continuities between peasants and farmers, such as the predominant use of family labor and agriculture as the main source of living, but these do not erase the differences.

Despite the huge migration from rural to urban areas, the overwhelming influence of urban life in villages and the transfer of labor from agriculture to the secondary (industry) and tertiary (services) sectors of the economy, it still cannot be said that there are no rural–urban differences in the

modern societies and that agriculture is no longer important. The Common Agricultural Policy (CAP) of the European Union (EU), for instance, has played a crucial role in European integration from its very beginning. The CAP became the blueprint for European integration. At conferences held in 1956 and 1958 the then six Foreign Ministers suggested agriculture receive special treatment, for which they had several reasons: the particular social structure around the family farm, the volatility of production, low elasticity of demand and differences in yields, input prices and revenues between the different regions. Emphasis was put on the importance of the farming population for social stability; the family farm was recognized unanimously as the way to provide this stability. Although the stress in the values usually connected with agriculture started to shift at the beginning of the 1980s towards the importance of agriculture for protection of the environment and preservation of the countryside, the 1988 Euro barometer opinion poll showed that the majority of the population of the European Community was prepared to accept special treatment for agriculture (Moehler, 1996: 1-2).

Agriculture in modern societies allows, apart from satisfying domestic needs, for the export large quantities of food products. This appears to be a powerful lever in world domination. No doubt, one of the institutions that contributed to this situation is the *agricultural co-operative*.

What is a co-operative? Agricultural co-operatives in modern societies

Besides competition, conflict, adaptation, assimilation, etc., cooperation is one of the most important social processes. It can be defined as a mutual effort for achieving common goals. Some theoreticians (for example, Kropotkin) even considered mutual aid and cooperation to be the main principles behind the evolution of living creatures, as opposed to natural selection and adaptation (Darwin).

Forms of cooperation can be classified in various ways. One possible classification is that of non-contractual and contractual forms of cooperation. *Non-contractual* forms of cooperation are those where there is no special contract between the cooperating parties dealing with the nature of the cooperation, its time, etc. This form of cooperation was dominant in pre-modern societies. But, rest assured, it has not completely disappeared from modern societies. It has survived due to the continued

existence of primary social groups in which its roots are to be found: mostly in cooperation between neighbors and relatives. Examples of non-contractual cooperation can be easily be found in peasant societies – it is in fact one of their distinctive traits.

During the first decades of the 19th century, Robert Owen called for *contractual cooperation* as a basis for a new social order, radically different from that of the existing *laissez faire* system. The second half of the same century saw the birth of the first *co-operatives* as a reaction to the conditions created by the industrial revolution. They formed the organizations of modern societies and one forms of contractual cooperation. Being organizations of poor people, their aim was to protect the poor from the rich, to reduce exploitation and to solve both economic and social problems.

In 1844, 28 English craftsmen (most of them weavers) founded the Rochdale Society of Equitable Pioneers, Ltd. This is often cited as the first modern co-operative. Owing to dissatisfaction with the retail shopkeepers of their community, they formed a consumer co-operative, selling primarily consumer goods such as food and clothing. Following the example of the Rochdale Society, the co-operative movement spread throughout the world and soon became highly institutionalized. Primary co-operative societies developed mutual co-operation, firstly at a national level, and later internationally. Co-operative alliances of twelve countries (France, Italy, Belgium, Holland, Switzerland, Serbia, Denmark, the USA, Australia, India, Argentina and England) gathered in London in 1895 and founded the International Co-operative Alliance (ICA). The number of co-operative federations – members of the ICA – grew steadily ever since, and, in July 1998, ICA members numbered some 236 organizations from 93 countries; these organizations covered 749,100 primary co-operative societies and a total of 724,904,821 members (ICA Statistics – 1998). The ICA also provides definitions, values and co-operative principles. Their definition states that: “a co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise” (ICA, 1997). Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity, solidarity, honesty, openness, social responsibility and care for others. These values are put into practice through the following co-operative principles: 1) voluntary and open membership; 2) democratic member control; 3) member economic participation; 4) autonomy and

independence; 5) education, training and information; 6) co-operation among co-operatives; 7) concern for community (Ibid). The definition of a co-operative, the co-operative values and the co-operative principles help us to distinguish co-operatives from other organizations, in particular from business corporations.

The Co-operative movement found fertile soil among peasants. As small proprietors, and after the breakdown of the feudal system, peasants had to fight against cruel market rules and capitalist agriculture and industry. A look at today's statistical data on agricultural co-operatives in the fifteen states of the EU shows that European farmers have developed very strong co-operative systems: according to EU sources (COGECA, 2000), in 1999 there were 29,603 agricultural co-operatives in the EU, with 8,891,000 members. The leading countries are Germany (4,221 co-operatives and 2,957,000 members), France (3,750 co-operatives and 1,100,000 members), Spain (5,528 co-operatives and 1,247,000 members) and Italy (6,486 co-operatives and 899,000 members). The data that show the total turnover in 1998 was also impressive: 63 billion Euros in France, 38.28 billion Euros in Germany, and 22.74 billion Euros in the Netherlands. Agricultural co-operatives in the EU (as well as in the USA) deal mainly with *input supply* for farms, the *marketing* of their output, as well with *food processing*.

Agricultural co-operatives in Romania in the light of statistics

As already pointed out, one indicator of modernization in agriculture is surely the degree of transformation of peasants into farmers, including the development of co-operative movements. Farmers and their cooperatives are like "the chicken and the egg": there are no modern co-operatives without farmers, and it is only farmers who are able to form modern ones. Similarly, it is almost impossible to imagine the modernization of agriculture and transformation of large peasantry into farmers without the role of co-operatives. Agricultural co-operatives serve as weapons in the market. The market is a place of power struggles and not merely a mechanism for the "efficient" distribution of goods and services (Mooney, 1995: 155). Farmers and agricultural co-operatives go hand in hand, not one before the other or one after the other.

As the co-operative movement has been highly institutionalized, it seems quite logical to start from the data provided by official statistics of the ICA.

Table 1. – Statistical profile of co-ops in Romania.

SECTOR	Number of primary societies	%	Number of members	%	Number of employees	%
Agriculture	0	0.0	0	0.0	0	0.0
Handicraft	1,100	32.0	140,000	2.7	84,000	58.1
Banking	1	0.0	4,598	3.2
Consumption	1,577	45.9	3,500,000	68.1	49,000	33.9
Credit	758	22.1	1,500,000	29.2	7,000	1.8
Insurance	1	0.0
Total	3,437	100.0	5,140,000	100.0	1,445,598	100.0

Source: Statistics and Information on European Co-operatives, ICA, Geneva, 1998.

If we relied solely on the table above (and ignored the obvious mistakes and dubious data) and tried to draw some conclusions exclusively on the data contained therein, it could be stated that, for example, there are no agricultural co-operatives in Romania (*Table 1* lists “zero” as the number of agricultural co-operatives). That would mean that the process of modernization of Romanian agriculture has not even started yet and that the backwardness of the Romanian peasantry is among the most extreme in the world. However, we should not forget that the ICA sticks to formal, institutional criteria, which means that it recognizes the existence of co-operatives in cases when: 1) co-operatives have formed a union and 2) that union is a member of the ICA. Thus, if we want to acquire reliable knowledge on the subject, we have to go deeper. Numbers

don't speak for themselves and they are simply not sufficient in themselves, given that sociology is, above all, about understanding social facts and processes.

Historical destiny of Romanian peasantry

"As a nation, the Romanians have suffered more than their normal share of warring and duress," states D. Mitrany (Mitrany, 1968: 3). This is actually true of the peasantry. In their own sad way, Romanian peasants fit perfectly T. Shanin's definition of peasantry as a social class (stratum) in an underdog position. The main trait that differentiates the destiny of Romanian peasantry under Turkish rule from the destiny of its Bulgarian and Serbian counterparts was the survival and existence of "original", "domestic" feudalism. Romania preserved its own aristocracy, its own landlords, owing to vassal status of Wallachia and Moldavia in the Ottoman Empire.

However, this did not help the Romanian peasants all that much. Although this feudalism was of a "domestic" sort, this did not mean that foreign powers did not have any influence on its structure and development. Especially during the Phanariote regime and the period of Organic Statutes, the Ottoman and the Russian Empire exerted their influence in a very significant way. Furthermore, exploitation was not reduced and the amount of money (taxes and bribes) and the quantity of goods taken from the Principalities was no smaller than it would have been in the case of direct Ottoman rule – Wallachia and Moldavia paid a very high social and economic price for their political semi-independence and cultural autonomy (Sugar, 1993: 281-282).

The agrarian reform of 1864 changed the form of this exploitation, but not its essence. Peasants gained the freedom of movement and they no longer had to pay their dues in labor, kind or money. However, most of land remained in the hands of the landlords. The only thing peasantry had, and landlords needed, was labor. The system of agricultural contracts, which became legal in the form a law, created "the new serfdom" (Mitrany, 1968: 66) which prevailed until the First World War.

The peasant uprisings of 1888/1889 in 1907 took the dominant classes and the political elite by surprise and made it clear to some of them that radical land reform was inevitable, but it was only the role of the peasants in the First World War which proved decisive. Even before war had ended,

the political elite “had seen the writing on the wall” and by means of extensive agrarian reform they swept the landlords out power, confining them to history. The average size of a peasant holding was 3.8 hectares, whereby for economic independence at least five hectares were needed. And it was holdings of less than ten hectares that characterized Romanian agriculture (Treptow, 1995: 418). Together with the extending of political rights to the entire (male) population, this provided enormous room for the creation of new political elite based on the peasantry. The National Peasant Party and its leaders played a most important role in Romania between the two World Wars, a time in which peasant estates were becoming smaller and smaller, due to the inheritance system, and when the problem of peasant debt became one of the most difficult national problems.

In these unfavorable circumstances, the co-operative movement among Romanian peasants did not perform badly at all. The co-operative idea (of modern forms of co-operation, not any idea of co-operation) came to Romania with the Saxon colonists in Transylvania. First to appear, in the last decades of the nineteenth century, were popular banks (rural co-operative banks), as a response to the fact peasants were suffering from a lack of capital and were at the mercy of private moneylenders who were “pulling their skin off”. Legal basis for the movement was provided by the Law of 1903, and by forming “the Central Office”, the State made attempted to bring the co-operative movement under its control. A further law, “the Co-operative Code” (1928), served as an additional proof of the State’s intentions.

After the First World War and the agrarian reform, the movement not surprisingly increased. Besides co-operatives in the financial domain, co-operatives of consumption and for joint cultivation of land also grew in number. In 1936 there were 4,084 agricultural credit co-operatives with 799,543 members. The number of agricultural co-operatives of consumption and production was considerably smaller, however, with 509 such cooperatives with 37,793 members in 1937 (Popovici, 1995: 50, 54).

Social differentiation only started in neighboring countries after the departure of the Turks. On Serbian territory during Turkish occupation there had been no difference between being a Serb (an Orthodox Christian) and being a peasant as stratification was based on religious affiliation. After the First Serbian Uprising of 1804, it became clear the land would be transferred into the hands of those who work it, and this indeed took

place soon afterwards. The breakup of the traditional *zadruga* and the influence of the money and credit economy left a lot of peasants with large debts. To prevent the creation of a landless rural proletariat, it was decreed in 1836 that a peasant's house, a certain amount of agricultural land and two oxen and a cow could not be sold or foreclosed for the payment of debts (Tomashevich, 1955: 38-43). The decree was renewed and modified in 1837, 1863 and 1873. Throughout the nineteenth century and the beginning of the twentieth, Serbia had remained a country of peasant smallholders, politically free but economically backward and indebted. Modernization was blocked from the inside.

After the First World War, an agrarian reform made and enforced in the new state framework eliminated the feudal estates in Bosnia and Herzegovina, Macedonia, Kosovo and Metohija and Montenegro, as well as the large landholdings of foreign citizens in Slavonia and Vojvodina. The agrarian structure of the country was desperately fragmented: in 1931, 67.9% of all landholdings were of up to five hectares in size. Peasant debt was a serious headache for all governments who tried, unsuccessfully, to deal with this issue during the 1930s.

Co-operatives spread quickly among the Serbs, first in Vojvodina at the beginning of the 1890s in the form of co-operatives for the joint cultivation of land (which actually consisted of joint leasing and tilling), and then in the Kingdom of Serbia in the mid 1890s as agricultural credit co-operatives, specialized agricultural co-operatives and consumer co-operatives. The establishment of the new state in 1918 brought with it new problems for the co-operative movement, especially in the form of the fragmented structure of various unions and laws that regulated the existence and work of co-operatives. Until the Law on Co-operatives was finally adopted in 1937, there were fourteen different co-operative laws in the country! Political parties and movements tried hard to gain control of the co-operative movement, as to a large extent it would mean control of the peasantry, the largest social stratum. The number of agricultural co-operatives in Serbia in 1940 was 1,894, which included some 15% of the population over 18 years old; 79.51% of these were credit and consumer co-operatives (Vujatovic-Zakic, 2000: 277).

After liberation, in Bulgaria (1878), Turkish holdings were divided among the Bulgarian peasants and the Bulgarian agriculture became "serbianized" (Palairat, 1997: 361). The bulk of these holdings were very small, allowing only primitive tilling for subsistence. As the inheritance system was the same as in Romania and Serbia, the fragmentation of

land continued. In 1926, holdings smaller than five hectares accounted for 57% of all holdings and by 1946 that had increased to 69%. While, several years before the Second World War, an average household had seventeen plots of 0.4 hectares each.

The co-operative movement easily found fertile soil in Bulgaria and co-operatives flourished in the decades preceding and following the First World War. They played an important role in the preservation of bearable economic conditions in villages. However, they also became the target of various political forces, mainly the Agrarians (the Bulgarian Agrarian National Union – BANU) and the Communists. Most co-operatives were credit co-operatives (supported by the state-run Bulgarian Agricultural Bank founded in 1903), but there were also insurance, production and marketing co-operatives. In 1939, there were 3,502 primary co-operative societies with 995,805 members, of which over 90% were peasants (Meurs, Kozhuharova and Stoyanova, 1999: 92-93). The State did not give up control of the movement, and co-operatives were used as agents with which monopolies of many agricultural products were acquired.

Thus, as the Second World War approached, although the starting position had been very different, the situation in the peasantry and co-operative movements in Romania appeared to be converging with that of Bulgaria and Serbia (Yugoslavia) in that there were a lot of small holdings, which were not suitable for serious modernization of production and this, together with the hidden effects of agricultural unemployment, limited peasant activity to that of producing for its own consumption. Moreover, peasant debt represented one of the worst economic and social problems of the time, most peasant co-operatives operated in the financial arena (credit), and political parties and movements, including the state itself, were trying to take control of the co-operative movement in rural areas in order to gain electoral support and economic benefits.

Socialism: collectivization of agriculture

Although the importance of the historical destiny of Romanian peasantry should not be neglected, we can rightfully say that the impact of the changes that had occurred during the socialist period, that is, during the greater part of the second half of the twentieth century, through to the present agrarian social structure, including agricultural co-operatives, have been much stronger and almost decisive.

The communist elites that took power in Southeastern Europe after the Second World War were confronted by very similar problems, particularly in the area of agriculture. Firstly, the situation was crying out for modernization. The backwardness of peasant agriculture was obvious: holdings were too small and fragmented, equipment and technology used for tilling primitive and obsolete, yields were low and production only for the consumption of the households dominated. Secondly, ideological pressure coming from within and abroad, that is, from the leadership of the Soviet Communist Party, was pushing them towards a collectivization of agriculture, as it had been carried out in the Soviet Union from 1929 to 1933. There was an economic rationale to collectivizing agriculture as modernization was primarily envisaged in the development of heavy-industry capacities. The accumulation necessary for this could be squeezed out of agriculture, though this would be extremely difficult to achieve without grouping tens of thousands of small peasant holdings into several hundreds or thousands of large units. "Economies of scale" were also expected to significantly improve agricultural production.

Of the greatest sociological interest was another aim of collectivization. This was legitimized by the ideological story of the "socializing of agriculture". Although most of the service and industrial sectors had been nationalized and all new capacities were built solely by the state, peasant agriculture remained the only sphere of activity not under the direct control of the communist elite. The elite were completely aware of the "unfavorable social structure", which meant the existence of large numbers of peasants who were private proprietors. Being private owners of the means of production, peasants represented a serious threat to the power of the communist elite, since they could manipulate a fundamentally important resource: food. Therefore, the class of peasants had to be eliminated and/or brought under the firm control of the system of economic planning. Any autonomous co-operative movement had to be made state-dependent and be fully controlled. At the same time, through their employment in the developing service and industrial sectors, the peasants would cease to be peasants, becoming industrial workers, clerks, etc. This was the purpose of collectivization. In carrying out this process, the communist elites counted on the not insignificant support they enjoyed in the village.

Nonetheless, at the beginning of their rule, the authority of new communist governments was still fragile, so it was decided to preserve

the political support of the largest stratum in society by drawing up and enforcing a *land reform*. It comes as no surprise that these land reforms further fragmented the landholdings and aggravated existing problems of the time. These land reforms represented a necessary “one step back” before making the desired “two steps forward”, that is, before collectivizing agriculture by transforming it into the *kolkhoz* and *sovhoz* system. Thus, during the early post-war years and at the same time as introducing land reform, the communist elites were simply trying to promote soviet-model agricultural co-operatives without the measures of force and discrimination.

The Romanian post-war government of Petru Groza expropriated all land of over 50 hectares and distributed it among 918,000 peasants, with some of the land becoming state property. In 1948, around five million peasant households cultivated less than 5 hectares, representing 91% of the total number of farms (OECD, 2000: 76). The first wave of soviet-type collectivization started in 1949. Initially, the process was very slow, and by 1956 only about 10% of arable land was part of *kolkhoz*-like co-operatives. These changed their official names several times, but were eventually named CAPs (*Cooperativă agricolă de producție*). In the second half of the 1950s, the second wave began and by 1962, the General Secretary of the Party announced that collectivization had been completed since most agricultural land was in the “socialist” (public) realm. The bulk of the land was in CAPs, though the state farms called IAS (*Întreprindere agricolă de stat*) were also significant. Only about 12% remained in the hands of peasants, mainly in mountainous areas where it was difficult to enforce collectivization (OECD, 2000: 76). However, this was the largest in Eastern Europe after Yugoslavia and Poland. In this process, *chiaburi* (the Romanian equivalent of *kulaks*) were targeted in particular. It is worth mentioning here that a considerable number of Romanian peasantry resisted collectivization, sometimes extremely violently (Roske, 1996/1997; Cioroianu, 2000), though other forms of resistance also existed, ranging from seeking shelter in a house and a village (Hirschhausen, 1997) to the well-known strategy in the whole social economy everywhere in the world of “they can’t pay me as little as I can work”. Throughout the socialist period and as compared with other socialist countries, Romanian agriculture with its CAP and IAS was among the most centralized. Private (peasant) agriculture was systematically penalized and discouraged, while state-controlled agriculture was extensively industrialized. And, although the regime

attempted to reduce the difference between living conditions in villages and that of cities (a constant theme in Romanian history), the gap actually widened.

In Bulgaria, a typical “land to the tiller” law was introduced, which limited privately owned land to 30 hectares in Dobrudja and 20 hectares in other parts of the country. In 1945, a model of new, state-supported production co-operatives – TKZS (*Trudovo Kolektivno Zemedelsko Stopanstvo*) was created. However, during the early post-war years, co-operatives were not required to adhere strictly to the model. By 1948, however, private industry and banking had been nationalized, private trade had been restricted, former political allies of the BANU had been eliminated, and the Party was able to start a collectivization campaign, accompanied by anti-kulak propaganda and measures. Growing hostility of the peasants towards communist rule and a fall in agricultural output forced the government to halt the campaign (Meurs, Kozuharova and Stoyanova, 1999: 98-99). However the two further waves started in 1950 and 1954, respectively, allowed collectivization to be completed in 1958, leaving 93% of arable land in the hands of the TKZS. This was accomplished mostly by means of intense propaganda and measures of extreme discrimination towards private farmers, whose resistance was not strong enough to halt the process. State farms (*sovhoz*) were also developed in Bulgaria, but only occupied 3.5% of arable land. Throughout the whole socialist period, the state continued with agricultural reforms in order to increase production and strengthen its control of agricultural bodies. The main aim of which was the combing of TKZS to form larger units. This process peaked with the formation of 146 giant APKs (*Agrarno Promislen Komplex – Agro-Industrial Complex*) at the beginning of the 1970s. Problems caused by over-centralization eventually led to some decentralization in the 1980s, on the eve of the breakdown of the socialist system.

The Yugoslav communist government rewarded its peasant soldiers who had enabled the communist elite to win the civil war and who had fought fiercely against the foreign invaders. All arable land of over 45 hectares in hilly and mountainous regions and of over 25 to 35 hectares in the plains was expropriated and redistributed. As in Romania and Bulgaria, the first steps of collectivization came immediately after the war and were carried out cautiously. The Yugoslav version of the *kolkhoz* was the SRZ (*Seljačka radna zadruga*). The changed circumstances in its international relations (the conflict between the Yugoslav and the Soviet

political elite) served only to speed up the collectivization of agriculture. Collectivization was accompanied by higher delivery quotas, and this only served to make the peasant resistance stronger and more violent, particularly in Northern Serbia (Vojvodina). From 1948 to 1951, the number of SRZ rose from 1,318 to 6,797 (Vujatovic-Zakic, 2000: 291). Most of the SRZ were formed in Serbia. This was because the Serbian peasants, who represented the overwhelming majority in the formations of the National Liberation Army during the war, as well as in the units of the Royal Army in the Fatherland (RAF), were considered by communist leaders to be the most dangerous element. What followed made Yugoslavia, together with Poland, an exception in the socialist countries of Eastern Europe.

In 1953, the communists realized that the kolkhoz system was not working and that output was falling. Stalin died that same year and the Yugoslav communist elite introduced a “softer” version of the communist ideology and social system called “self-management”. Most Yugoslav kolkhozes were dismantled almost over night. The second agrarian reform came into play: those leaving the SRZ could take with them a maximum of 10 hectares of land (15 in mountainous areas). The rest of land would be given to state farms and remaining co-operatives and this agrarian maximum (10 or 15 hectares, respectively) became a constitutional category. Following these events, over 80% of all arable land was in private ownership.

However, the communists did not give up the so-called “socialization of agriculture”. By using various means and forms of organization, they tried to include peasantry in socialist systems. First, after 1957, they experimented with “general agricultural co-operatives” (OOZ – *Opšta zemljoradnička zadruga*). During the 1960s, however, they changed their minds and introduced “self-management” in the existing co-operatives, transforming them into enterprises in which the peasant members lost all their legal rights to the benefit of the employees (and, of course, management). Finally, in the first half of the 1970s, the remaining co-operatives were merged with large agro-industrial companies as their source of raw materials. At the same time, private (peasant) agriculture, together with peasantry as a social class, were systematically suppressed. The use of non-family labor force was forbidden and peasants could not buy tractors or combine harvesters until 1967. They were also forced, by means of economic monopoly, to sell their output to state-run agro-industrial companies and co-operatives, which were characterized by

low prices, delays in payments, incorrect measuring, etc. The formation of authentic peasant co-operatives was out of the question. Peasants were to benefit from health insurance only as late as 1965, and social insurance in 1979. Pensions for peasants were paid later than others were, and their amount was ridiculously low (this is still the same today).

In all three countries the party-state tried to industrialize agriculture, but results were lower than expected. Nonetheless, great structural changes had taken place. Due to de-agrarization, industrialization, rural-urban migration etc., new interests had been created. New social groups emerged, such as the peasant-workers. The traditional village and peasantry, step by step, ceased to exist.

Post-socialist transformation and agricultural co-operatives

According to David Kideckel (Kideckel, 1993: 65), the Romanian revolution of December 1989 was an urban phenomenon. Demonstrations took place primarily in cities, while rioting in rural areas was only sporadic. The end of the much hated dictatorship in Romania was followed by a euphoria in which everything that was a symbol of the Ceausescu era was destroyed. The CAP, the Romanian version of Soviet kolkhozes, was among the symbols of his time. In some areas of the country furious peasants spontaneously dismantled CAPs, distributing the land among themselves. Sometimes this included the physical liquidation of animal farms and even of buildings. All political forces tried desperately to distance themselves from everything related to the overthrown communist regime, and so they raised their voices against the CAP. Despite the fact that many members of the former nomenclature could be found among the leaders and followers of the National Salvation Front (NSF), the political party also declared itself to be against collectivistic agriculture as its legitimacy was quite questionable before the first democratic elections. In February 1990, a governmental decree stated that all CAP members were to receive a plot of land of maximum 0.5 hectares.

However, after consolidating its power in the spring of 1990, the NSF called for "neutrality" with regard to all forms of property (Kideckel, 1993: 67). It was a typical indication that they were not ready to deal in a radical way with the forms of property established in the socialist period. In other words, that property was the basis of their power as members of

the former nomenclature. They simply did not want to “cut the branch they were sitting on”.¹

Nevertheless, pressure to introduce land reform was too strong both inside and outside the NSF (nor should pressure from abroad be overlooked). This group of neoliberals was mainly made up of those who had been wealthy in terms of land or other forms of property prior to communism and other anti-communists and former political prisoners. At the same time, the post-communists wanted to acquire further political capital by distributing property rights widely with the aim of gaining electoral support, presenting themselves as defenders of the “ordinary people” against the *nouveaux riches* (Verdery, 2001: 379; Swinnen, 1999: 15). This political compromise (which was dominated by the interests of former communists) and the reality that many CAP had already been dissolved, led to land reform in 1991.

Law 18/1991 achieved two things: land was distributed (or, more precisely, started to be distributed) among the owners,² while, at the same time, collective structures were liquidated. According to this law, the owners (or their heirs) had the right to reclaim land of between 0.5 and 10 hectares per person. Maximum land ownership per family was set at 100 hectares. The owners were obliged to work the land or pay a penalty. If, after all claims had been met, there was land left over, it would be given to landless members of dissolved CAPs. A further condition was that for a period of ten years the land could not be sold (OECD, 2000: 79).

As a result, over 3,500 CAPs were dismantled and more than five million people were involved in the process of redistribution, whereby an area of almost ten million hectares was to be distributed (Gavrilescu and Bordanc, 1997: 3). Wherever possible, livestock was returned to former owners, and most of the machines were allotted to successors of the Machine Tractor Stations (MTS).

The process was extremely slow. By 1995, only 44.2% of ownership deeds had been issued, reaching about 76% in 1998. Some factors that contributed to this were of an objective nature: after collectivization was completed, land use obscured previous ownership; boundary stones and markers did not exist anymore; a lot of people who moved to the cities inherited land – often they lived hundreds of kilometers away, and often did not divide the land among themselves, etc. These factors were used by the local elite, who often had been part of the agrarian elite in

the socialist period and who possessed political capital which they could use to acquire land illegally. The deadline for submitting claims, set first at 30 days, then extended to 45 days, was too short for many, however it favored the local elite (educated people, officials, people with connections) who had access to all the necessary instruments. They also used their connections to delay the resolution of some cases in order to benefit from the uncertainty and buy land (unofficially) at low prices. Not surprisingly, exceeding the 90 day deadline for handling cases was not met with penalties, unlike the previously mentioned deadline for reclaiming land! (Verdery, 2001: 384) Clearly, in their selective enforcement of the law, the political elite favored a specific group of people – the local elite.

After a change in government in 1996, some changes concerning the land reforms were made. Law 169/1997 extended the limit of restitution to 50 hectares, while Law 54/1998 increased this 200 hectares. The same law allowed for the free leasing and buying/selling of land. Land ownership by foreigners as non-legal persons was forbidden. The amended Land Lease Law (65/1998) abolished the minimum in the land leasing contract, banned subleasing and leasing to foreigners and introduced the requirement that a lessee-to-be have formal training in agriculture (OECD, 2000: 79).

It is worth noting that not all rural households supported the dissolution of the CAPs (Kideckel, 1993: 68-71; 1993b: 218-222), and this was the main fact that led to formation of new quasi-co-operative associations. Among their supporters were those who had depended on agriculture for a long time and who had accumulated sufficient tools and other resources necessary for private farming. The second largest group consisted of those who were simply fed up with the communist bureaucracy and decided to combine subsistence agriculture with moderate non-agricultural wages. Sociologically, the most interesting group of supporters of private farming were the members of local elites who had few economic skills, but who relied on their political and social capital, or, in other words, relied on transforming their political and social capital into economic capital. On the other hand, many households favored maintaining collective farms. They mainly occupied middle salary positions in CAP production and administration. There were also households who were deeply concerned about the risks and additional labor associated with private farming. Many of them had nothing to do with agriculture, and for them, land could become an unnecessary burden. In the first couple of years after the

Revolution, these divergent interests led to internal conflicts in some villages.

A dual agricultural system emerged out of the land reform (Tesliuc, 1999: 6-7). On one side, we find the small-scale subsistence farm sector, accounting for about 60% of land and livestock. It was totally disconnected from the market: 50% of food consumed by the average Romanian family is produced by the family itself, whilst for farmer-headed households it is 80%. On the other side, there are market-oriented agricultural producers, such as state farms (whose privatization started much later and also happened slowly) and commercial agricultural companies.

Table 2. - Land fragmentation in Romania: 1948 versus 1998.

% of farms	1948	1998
Under 1 hectare	36%	45%
1-2 hectares	27%	24%
Over 2 hectares	37%	31%
Total	100	100

Source: Tesliuc (1999)

The fragmentation of land was even greater than before collectivization started in 1948-49 (*Table 2*). Over four million landowners with average holdings of slightly over 2 hectares divided among several plots took the place of CAPs. The newly-emerged class of small-scale farmers – *peasants* – lacked almost any form of capital – economic, social, cultural or political. They had to cope with four major problems in their economic activity (Tesliuc, 1999: 30-32):

1. Most of the land was restituted to elderly people – peasants who were forced to join CAPs in the period 1949-62 and become their employees. Pensioners' households account for 41% of the rural

population, own 65% of the private land and work 63% of it. Young and middle-aged rural households, who could become the core of the future farmer class, did not acquire enough land.

2. The majority of rural households had no machines, so they had either to use draft animals or to hire machine services from the MTS successors (AGROMESC, whose privatization started in 1997), associations or those rare private farmers who possessed tractors or combine harvesters.
3. Excessive land fragmentation, which raised the cost of working the land.
4. In most rural communities there were no shops/points where farm inputs could be bought, or output collected. Agricultural credit was not available on favorable terms, so peasants relied primarily on informal moneylenders. The land market was absent as well.

We can add here one more important constraint: since most of the new landowners in villages were employees of CAPs for many years, usually caring out specialized work, they did not have the sufficiency of cultural capital that private farming requires. Private farming is a very complex job. It is necessary to be a farm manager, an agricultural worker, a trader and often a mechanic, all at the same time. Furthermore, decades of socialism, in which individual initiatives were suppressed, killed the entrepreneurial spirit of the people who were used only to situations in which somebody else was making decisions. An additional factor was the uncertainty of ownership, since the process of receiving land titles was very slow. And, in many cases, the people got the land in "ideal" plots, which meant they did not really know where their land was.

Added to this, new landowners from cities were incapable of working the land properly. First of all, many of them simply lived too far from their holdings. Usually they did not have any of the resources required for private farming: neither equipment nor machines, no money to invest, no agricultural knowledge. In most cases they simply did not want to engage in agriculture, but neither did they want (nor were they allowed) to sell the land they had, as in the years of economic hardship it would represent an important source of additional income.

It was from these two social groups that the members of new quasi-co-operatives were recruited from. Their common problem could be expressed in a very simple way: "We can't work our land. What are we going to do with it?"

The Law on land reform (18/1991) was accompanied by another law (36/1991) which dealt agricultural associations. The Law allowed landowners to join formal or semi-formal associations. *Societăți agricole* (SA) (Agricultural Societies) are legal entities with a minimum of ten members. The members can contribute land, machinery, equipment and other assets, including money. They are supposed to participate in the distribution of profits. If they contribute labor, they get wages.³ The members remain the owners of the land and they can withdraw their land from the association at the end of an agricultural year. The highest decision-making body is the General Assembly, while the Administration Board and the President manage the association. Some agricultural societies inherited buildings and worn-out machinery from dismantled CAPs. *Asociații familiale* (AF) (Family Associations) are not legal entities, but they have to be registered. They do not have bank accounts, nor do they have to keep books. In most cases they are based solely on verbal agreements and a member can leave at any time. Their internal organization is not formalized.

Law 36/1991 does not speak about “co-operatives” because the word itself had become a symbol of communist oppression.

It is important to notice that both forms of organizations are mainly engaged in production (which is usually not the case in the West) and that they have not built any superstructure, although in Romania in 1999 there were 3,573 agricultural societies (average size of a farm was 399 ha) and 6,264 family associations (average farm size 139 ha), with 16% share of the total of agricultural land (OECD, 2000: 82). SAs exist mainly in the plains since the grain production often requires machines and large land areas if it is to be profitable.

Obviously, AFs are not agricultural co-operatives. Firstly, they are not a modern form of cooperation at all, since they are not based on a written contract, but exclusively on the verbal agreement of the members. Their informal internal structure is the same. Most often they are formed by a group of relatives and/or friends, of whom some possess machines, while others provide land and labor, etc. They do have leaders, but these leaders can claim neither legality nor legitimacy. Disagreements and quarrels are common among their members, and often lead to their dissolution. Here today, gone tomorrow. It would be best to put them among traditional forms of cooperation, together with the other forms of peasant cooperation that have existed for many centuries.

The co-operative character of SAs is disputable. Though one of the co-operative principles requires co-operation among the primary societies, the absence of a superstructure (a union) of SA cannot be accepted as the decisive criterion because it becomes formal if taken separately. Equally, the simple fact that SAs are mainly involved in production and not in input supply, output marketing or processing is not satisfactory. In my opinion, there are more important features of SAs that prevent us from classifying them as agricultural co-operatives.

The rule “one man, one vote” means nothing when such a difference in capital resources (economic, political, social and cultural) exists between the members and the leadership, as in an SA. The same goes for the democratic control of the management by the members of association.

As already pointed out, members of SAs come from two groups of new landowners. The first, the new peasantry, lacks the capital required for private farming. The other, the city landowners, consists mostly of absentees. Members of the management of the former CAP (presidents, vice-presidents, and agronomists), mayors, professionals or other members of local elite, or “the respectable people”, as H. Mendras calls them (Mendras, 1986), usually make up the management. By exploiting the inabilities of the new landowners, they became the leaders of new associations, sometimes starting with the resources of “no one” of a dismantled CAP. The fact that many people got their land only as an “ideal” share of a large plot that once belonged to a CAP helped them a lot, as this practically forced the landowner to join an agricultural society.

Thus, the gap between the management and members is very deep. Control of the management through the General Assembly proves almost impossible. The new peasantry lacks knowledge, information and everything else necessary to exercise control over management, and thus, was easily manipulated by the latter. The absentee landowners cannot either do anything because they are simply not present. Even if they are educated and sometimes influential people, they are powerless at the local level where their cultural and social capital is worthless. We do not want to idealize management–member relations in Western agricultural co-operatives: it would be totally wrong to think there were no differences in capital resources between their management and members. However, the gap is not so big, and Western farmers possess some capital (land, machines, knowledge, etc.) that Romanian peasants do not.

The situation described here, accompanied by the absence of the rule of law, open the way for abuse. Of course, this does not mean that abuse must happen, or that it always will. But when an opportunity exists, it is most likely taken; the internal structure itself allows it. In other words, everything depends on the personality of the manager: if he is not selfish, he can and will do something for his employees, members and the whole village as well; if not, he will only fill his own pockets.

SAs are actually a kind of land leasing. Members put their land into an SA and receive rent in money, in kind or both. As an economic category, rent is a value fixed in advance. However, this rent is not. Members usually do not know how much (and what, money or produce, and what kind of produce) they will receive. Sometimes there are no written contracts. And even if written contracts do exist, they often contain special clauses that allow managers not to fulfill them, or are simply unenforceable. Managers, and nobody else, decide rents, all in an arbitrary way. It means that members sometimes do not receive anything at all except the explanation that “it was a bad year” or “the expenses were too high”. Members do not know how much is harvested or even what crops are grown. They are only interested in getting “enough to make a living”, that is, they use the products they receive to feed themselves and/or their (few) animals (Vintilă, 2000: 6-7).

Another strategy is delay of payments, which has become a “classic case” for socialist and post-socialist societies. If someone is weaker than you, you do not have to pay him. Or, at least, you can postpone payment for as long as it suits you. In delaying payments, managers can manipulate goods and money to their own benefit. Furthermore, some city people simply do not come to collect their rent. Why bother yourself and travel several hundred kilometers for a few sacks of grain? Furthermore, there are those who did not reclaim their land in the first place, or simply do not care too much and make no contract or verbal agreement with the management. During the socialist period, some CAP presidents recorded having smaller areas of land than was actually the case so that they could reduce delivery quotas. These false reports became official, and only the management knew how much land a CAP really had. Once the land reform of 1991 was in place, land claims could not exceed the official land area. Land did not disappear, however – the SA, as the successor of the CAP, is working this land.

Some SAs inherited some (usually obsolete) machinery from the CAPs. They sometimes use them to render services to villagers that are not

members of an SA. Here is one more option for uncontrolled management abuse. Moreover, the selling of produce is also out of all control.

Although it sometimes seems that presidents of SAs behave like the private owners of the association and land they work for, this is not so. Private property means a lot of things, and one of them being responsibility. Property not cared for in a proper manner may be lost. However, this is not the case with SA presidents, who are typical post-socialist managers. They exploit assets that do not belong to them: machines and buildings of an SA, land or member. They pay taxes, though not from their own income, since they are neither controlled from above, as was the case with CAP managers, nor from below, by the members who do not care so much for the economic performance of their SA. They will get their share whatever happens; if there is a bad year or the prices of agricultural products are low, they make the rent smaller or will not give any at all. For this very same reason, they are not interested in making any significant investments, such as buying machines, etc. Their strategy is not long-term. If the performance of the SA becomes unbearably bad, they can simply leave with no serious consequences. Somebody else will take their place and, most likely, continue to behave in the same way they did.

As with all other post-socialist “entrepreneurs”, managers of SAs feel themselves “at home” in the situation of anomy (Durkheim) when “the rule of law” is simply an empty expression, used as a demagogic tool. Instead of the rule of law, “the law of the jungle” prevails, which means that the rights of the weak are not protected. There are no limits to the rule of the stronger and more powerful. The absence of the rule of law appears to be a precondition for a specific post-socialist “first accumulation of capital”.

When the land reform was thought up, the limit to land claims per person (10 hectares) and land possession per family (100 hectares) was introduced because the lawmakers wanted to avoid unequal distribution of land and the exploitation that might follow as a result. As can be seen, exploitation was not avoided. It simply took a different form. It was the creation of a significant number of middle-class farmers in Romanian villages that was prevented. Until 1996 and the change in government, the state (read the political elite then in power) had done nothing to encourage small private farmers. In fact, they were discriminated against (Gavrilescu and Bordanc, 1997: 7; Tesliuc, 1999: 14). Most agricultural subsidies and credits went to inefficient state farms and other state-owned

companies. The exploitation through SAs and the emergence of large commercial farms was not prevented either. Input supply and output marketing was a state-run monopoly.

Was this sort of agricultural policy, sometimes called “the heavy hand of the state”, simply a mistake (Tesliuc, 1999: 16) or a product of class relations in Romania? It is not difficult to imagine the following class arrangement: local elites in the rural areas (“the respectable”) and the political elite, both mainly from the former nomenclature; they make a deal to exploit the peasantry economically and politically. The political elite allows the local elite to do what they do through the SAs and halts (or slows down), not only through the SAs, the formation of a class of middle-size farmers who, together with the Western-type co-operatives they might form, would represent competition to local elites and large private agricultural companies (including land leasing companies) with close links to the political elite. For their part, “the respectable” manipulate the dependent peasantry and provide political support for the government. The political elite get its economic share through the state monopolies in input supply and output marketing, including exports. The peasantry remains the underdog, poor, exploited and manipulated.

With the change in the government of 1996, the emphasis shifted towards state subsidies to private farmers and privatization of state farms, to the successors of MTS and state companies who dealt with agriculture input supply and output marketing. However, this new agricultural policy was hesitant and sometimes inconsistent. (Tesliuc, 1999: 16-18).⁴ Nonetheless, it seems that the latest change in government (2000) also represents a change in agricultural policy. A governmental decree from 2001 states that only farms larger than 110 hectares will be considered as market producers and are to be given subsidies. This means that subsidies will go to SAs and large private commercial landholdings, while most private farmers will not get anything. It is no secret that market-oriented farms can be much smaller than 110 hectares. In many Western countries, for example, they normally are. In 1990 in the UK, where farms are the biggest, the average farm had 109 hectares. France had 43.8 hectares, Germany 29.3, Spain 20.1 and Italy 9.4 hectares (Popovici, 1995: 76). The emergence of a class of middle-size farms will again be prevented, or at least postponed for some time. SAs will continue to operate in the same way they have been doing so far, and formation of Western-type co-operatives will either be unsuccessful or sporadic (Leonte and Alexandri, 2001).

In Bulgaria, a country that fortunately did not need a Romanian-type revolution to start its post-socialist transformation, everything proceeded in the way that was “the same, only a bit different”. The main political struggle concerning issues of land reform and the destiny of the Bulgarian kolkhoz system of TKZS existed between the Bulgarian Socialist Party (BSP), actually the transformed Bulgarian Communist Party, and the Union of Democratic Forces (UDF) (Creed, 1998: 219). The BSP, whose leaders and officials were members of the former nomenclature, tried to preserve the existing village structures without making any substantial changes, since these structures, especially the TKZS, represented their strongholds in rural areas, providing the necessary political support for the socialists. The UDF favored complete liquidation of collectivistic structures in agriculture, hoping to undermine the influence of the BSP.

The Land Law was adopted in the Bulgarian parliament in March 1991, while the government was in the hands of the BSP. The post-war limitation of the size of private landholdings (20 hectares normally, but 30 in Dobrudja) was not changed and the creation of a land market was for all intents and purposes prevented. Immediately afterwards, the Law on Co-operatives was passed, which allowed old TKZS to re-register under new regulations, respecting voluntary membership and payments of rents and dividends to members.

The problems that occurred during the land restitution process were similar to those in Romania (“return to the future” – Giordano and Kostova, 2000: 11). By the end of 1996, only 58% of the claimed land had been returned. Real land restitution, with borders drawn, reached a level of only 19% of the recognized land by the end of 1997 (Kaneva and Mitzov, 1998: 6). Re-registration of the TKZS went smoothly as planned. Not only were their main traits and power relations maintained, they were also privileged in terms of distribution of resources and keeping the better land and resources. Moreover, during the period of uncertainty between 1989 and the land reform, many managers took advantage of their position and sold desirable TKZS property to their relatives, friends and business partners (Creed, 1998: 223).

The UDF won the elections in October 1991 and one of the first things the new government did was change the Land Law according to its preferences. Land market restrictions were reduced and the rights of landowners extended; limitations on landholdings were lifted. These amendments required the complete liquidation of the TKZS. Co-operative members (or their heirs) were to receive shares of the co-operative’s assets

on the basis of their contributions in land, labor, equipment and money. Special bodies, named Liquidation Committees (LC), were designed to replace the management of quasi-co-operatives. The task of the LC was schizophrenic: they were the managers of the TKZS and their liquidators at the same time (Ibid, 225). Small wonder then, that the scope for abuse was large. Members of LC were accused in many villages of buying the best assets (for instance machines) for themselves (from themselves!) and favoring their friends, relatives and business partners at auctions. Nor were accusations of corruption rare. They were doing exactly the same thing the members of the former nomenclature had done before them. People were different, but the social position they found themselves in was the same.

“The liquidators” were liquidating everything, not only abstract social and legal structures. Animal farms were dissolved, including stockbreeding funds. Apart from the TKZS, state farms, agro firms and scientific institutions were also liquidated. During 1993/1994 about 50% of the biological funds for stockbreeding were destroyed. Between 1991 and 1994, plant cultivation was reduced by 30% (sugar beet by 87%) (Stoyanova, 1999: 117).

In some villages, fierce struggles between the supporters of the UDF (who were members of LC) and the supporters of the BSP broke out. New co-operatives were formed, usually using the assets the former members of TKZS had acquired with their shares. The political conflict was transferred to the co-operative level: “*cherveni*” (red) and “*sini*” (blue) co-operatives appeared. It is worth noting that they were for all intents and purposes illegal, since they had no legal documentation pertaining to landownership.

In the land reform, more than five million hectares were distributed; the average holding in 1996 was 1.47 hectares (Valchev, 1999: 181). Thus, agrarian structures that appeared in Bulgaria after the land reform were very similar to those in Romania. Two social groups of landowners who were not able to work their land properly were evident: the first was that of the new peasants, many of them TKZS pensioners, deprived of all forms of capital – they had no machines, no money to invest, insufficient knowledge, their holdings were small and fragmented and many of them were just too old to be fully engaged in agriculture, so they practiced subsistence agriculture; the second was that of absentee owners who lived in cities, incapable to work the land they received.

As in Romania, working the land was the biggest problem. “Salvation” came in the form of the new quasi-co-operative, the ZPK (*Zemedelska*

proizvodstvena kooperacija – Agricultural Production Co-operative), that was the Bulgarian version of the SA. They were organized by the members of local agricultural elites, usually former presidents of TKZS or professionals who once worked in TKZS (agronomists, vets, etc.). In 1994, former members of liquidated TKZS started to pool their land and shares, bought some TKZS assets (buildings, machines, etc.) and formed a ZPK. Paradoxically, trying to eliminate the source of power of the former nomenclature, the new political elite with its agricultural policy actually created a situation in which the old cadres became irreplaceable. The members of the former nomenclature appeared again as the main actors, like Phoenix.

A ZPK operates like an SA in Romania. Members remain as owners of the land and they receive rent in money and/or kind. The main body of which is the General Assembly, which is supposed to elect and control the management. In 1997 there were 3,229 ZPKs, with an average of 764 hectares each, covering 42% of the total of arable land in Bulgaria (Ganev and Iliev, 1998: 143-145). This makes them more numerous, bigger in size and with a larger share of total arable land than the Romanian SAs. ZPKs (more precisely, around half of them) formed a union, the National Union of Agricultural Co-operatives in Bulgaria (*Natsionalen saiuz na zemedelskite kooperatsii v Bulgaria*). Through the Co-operative Union of Bulgaria it is a member of the ICA, showing that their co-operative character was internationally recognized. However, if we are to take co-operative principles seriously, ZPKs should belong to the same category as SAs. Again, the capital resources gap between management and members is too large. Democratic control is impossible and opportunities for abuse are many. Most ZPK economic performance has been very poor. About 40% of them do well, 20% are in bad economic position, 14% working for the sake of subsistence only, while 10% do not operate at all (Dobrev, 1998: 182). As much as one third of arable land in Bulgaria sits idle every year!

Since the social position of ZPK presidents is almost the same as that of SA presidents, they employ the same strategies as their Romanian counterparts – manipulation of rent, machines and funds. The ability of ZPK presidents to force new landowners to join ZPKs is even higher than in Romania as uncertainty is greater owing to slower process of restitution.

While Romania has AFs, Bulgaria has *sdruzhenii*. These are usually registered under Commercial Law as private enterprises. Although they have leaders, they are actually associations of peasants who work their

land together, often leasing other people's land as well. They seem to be firmer and more durable than the AFs in Romania. It is quite unclear whether they can (or will) be transformed into co-operatives.

The overall situation, as well as class relations and alliances are also similar: the absence of the rule of law that helps the powerful, the pact between local and political elites, the emergence of large private estates and land leasing companies (with holdings of around 500 hectares, covering 37% of total arable land – Mihailov, 2001: 6) with close connections to the political elite, as well as the absence of Western-type agricultural co-operatives. The final outcome is prevention or at least postponement of the emergence of a middle class of farmers.

The biggest difference between the Serbian peasantry and peasantry in other socialist countries of Eastern Europe (except Poland) on the eve of the breakdown of the socialist system was the fact that, from the 1960s onwards, a fairly large group of more than 100,000 peasant families (among them some peasant-worker families) experienced significant transformation (Mrksic, 1987: 154-155). Possessing machines and producing mainly for the market, these families usually had a younger labor force. Actually, it would be difficult to find an important trait that differentiates them from farmers in Western Europe. They acquired a significant amount of economic capital (with the short break, they owned the land, were able to buy machines, accumulate money and build large houses and economic buildings) and cultural capital (they did not stop working the land as peasants, unlike their counterparts in Romania and Bulgaria, so they also preserved their knowledge – acquiring new knowledge as well – and their initiative, having not been spoiled by the kolkhoz system).¹

Although it is true that the communist elite decided to accept nationalist ideology and make it serve its own purposes (i.e., preservation of their power), radical changes were introduced both in the political and economic spheres of activity following 1989. The agrarian maximum was abolished and the land market intensified. This led to sharper differentiation among peasants. In addition, some members of the political and agricultural elite started to buy arable land and had soon acquired very large holdings. The land taken from the peasants who left the SRZs in 1953 was returned to them by the law adopted in 1991. With this law, the ruling Socialist Party of Serbia (SPS) tried to buy the confidence and the votes of peasants once more: no wonder then that the process itself was terribly slow and followed by many cases of abuse. "Self-management" was finally consigned to history and the co-operative

movement started again. New laws on co-operatives were adopted in the Republican (1989) and the Federal Parliaments (1990 and 1996). Soon, two types of agricultural co-operatives had appeared.

The first is represented by the cooperatives inherited from the socialist system. These cooperatives, which had somehow survived all the hardships they were exposed to during the previous four decades (forced collectivization and its failure, the period of “general cooperatives” and the period of “self management”), took the opportunity that the law provided and detached themselves from the agro-industrial companies they had been merged with. They were engaged in various activities, such as primary production, food processing, production of fodder, input supply and output marketing. A large part of their assets, taken from them by the state after 1953 and transformed into so-called “social property”, has not yet been returned as cooperative property, though the Law (adopted five years ago) states that this should happen. This can only mean that the agro-industrial companies and other “social” enterprises, which hold the bulk of these assets, are simply stronger agents, favored by the state, and that absence of the rule of law has been one of the main traits of the post-socialist transformation. Their economic position is further aggravated by the unfavorable position of agriculture as an economic sector. The internal structure of these co-operatives still retains a lot of the hallmarks of the socialist system. The post-socialist transformation-type managers, who care mostly about their own gains and too much bothered if the enterprise performs unsatisfactorily, and the employees who stick to the motto we mentioned before: “they can’t pay me as little as I can work” play the main roles in these cooperatives. However, it should be noted that employee influence decreased at the beginning of the 1990s, when management extended its authority. The influence of the members is usually very small, if not non-existent.

The new legislation was for the most part in tune with European standards and it enabled the appearance of new, spontaneously formed agricultural cooperatives (engaged mainly – but not only – in input supply and output marketing). These new cooperatives can be classified into two subtypes. The first is that of peasants, for it is peasants who have formed some of them; they have been controlled by (usually well-to-do) peasants (farmers). By organizing a co-operative, they strengthen their position at market, both with input supply and with output marketing. It must be noted that this subtype is not dominant among agricultural co-operatives in Serbia. The second subtype is that in which we put those

agricultural cooperatives that have been established by entrepreneurs who were searching for a way trade in agriculture and the way to avoid, at the same time, the taxes imposed on corporations by the state. They simply find at least ten people (that is the minimum the law requires) who own land and form a co-operative. In these co-operatives, members do not have a say at all, nor do they demand one, since their membership is fairly formal. A co-operative is run like any other private company and there is no doubt that the Serbian peasants see this point when they call these cooperatives “private”. The main problem for the Serbian peasants (at least for the most of them) is not working the land, as in Romania and Bulgaria. Their problem lies in the area of trade and marketing. This situation leaves room for entrepreneurs, who often have cultural capital (education) or social capital (friends, relatives and acquaintances of influential politicians and managers). The money these entrepreneurs create does not always flow down legal channels. If it did, the amounts would be too small for them to be bothering with peasants. Once again, the absence of the rule of law in the process of post-socialist transformation creates the possibilities for exploitation of the weak. Nevertheless, it must be said that the border between the two subtypes mentioned is not always perfectly clear.

Although it has got its superstructure (regional federations of cooperatives, the Cooperative Alliance of Serbia and the Cooperative Alliance of Yugoslavia – the latter being a member of ICA), the cooperative movement in Serbia remains relatively weak, fragile and exposed to the will of much stronger actors on the agricultural scene. Large commercial companies, agro-industrial companies, large landholders – they all see agricultural co-operatives of any sort as potentially dangerous competitors who might organize peasantry and reduce the exploitation, despite the fact that some co-operatives do serve the goal of exploiting of peasantry. The influence of these “big players” in the government and their connections with the political elite was obvious before October 5, 2000. The support of the former regime for peasants’ co-operative movement was support in name only, aimed at collecting as many votes as possible in the countryside. It seems that change of government in October 2000 did bring about the radical turnover in agricultural policy. Like in many other areas, “big players” in agriculture have established links with the new political elite in order to preserve their dominant position.

Between modern and peripheral society

It could be concluded that the situation of agricultural co-operatives as one of the indicators of modernization of agriculture in Romania does not promise much. Western-type agricultural co-operatives hardly exist, quasi-co-operative structures (SAs) are engaged mainly in production, while the capital resources gap between management and members of SAs is too large, preventing democratic control and encouraging abuse. Alternative associations (AFs) have not yet developed a co-operative character. The process of transformation of peasants into farmers reflects the development of co-operative structures: due to specific class alliances, the emergences of a farming middle class has been prevented, or at best postponed.

In Bulgaria the situation is almost the same, while in Serbia it is not much better. Although the Western-type agricultural co-operatives do exist in the latter, they are far from dominant. At the same time, the stratum of farmers that was created during the socialist period has come under growing pressure from much stronger actors.

In short, having no farmers or agricultural co-operatives simply implies that there will be no modernization of agriculture, and, in the end, no modern society. If the countries of Southeastern Europe dealt with are not heading in the direction of modern societies, then where are they heading? The alternative is not very attractive and could be called *peripheral society*. It is likely that this could be the destination of post-socialist transformation processes in Southeastern European countries. Peripheral societies have not been shaped by the image of the *center* (in this case, the center is the modern society of the West), but by its needs. Their social structure is different since it does not include a large middle strata; it is the unstable and potentially very dangerous structure, with a handful of rich on one side, and masses of poor on the other. Power-hungry and corrupt political elites on one side, and a fragmented and mostly impoverished population on the other. These societies are in "permanent transition". In the agricultural sector, this means that a class of landlords will appear in whose hands most agricultural land will be concentrated. In confronting them, masses of almost landless peasantry will emerge, together with a stratum of agricultural workers. Poor, uneducated, easy to manipulate, they will represent a constant threat to the stability of society. This does not completely exclude the existence

of the stratum of farmers; it simply means that its role and position would be marginal.

Are these tendencies visible in Romania, Bulgaria and Serbia? In all three countries, the winners of the post-socialist transformation process in agriculture are the members of the former nomenclature who managed to transform their political and social capital into economic capital. Managers of state farms and agro-industrial companies, presidents of kolkhozes and other members of the socialist agricultural and political elite – once defenders of communism – metamorphosed into the richest agricultural capitalists. Not only did they establish commercial companies for input supply or for trade in agricultural products, they also set up large capitalist farms by buying as much land as possible and by leasing the land from those who were not able to work it. Today, some of them are fabulously rich. Neither private farmers nor co-operative or quasi-co-operative structures represent serious competition to them. Is it necessary to state that their links with political elites are very close to the benefit of both parties? By exerting their influence on agricultural policy, they can have a say in the prices of agricultural products, export conditions and quotas and many other things that make them even richer. They even receive subsidies directly from the state budget, and that money comes from taxes! Are these people our new landlords-to-be? Or, as C. Giordano and D. Kostova put it, “a new class of quasi-latifundist owners” (Giordano and Kostova, 2001: 17)? Similar tendencies can be observed in other former socialist countries in Central and Eastern Europe, such as the Ukraine (Krot, 2001), Poland (Wilkin, 1996) and even East Germany (Dequin and Krause, 1994)!

Although the people’s freedom of action is limited, it does exist, at least in some form. This is why the responsibility of the most powerful people and social groups is the largest. The political elites must face reality: they have to make a decision, have to take both the blame and the merit. The impulse to modernize has to come from inside. It is possible to influence and change the social structure. It is not that long ago, that it was done by the communist elites. Despite the fact that this part of the world has been witness to a quite unfortunate tradition of attempts to bring the co-operative movement under government control, the state must act in the way the government of the USA did in the early twentieth century when it began promoting and fostering agricultural co-operatives among American farmers. Without help, the peasants will not be able to do it themselves.

NOTES

- 1 The same “neutrality” towards all forms of property was declared in Serbia by the SPS (Socialist Party of Serbia) in 1989 for the very same reason. As in Romania, “neutrality” really meant that the state (“social” in Serbia) property would stay privileged.
- 2 Both in Romania and Bulgaria, the land included in quasi-co-operatives was been nationalized; nominally the owners had not changed.
- 3 Normally, an SA has only a few employees, the number increasing during seasons of intensive agricultural work. Many of them lack agricultural specialists and professionals.
- 4 It should also be said that the new ruling coalition was not immune to links with the agricultural elite (Wiener, 2001: 3).
- 5 Nonetheless, there were about 50,000 poor peasant families.

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