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Collectivization and the Construction of Socialist Agriculture (1944–1992): A Reassessment in Entangled Comparison of the Soviet and Eastern European Experience

INTRODUCTION

To reassess collectivization and socialist agricultural policy, it is necessary to have the whole period in view, and to distinguish the following phases with basically different political approaches: 1/ Collectivization under the lead of Stalin based on class war and the subjugation of the peasantry to enforce a capital transfer from agriculture to industry; 2/ Collectivization under Khrushchev sticking

on finishing collectivization as a target on its own, although this policy had been basically put in question: in 1953 in the Soviet Union and in 1957 in the GDR and in Hungary; 3/ The efforts to stabilize the economically still weak collective farms in the 1960s after finishing collectivization and replacing Khrushchev; 4/ The final turn to modernize agriculture by concepts of industrialized agriculture in the 1970s, expecting economies of scale in agriculture; and 5/ The failure of these concepts, leading into a cost trap enforcing the rehabilitation of small-scale private agriculture in the 1980s.

The Eastern European Communist Party leaders took Stalin's propaganda as truth. They saw Soviet collectivization as a success and a model for overcoming rural underdevelopment and poverty by creating large-scale socialist enterprises, which, in turn, provided the capital for financing rapid industrialization. However, the Soviet collective farms were extremely weak economically until Stalin's death. They were poorly supplied with machinery by the state-owned machine-tractor-stations (MTS) and produced yields no higher than those of peasants in the 1920s. Stalin did not provide a model for agricultural modernization. His collectivization only subjugated the peasants within the collective farms to enforce the transfer of capital from agriculture to industry. How miserable the situation was, it remained taboo until his death. Stalin's attempt to prove the superiority of socialism over capitalism by lifting the food rationing in 1946 caused a new famine in the Soviet Union, costing the lives of about one million Soviet citizens.[1]

The deficiencies of Stalin's collectivization and the construction of socialist agriculture become most evident in comparison with the experiences of the Eastern European countries. Stalin's combination of collectivization with class war was copied in Eastern Europe, resulting in the same fatal consequences. Even the domestic food supply was endangered everywhere. In the following, I describe what collectivization in Eastern Europe under Stalin meant and the changes that started directly after his death. In the 1960s, after the completion of collectivization and the replacement of Khrushchev, it was first necessary to stabilize the collective farms. Only then could the modernization of agriculture by implementing models of »industrialized agriculture« start. They stood diametrically opposed to Stalin's collectivization: the capital flow had to be redirected to invest huge state funds in agriculture, and Stalin's ban on the non-agricultural activities of the collective farms had to be lifted, as it blocked the necessary integration of agriculture with the upstream and downstream sectors of industry.

The first section starts with defining the term »modernization«. Section two examines how Stalin intervened in the collectivization process in Eastern Europe

1 Ganson, *The Soviet Famine*.

between 1944 and 1953, and explores the specifics of his approach. The third section explains why and how collectivization was questioned immediately after Stalin's death, first by Lavrentiy Beria and Georgy Malenkov's »New Course,« and then by the uprisings in Poland and Hungary. These events led to proposals aimed at proving the superiority of the collective farms. Section four presents Khrushchev's insistence on finalizing collectivization (1957–1962), causing additional problems. He was responsible for the exodus of the better-qualified people from Soviet agriculture at the end of the 1950s. Sections five to eight examine the enormous efforts required to stabilize the collective farms after collectivization and to initiate the modernization of agriculture, with a delay of two decades compared to Western Europe.[2] Section five describes the basic policy changes necessary to stabilize the collective farms: the enlargement of the farms, the improvement of payment and social security to make work in the collective farms at all tolerable, the providing of managers and skilled labor indispensable for modernization, the lifting of Stalin's ban on non-agricultural activities of the collective farms, and finally the huge state investments into agriculture and the delivery of a large amount of machinery and equipment. Section six presents the concepts for industrialized agriculture for selected countries (GDR, Hungary, and the Soviet Union). Section seven focuses on the reasons why these concepts often fall into a cost trap, ignoring the specifics of concentration in agriculture and resulting in unproductive investments. Section eight focuses on the paradox: that socialist agriculture, initially intended to eliminate private production, in the 1980s ultimately returned to promoting small-scale private farming, as it was more cost-effective than large-scale socialist production. Section nine looks at the fate of »socialist agriculture« after the end of the socialist regimes and resumes on the advantages and shortcomings.

My contribution primarily focuses on the economic aspects of collectivization and »socialist agriculture,« as well as the goal of agricultural modernization. It draws on the collectivization experience in Eastern Europe to gain a better understanding of alternative solutions in the Soviet case.

Literature on East European agriculture after the Second World War

A comparison requires a valid basis of information on the single East European countries. My archival research primarily included the Russian archives, and some material from the archives of the GDR and Hungary. In addition, I have consulted the basic literature on collectivization and socialist

2 Cf. Wädekin, *Sozialistische Agrarpolitik in Osteuropa II.*

agricultural policy in Eastern Europe. Working between 1988 and 1991 as the successor of Karl-Eugen Wädekin at Justus-Liebig University in Gießen, and teaching »International agricultural policy«, I was directly involved in observing the process of the agricultural transformation in Eastern Europe and the Soviet Union.[3]

K.-E. Wädekin provided basic research on the topic, with his two volumes on the Socialist agricultural policy: first, a comparative study covering collectivization in the Soviet Union and Eastern Europe up to 1960, and second, a comparative study of socialist agriculture in the Soviet Union and Eastern Europe up to 1976.[4] Both volumes also offer insights for comparing Socialist and Western agricultural policy. They still provide a helpful framework for comparison. My contribution updates this research by bringing in what we know today on Stalin's and Khrushchev's intentions and adding data on the development from the mid-1970s to the early 1990s, including the assessment of Socialist Agricultural policy from its end, looking at what happened to it in the transformation process to market economies in the 1990s.[5]

I want to mention three new studies that are essential for reassessing collectivization and socialist agricultural policy. Through his pioneering study on the specifics of collectivization in Hungary, Nigel Swain offered new sociological insights into the outcome.[6] Irodachi's and Bauerkämper's anthology provides several valuable country studies. Although most are limited to the period of collectivization until the beginning of the 1960s, some provide information on the stabilization of collective farms after collectivization and the outcome of socialist agricultural policy.[7] Zsuzsanna Varga recently published a study important for understanding the failure of socialist agricultural policy, covering the whole process in Hungary between 1948 and 1990.[8]

3 Merl, »Ja posledovatelno vnoshu svoy vklad.«

4 Wädekin, *Sozialistische Agrarpolitik in Osteuropa I*. Wädekin, *Sozialistische Agrarpolitik in Osteuropa II*.

5 In this article I use data on the 1970s and 1980s from my lecture series »Agrarsoziale Systeme der sozialistischen Länder Osteuropas« at the Rheinische Friedrich–Wilhelm–Universität Bonn in the winter term of 1990/1991.

6 Swain, *Collective Farms*. He also provided comparative studies on collectivization in Eastern Europe (Swain, Eastern European Collectivization) and on what happened after the end of the socialist regimes in four countries (Swain, Agricultural Restitution).

7 Irodachi and Bauerkämper (eds.), *The Collectivization*. The editors blame previous research of not having given the due attention to what collectivization meant for the peasants (4, 33). The contributions follow partly uniform questions (4–6).

8 Varga, *The Hungarian Agricultural Miracle?*.

1. COLLECTIVIZATION UNDER STALIN (1944–1953): A PROJECT TO MODERNIZE AGRICULTURE OR A FORM OF »SOCIAL ENGINEERING« TO SUBJUGATE THE PEASANTRY? ON MYTHS AND REALITIES

The results must be used to determine whether a »modernization« of agricultural production occurred. To speak of modernization, more is necessary than simply delivering mechanized equipment under state control or increasing farm size. It requires a visible increase in labor productivity, efficiency, and in plant and animal yields. Modernization strongly depended on utilizing scientific research to enhance farming techniques and on providing sufficient, high-quality equipment for complex mechanization.

Collectivization was not a project of »enforced modernization«, as Arnd Bauerkämper claims.[9] Stalin separated collectivization from modernization and made it a target in its own right, solely aiming to subjugate the peasants and transfer capital from agriculture to industrialization. Under Stalin, even permanent pressure and violence had to be exerted to prevent the collective farms in the Soviet Union and Eastern Europe from collapsing.[10] When Lynne Viola speaks of collectivization as a means of »state building,«[11] this stands also against our knowledge and the facts: To keep rule and to construct the faith of his infallibility, Stalin needed to blame the local officials.[12] For this purpose, a well-functioning local administration would have been counter-productive. In popular thinking, the myth of the »good czar« ruling over incompetent and corrupt local officials was still deeply rooted. To keep and strengthen his rule, Stalin needed to blame the local officials for »mistakes«. Only this allowed him to avoid attention to his often-strong changes of course. Under pressure from Stalin, local officials were effective in forcing the peasants and then the collective farms to follow state orders.[13] To judge the local administration, it is necessary to ask whether Stalin's orders could be executed at all. Stalin liked to give orders impossible to fulfill. This was, for example, the case with his request that the peasants should »voluntarily join« the collective farms. No farmer, disposing of some implements and land, would voluntarily agree to work without payment on a collective farm and

9 Bauerkämper, *Ländliche Gesellschaft*, 14–15. He uses this term as a normative concept to describe the transformation of society.

10 Cf. my first article in this publication. In the Soviet Union, the bumper harvest of 1937 and then the Second World War caused exits and the falling apart of collective farms. In Eastern Europe, several collective farms fell apart after state violence stopped in June 1953 and then after the 1956 uprisings.

11 Viola, Collectivization, 50.

12 Cf. my first article in this publication and Merl, *Politische Kommunikation.*

13 Merl, The pre-1941 local administration. Cf. also my first article in this publication.

to become a forced laborer of the regime. If the officials failed to »convince« the peasants of joining, it was not due to their »incompetence«.[14] Standing before the choice to report success in fulfilling Stalin's orders or to »convince the peasants to do voluntarily what they did not want,« reporting success was always the better choice to avoid being suppressed oneself. In any case, Stalin had to avoid so that the people would trust the local administration.

Mechanization under Stalin did not serve »modernization«

In the West, mechanization began for economic reasons, due to the increasing cost of labor. It became a permanent process, steadily improving equipment and machinery to increase efficiency. Under Stalin, mechanization occurred despite considerable rural underemployment. With the concept of »taking grain« under Stalin, animal traction power was replaced. Mechanization was extremely expensive and even increased underemployment.[15] Ultimately, mechanization primarily served to enhance state control over the collective farms and their members.[16]

After starting production of tractors and some agricultural machinery to world standards in the 1930s, no permanent improvements took place. At the beginning of the 1950s, all agricultural machinery in the Soviet Union was already outdated by Western standards. Even worse, the Soviet Union did not take part in the »green revolution«, which made use of the progress in agricultural science and allowed the explosion of plant and animal yields.[17] To significantly improve the provided machinery, it would have been necessary to establish new construction sites for plant and, especially, for animal machinery and equipment.[18]

As in the Soviet Union, collectivization started in most Eastern European Countries before there was an economic need for mechanization. A shortage of rural labor existed only in the GDR and the Czech part of Czechoslovakia as early as the 1950s. At the same time, in all other Eastern European countries, as in the Soviet Union before, there was a substantial and depressing rural labor surplus. Nowhere had small-scale peasant farming reached its limits in terms of improving and increasing agricultural production. This became evident by the success of increasing agricultural output in Yugoslavia and Poland after they stopped collectivization. In contrast, all countries that continued with collectivization encountered problems, including difficulties in securing the domestic food supply.[19]

14 Cf. Merl, Stalin: Vor Erfolgen.
15 Cf. my first article in this publication.
16 Mechanized equipment therefore was provided only via the state MTS. The collective farms had to pay for their obligatory service in kind by grain.
17 Merl, Why did the Attempt.
18 Merl, Why the Soviet Union, Vol. 5. Merl, Why the Soviet Union, Vol. 6.
19 Wädekin, *Sozialistische Agrarpolitik in Osteuropa I,* 71–72. Wädekin, *Sozialistische Agrarpolitik in Osteuropa II*, 12.

However, not only was there no need for mechanization, but collectivization in Eastern Europe also began, despite the lack of sufficient tractors and machinery. Mechanized equipment for large-scale farming was in extremely short supply in the Soviet Union. Only in 1950 did the MTS reach the amount of equipment they had held in 1940, while industrial production had already doubled.[20] Some mechanized agricultural machinery existed only in the GDR and in the Czech part of Czechoslovakia, owned mainly by bigger farms and cooperatives.

2. COLLECTIVIZATION IN EASTERN EUROPE, 1944–1953: HOW STALIN INTERFERED AND WHY HARDLY ANY ACCOUNT WAS TAKEN OF THE SIGNIFICANT NATIONAL PECULIARITIES IN THESE COUNTRIES

After Stalin's victory over Fascism, the East European Party leaders were eager to copy his seemingly successful model: collectivization to finance rapid industrialization and to transform a backward countryside. How miserable the economic situation on the Soviet collective farms was, was at this moment placed under a taboo.

Start and timing – differences?

Independent of a signal from Stalin, collectivization started directly after the end of the War in Bulgaria and Yugoslavia. Both countries liberated themselves from German occupation forces independently, without the involvement of the Soviet army. Many peasants in this area actively participated in the partisan movement.[21]

While the collectivization campaigns in Eastern Europe all followed a similar scheme under Stalin, the collectivization process in Bulgaria differed significantly. It not only started earlier (1944), but was already, by the end of 1947, directed to »wholesale collectivization« (as in the Soviet case at the end of 1929), forcing all peasants of a village to join. Since March 1948, only one statue, similar to the Soviet *artel*, was allowed.[22] At the end of 1950, a peak was reached with about

20 Wädekin, *Sozialistische Agrarpolitik in Osteuropa I,* 87.

21 Swain, Eastern European Collectivization, 509–10. Tito started collectivization in 1945 expecting that the peasants would support it.

22 Gruev, Collectivization, 329–38. Since the end of 1944, »labor–cooperative farms« (TKZS) were organized, in 1948 already 400 TKZS existed. In the fall of 1947 compulsory deliveries were introduced, forcing the peasants to deliver practically all grain to the state. After joining, they only had to pay a tax for their private land.

50 percent of the peasant farms registered as members. However, as in the Soviet case, this caused heavy peasant resistance and several uprisings, endangering the rule.[23] On Stalin's recommendation, the collectivization campaign was halted. The Bulgarian Party leaders strongly criticized the local officials for »abuses«, as Stalin had done in March 1930. After the intervention, many collective farms disintegrated, but ultimately, the unrest subsided. Collectivization was halted, and a new policy was implemented: proceed slowly and apply no pressure to organize new collective farms.[24] The collectivization campaign was not restarted during Stalin's lifetime. Only under pressure from Khrushchev, Bulgaria restarted collectivization in 1956 and finished it first in Eastern Europe in 1958, without an interruption after the uprisings in Poland and Hungary.[25] In Bulgaria, the first Machine-Tractor-Stations (MTS) were organized in 1945, and even the collective farms received some machinery. In 1948, the MTS and the machinery were transferred into state property. In 1948, the MTS held 3,600 tractors, and in 1953, 11,300 tractors and 1,370 combines.[26]

In the other Eastern European countries, at the order of Stalin, collectivization as the final goal should not be mentioned during the land reform. He claimed that it would be necessary to win first the trust of the poor peasants and land-workers, and even stopped Communist Party Leaders who wanted to start collectivization immediately.[27]

In 1948, Stalin suddenly changed his mind. At the Cominform meeting in June 1948, he confronted Josip Broz (Tito), who had already started collectivization. But Stalin did not confront him for doing this without his order; he blamed Tito for underestimating the resistance of *kulaks* and for neglecting class war in connection with collectivization. Most East European Party leaders were used to guessing what Stalin wanted, as he seldom gave clear orders. They understood that Stalin now required them to start collectivization.[28] Only the GDR's SED (Sozialistische Einheitspartei Deutschlands) leadership got a different order in 1948. In connection with the political openness of the German question, Stalin

23 Ibidem, 346–56. Collectivization took place in waves: the campaigns were stopped when the resistance became too strong. Especially female peasants participated in the unrest as they had less to fear.

24 Ibid., 352–56. Blaming March 12, 1951, the lower officials of violence and arbitrariness, the Bulgarian Party leaders took the role of arbitrators and fair judges, as if this was a conflict between peasants and the local officials. The sudden retreat from enforced collectivization was proclaimed via Radio. For the Soviet case, cf. my first article in this publication.

25 Swain, Eastern European Collectivization, 499–501. Gruev, Collectivization, 358–68.

26 Wädekin, *Sozialistische Agrarpolitik in Osteuropa I*, 187–97.

27 Cf. as well Swain, Eastern European Collectivization.

28 Most Party leaders held faith in Stalin's infallibility and feared his revenge if they made the wrong choice.

required in December 1948 from Walter Ulbricht a »strategy of revolutionary hold back, to restrain from revolution and not to start class war against kulaks« and collectivization.[29]

Most campaigns started in early 1949. In general, the pressure on the peasants at the beginning was not too intense.[30] But when collectivization did not go as quickly as Stalin had expected, he intervened and increased the pressure on the Eastern European Party leaders. In 1951, Stalin ordered the proclamation of »class war« against the *kulaks* to speed things up. Arrests and mass repression increased, reaching their peak during the winter of 1952/53, just before Stalin's death.[31]

Ignoring the significantly different conditions in the Eastern European countries

In most Eastern European countries, relatively small land holdings dominated. Still, due to the expropriation and expulsion of the Germans, some countries had ample free land: the Czech part of Czechoslovakia, Poland, and Hungary. Most countries were at the very start of industrialization, as was the Soviet Union at the end of the 1920s, while others, such as the GDR and the Czech part of Czechoslovakia, had already been industrialized. All still predominantly rural countries suffered from rural underemployment, while the GDR and the Czech part of Czechoslovakia already felt a shortage of the rural workforce. All this must have had a significant influence on how collectivization could be approached, but Stalin ignored the different conditions and required the same approach everywhere.

To organize state farms, Czechoslovakia utilized the land from which the Germans had been expelled. Due to the significant share of arable land held by state farms, the government saw no need for rapid collectivization: the private farms should be allowed to develop further.[32] For this, it seemed possible to leverage the rich experience with rural cooperatives in the Czech part of the country. Only after the Communist *coup d'état*, Party secretary Rudolf Slansky changed this approach at the end of June 1948 and put – as other Eastern European countries – collectivization on the agenda. The campaign started in May 1949. Already

29 Scherstjanoi, *SED-Agrarpolitik*, 103–09, 591.

30 Thus, Hungary prepared its campaign in the fall of 1948 and started collectivization in 1949. Poland undertook its first careful steps in September 1948 and started to exercise more pressure in 1949.

31 Swain, Eastern European Collectivization, 525. The terror stopped shortly after Stalin's death.

32 Rychlik, Collectivization, 181–89. About 2 million Sudeten Germans were expelled. As there was no special request for land by the Czech people, much of the land confiscated in 1948 was used to organize state farms.

in July 1948, the first »people's cooperatives« and Machinery Lending Stations (MAS) were organized. In 1951, the MAS were converted into state enterprises.[33]

In comparison to ignoring these differences between the Eastern European countries, most points mentioned in literature as »different approaches in Eastern Europe«[34] are less critical or even misunderstandings. Land property, indeed, was not touched in most Eastern European countries. Only Hungary introduced »cooperative land property« in 1967, and Albania in 1946 de facto nationalized land property above 5 ha. Land property, however, lost its importance everywhere with collectivization, as the proprietors could no longer dispose of the land. It is correct that there were no »mass deportations« in connection with the class war. Still, deportations were practiced in some countries, and Stalin died before collectivization in Eastern Europe came into its final phase. Class war, however, took place in all countries to speed up collectivization. The assertion that more types of statutes with different amounts of collective use existed in Eastern Europe is misleading. In the Soviet Union, up to the end of 1929, there were three types of statutes; before then, wholesale collectivization started with only the *artel* statute. In the final phase of collectivization, Bulgaria and Czechoslovakia also had only one type similar to the Soviet *artel*. Only the GDR tolerated statues of type 1 and 2 with lesser collective use during the final phase and even after the end of collectivization in the 1960s.[35]

Common elements were more important: What did it mean that Stalin insisted on including a private plot in all East European statutes of thoroughly socialized collective farms (type 3), even when, as in the case of the GDR, the Party leadership refused at first? In the Soviet Union, private plots had been a precondition for allowing the state to dispose of collective farm production without risking the starvation of their members.[36] Seemingly, Stalin expected that the income distributed by the remainder principle would not be sufficient to guarantee the normal survival of the East European collective farm members if they did not have access to a private plot to grow additional food for themselves. At least one »learn effect« should be mentioned following the disaster of collectivization in the Soviet Union: several countries partially postponed the collectivization of their animals. They focused on the campaigns on plant production. Heavy losses of animals occurred in the Soviet Union during collectivization between 1928 and 1932, and again after land was taken from private plots in 1939–1940.[37] Similar severe losses of animals did not happen in any Eastern European country.

33 Ibid., 181–89. Bauerkämper, *Ländliche Gesellschaft*, 205–21.

34 Swain, Eastern European Collectivization, 502–04.

35 Hungary and the GDR offered three types, Romania only two. Albania postponed the collectivization of the animals. Cf. as well Wädekin, *Sozialistische Agrarpolitik in Osteuropa I.*

36 Cf. my first article in this publication.

37 Ibid. Khrushchev caused new losses with his campaign against the private keeping of animals.

Specific elements of Stalin's approach: the combination of collectivization with class war

Several features of collectivization under Stalin were stopped immediately after his death, especially his combination of collectivization with »class war,« and his social discrimination against the collective farmers. Class war with the destruction of *kulaks* to push the other peasants into the collective farms had been the key element under Stalin. Only Yugoslavia and China ignored this and tried to restructure agriculture »with significant peasant support«.[38]

All Eastern European countries started the »class war,« economically at first, requiring higher obligatory deliveries and taxes from the *kulaks*. This happened in Bulgaria in 1947 and in other countries in 1948. The GDR introduced different norms for obligatory deliveries by the size of the farm in 1946 and sharpened the differentiation in 1948/49. Yugoslavia started the economic attack on *kulaks* in June 1948, and Czechoslovakia followed in 1950.[39] Most countries – apart from Yugoslavia – put the further existence of *kulak* farms in question by 1951; the GDR followed in 1952.[40] Although the Soviet term *kulak* was unfamiliar, until 1951, nearly all countries started to use this term regarding their domestic big peasants.[41]

To what extent was »class war« ordered from outside by Stalin is visible from the fact that several countries did, at the beginning, not prevent *kulaks* from entering collective farms if they gave their means of production to them.[42] Only in connection with Stalin's order to speed up collectivization, a general ban against the admission of *kulaks* into the collective farms was introduced. *Kulaks*, accepted before, were now expelled. Several countries introduced – as Hungary in 1951 – »*kulak* lists,« listing every farm classified as a *kulak*. These lists spread additional anxiety. After starting show trials against *kulaks* in June 1952 in Czechoslovakia, the number of collective farm members had doubled by the end of the year.[43]

The combination of »class war« with collectivization was Stalin's unique approach. It allowed officials to exercise pressure and frighten peasants at the same time, as there was no clear definition of the *kulak* and how he exploited others. This had been the case in the Soviet Union in the late 1920s and was now also the case in all Eastern European Countries.[44] Just this »lack of precision concerning

38 Swain, Eastern European Collectivization, 505.
39 Ibid., 518–19.
40 Ibid., 505, 516–20, 525.
41 Ibid., 516. In the beginning, local terms were often used.
42 Ibid., 517–20.
43 Wädekin, *Sozialistische Agrarpolitik in Osteuropa I,* 153.
44 Merl, *Der Agrarmarkt.* Cf. also my first article in this publication. For Eastern Europe cf. Swain, Eastern European Collectivization, 516.

who the class enemy was« was the core, making class war a perfect weapon for a seemingly »voluntary« collectivization. Due to the arbitrariness of the term, every peasant opposing collectivization could be labeled as a *kulak*. Not being willing to join a collective farm was used as a criterion. The fear of being declared a *kulak* was the most efficient way to push the peasants into the collective farms. They watched with their own eyes what happened to them: they were subject to arrests, show trials, expropriation, expulsion from home and farm, or even deportation[45]. Even without »mass deportation« in Eastern Europe, the punishment of *kulaks* was effective in horrifying the other farmers.[46]

Although Stalin required over and over again the »voluntariness« of joining a collective farm, he did not intervene against the widespread mass repressions and arrests in the winter of 1952/53. Also in Poland, at the beginning of 1953, 254,000 peasants were in prison or punished.[47] This brought the mood of the peasants into conflict with the Communist regimes.[48] Officials not willing to participate were suspected of being themselves »class enemies« or counterrevolutionaries. Thus, they had no alternative but to put pressure on the peasants. Stalin urged the local officials to find always more *kulaks*, if more were needed to exercise pressure on the other peasants.[49] After Stalin's death, class war and anti-*kulak* policies quickly disappeared from the agenda. In 1954, the GDR and Hungary announced that they would end the restriction against *kulaks*; in general, they finally disappeared towards the end of the 1950s.

How Stalin interfered in Eastern Europe: the case of the GDR

Historians often expected to find clear orders given by Stalin. Because such orders are missing, they argue that the action took place against Stalin's will. This overlooks how Stalin ruled and how he cultivated the myth of his infallibility: Often, he issued rather vague orders, forcing those who had to execute his will to determine for themselves what he truly wanted. This allowed him, in the event of failure, to blame them, despite their adherence to his orders, and to adjust his approach. Stalin also employed this tactic, working closely with Eastern European

45 Deportations were executed for example in Romania, but less often than in the Soviet Union. In Czechoslovakia, repression against *kulaks* included resettlement or being driven out of their homes and farms. In Hungary, some *kulaks* were deported into labor camps – Swain, Eastern European Collectivization, 520.

46 Ibid., 520.

47 Jarosz, The Collectivization, 124–25. For Hungary and the GDR see below, and Transcript of the Conversations between the Soviet Leadership and a Hungarian United Worker's Party Delegation in Moscow on 13 June 1953 – Ostermann, »This is not a Politburo, But a Madhouse«.

48 Swain, Eastern European Collectivization, 505, 516–20, 525.

49 Ibid., 519.

Party leaders to make them dependent on him. His orders were sometimes contradictory and not consistent over time.

In a few cases, we have today more exact knowledge about Stalin's interference. Thus, a detailed study of the Soviet interference is available for the Soviet Occupation Zone in Germany and later the GDR.[50] Stalin's orders sometimes confused the SED leadership. In December 1948, he had called for a strategy of »holding back« on the socialist revolution and improving the food supply for the people, competing with the western parts of Germany to demonstrate the superiority of the socialist side.[51] Yet, in April 1952, he seemed puzzled that there were still no collective farms in the GDR. Contrary to his warning from December 1948, he now blamed the SED leaders for not initiating a fight against the *kulaks* and for failing to organize collective farms.

The case of the GDR is of special interest. Due to the Soviet occupational regime, Soviet administrators and advisers were permanently present to provide advice and oversee the policies of the SED and the East German authorities. Besides Stalin's direct consultations with the SED leaders in Moscow in December 1948 and April 1952, indirect control and influence were exercised continuously. Usually, cooperation with Soviet officials within the framework of the Soviet Control Commission (SKK) and the Soviet Military Administration (SMAD) worked smoothly. In times of crises, as in 1952, however, the Soviets interfered strictly and took less account of the objections from the German experts. In December 1948, on Stalin's orders, they insisted on a law protecting land workers. Then, in the fall of 1952, they insisted on allowing private plots on fully collectivized farms (type 3).[52] The German side at first opposed allowing private plots. However, the SKK intervened and declared that the Soviet side would under no circumstances allow the nationalization of all cattle. They insisted on keeping a private plot on the collective farm.[53] It was allowed to keep 0.5 ha, two cows, and one horse or oxen.

50 Scherstjanoi, *SED-Agrarpolitik*. She wrongly expects »rational acting« and clear orders by Stalin. Some of her conclusions are, therefore, questionable. She states that there are only a few notes on the direct meetings with Stalin, and that the memorandums in the Soviet archives differed from those in the German archives (9–10).

51 Ibid., 107–09, 591–95. In 1948, the SED leaders were confused and asked after the meeting, what Stalin concretely meant by »too early«, and what would fit to the course he required. Wilhelm Pieck noted that the MAS should be nationalized, but according to the Soviet protocol, Stalin spoke against the nationalization. From such uncertainties arose a lot of problems in practice. Nobody dared to depart from Stalin's orders.

52 Ibid., 107–36, 605–06. In 1952, the SKK more often prepared decisions without including the German side, and the SED leaders were not able to clear things directly with the Moscow Party leadership.

53 Ibid., 404, 442.

On December 18, 1948, Stalin met the SED leaders in Moscow.[54] The meeting lasted 4 hours. Stalin still expected it to be possible to enter talks with the Western powers about the future of Germany. He raised strategic questions in connection with the big farmers. Ignoring the last statements of the SED leaders, he commented on older papers, in which they had expressed plans to expropriate the big farmers. Stalin disagreed strongly and ordered an end to expropriations: Control over private enterprises must be won through different means. Germany should not go directly to socialism, but zigzag. Blaming Ulbricht, he required control of the private farms through economic, rather than administrative, measures.[55]

Stalin's next meeting with the SED leaders took place on April 1, 1952. Since mid-1951, the class war had also gained importance in the GDR. The big farmers were now blamed for all deficiencies in the food supply to the people. Scherstjanoi speaks of a »hysteria of sabotage,« ignoring Stalin's warning from 1948.[56]

To the surprise of the SED leaders, Stalin raised in the meeting the question whether collective farms existed in the GDR. Following his advice in 1948, the SED had waited with socialist construction and blocked the organization of collective farms.[57] When the SED leaders denied the existence and Ulbricht explained that they had not organized collective farms in order not to put the unity of Germany in danger, Stalin reacted in upset. He blamed the SED leaders for failing to establish producer cooperatives among farmers, and suggested studying the positive experience of Hungary in this regard.[58] This revealed primarily to what extent Stalin was ignorant about the situation in Germany's agriculture, and how strongly he trusted in doubtful success reports given to him by other Party leaders, such as Mátyás Rákosi. Only after this meeting with Stalin did the SED leaders start to prepare collectivization.

Not understanding that the strategy change was Stalin's aim with blaming the SED leaders, Scherstjanoi interprets the attack on the large private farmers in November 1952 as »a stubborn act of the SED leadership,« ignoring Stalin's warning of 1948. As Stalin did not intervene, there may be no doubt that he had wanted the SED to proclaim the »liquidations of the big farmers as a class«.[59] In 1951, Stalin had pushed ahead with similar attacks on the *kulaks* in all other Eastern European countries. The fact that he sent Aleksej Stupov, the official responsible

54 Ibid., 103–53. Wilhelm Pieck, Otto Grotewohl, Walter Ulbricht, Fred Oelßner on the German, Josip Stalin, Vyacheslav Molotov, and Vladimir Semenov (the chief of the SMAD) on the Soviet side took part in the meeting.

55 Ibid., 32, 104–05. Stalin gave no detailed instructions. He did not oppose against a law to confiscate not cultivated land and to force the peasants to cultivate their land.

56 Ibid., 594–98.

57 Ibid., 423–24.

58 Ibid., 355–56.

59 Ibid., 594–601.

for making recommendations to the Bulgarian leaders, to the GDR proves that he wanted the GDR to start collectivization and a class war.[60]

In April 1952, Stalin warned the SED leaders that the joining of collective farms had to be »strictly voluntary«. This is another example of his strategy to blame them afterwards. The collective farms had nothing to offer the GDR's peasants, who were able to cultivate their own fields. Their »voluntary« joining was not possible.[61] Following Stalin's recommendation, the SED leaders sent a delegation to Hungary.[62] Stalin's main concern in April, however, had not been collectivization but the urgent building up of an army in the GDR.

Before the SED leaders could announce the start of collectivization at the Second Party conference, they had to beg for Stalin's approval. They sent a letter to him on July 1, and Stalin's approval arrived on July 8.[63] The resolution suggested organizing collective farms primarily in regions from which big farmers had flown. It especially forbade competition between areas for the highest speed. At the Party conference, Ulbricht proclaimed that organizing the peasants in collective farms was part of the »planned construction of socialism«.[64] Strong pressure was now exerted on big farmers. The Soviet side contributed to exacerbating the problem by insisting on an increase in the obligatory delivery norms for them in 1952. Many of the big farmers lost the perspective to continue farming. Blamed for sabotage, they were expropriated under the accusation that they had not cultivated their fields properly. Many flew to the West. Since September 1952, the share of peasants among the refugees has increased significantly. Between January and June 1953, among the 11,000 fleeing farmers were 5,873 big farmers. The number of larger farms fell by about 40%.[65]

60 Ibid., 361, 368. Stupov took over the lead of the new SKK section for agriculture in May 1952. The disturbed SED leaders hold consultations with him to find out what Stalin had concretely meant by »encircling« the big farmers. They decided to send two delegations to the Soviet Union to study production and life on the Soviet collective farms.

61 Copying Stalin's strategy to afterwards blame the local officials for using violence, the Politburo stressed the »absolute voluntariness« of joining a collective farm.

62 Ibid., 360–67. Bauerkämper, *Ländliche Gesellschaft*, 160–65. Ulbricht went to Budapest with a delegation. They attended lectures at the Hungarian Party High School, met Mátyás Rákosi, Ernö Gerö, and András Hegedüs, and took excursions to collective and state farms. They did not recommend copying the Hungarian statues.

63 Bauerkämper, *Ländliche Gesellschaft*, 160–65.

64 Scherstjanoi, *SED-Agrarpolitik*, 380, cf. also 371–73, 379.

65 Ibid., 172–89, 485–501. Steiner, *Von Plan*, 67–68.

Who joined, and what convinced a peasant to join?

In all Eastern European Countries, primarily the rural poor, peasants without implements, new peasants struggling to cope with production, and agricultural workers joined. The collective farms disposed of land but lacked implements and machinery. As the Soviet Union sent very few machines, all countries expropriated machinery from big farmers or cannibalized, as in Hungary and Bulgaria, existing cooperatives.

Everywhere, the farmers were skeptical about joining. After the first farms were organized, the problem became even stronger. Now the miserable situation of the collective farms became evident to everyone: there was a lack of machinery and implements, competent leadership, and, above all, payment for work. In practice, in all countries, the economic results of the collective farms were inferior to those of the small peasant farms. Such collective farms had nothing to offer to the farmers. Even severe outside pressure from taxes and compulsory deliveries had only limited success.[66] Only the expropriation of *kulaks* and mass arrests in the last days of Stalin's life pushed many unwilling farmers into the collective farms.

In some countries, such as the GDR (as well as in Poland and Hungary), there were people familiar with the miserable situation in the Soviet collective farms. They had witnessed starvation and poverty in the Soviet countryside with their own eyes and assessed Soviet collectivization as a social disaster, combined with their personal experience of hunger. In addition, Russian forced laborers on German farms during the War had given very negative reports. This made the resistance even stronger.[67]

Hardly anybody from the local peasants who had lived in their villages for a long time joined. Often »new« peasants, receiving land only with the land reform after the Second World War, were more willing to participate as they lacked farm implements and sometimes experience, not coping with stabilizing their new farm. In the GDR, approximately 30% of the new peasants were unable to cope, and many of them subsequently returned their land. Only one-third of them stabilized their farm successfully. 20,000 of the farmers who joined had high debts and tried to get a new chance this way.[68] Whether the title to the land was »old« (inherited) or »new« had a strong influence on the willingness to join.[69] As in Poland, tensions developed between displaced farmers from the east who were

66 In the GDR, most farmers joined only under severe pressure. Between January and May 1953, the number of collective farms increased from 1,906 to 5,074 – Steiner, *Von Plan*, 73–74.
67 Bauerkämper, Collectivization, 411–25.
68 Steiner, *Von Plan*, 67–68. Cf. also Witkowski, Collectivization, 478–84.
69 Swain, Eastern European Collectivization, 509–13.

resettled and farmers who had been living in the villages beforehand.[70] In the GDR, tensions arose between the resettled »new peasants« (from territories lost in the east) and the »local peasants,« as the newcomers primarily consisted of the former.[71]

As hardly any farmer joined voluntarily, the local authorities exercised – against official orders – considerable pressure. State pressure was likely the most brutal in Romania, but also in Bulgaria, which included, besides arrests and show trials, deportations and death sentences.[72] Brutal repression caused severe and sometimes armed resistance. In Bulgaria and Romania, the resistance locally escalated to uprisings and revolts, affecting several villages. Often, female peasants who had less to fear played prominent roles in the protests.[73]

The supply of mechanized equipment was insufficient. The governments, therefore, supported collective farms with privileges and sometimes subsidies, and their norms of obligatory deliveries were lower than those for other peasants. In the spring of 1949 in the GDR, machinery lending stations (MAS) were established, but only every second MAS had a tractor. In 1949, the Soviet Union provided 1,000 tractors and 540 trucks to improve its equipment. In 1950, the MAS were nationalized. Their technical equipment was still terrible, and many tractors could not be used.[74] In the early 1950s, the MTS held 18,400 tractors, another 21,383 tractors were on private property, with 13,000 of them owned by big farmers. In January 1953, local officials gained the authority to compel their owners to lend them to others. In 1953, the MTS increased its machinery by 28%. Labor and investment were still in short supply.[75] In Hungary, it took a decade after the finishing of collectivization in 1961 for »most farms to have fully mechanized cereal production and invest in large animal barns«.[76]

Since most collective farms produced poor economic results, collectivization endangered the domestic food supply in all countries. Czechoslovakia and the

70 Jarosz, The Collectivization, 114–19. In Poland, about 1 million peasants received land by the land reform, 620,000 of them in the »rewon« territories.

71 Schöne, Ideology, 150–52.

72 For example: Bulgaria: death sentences and 4,208 families deported between 1948–1951, in 1951 show trials and many arrests (Gruev, Collectivization, 345, 354–55). Romania: 2000 families expropriated with holdings over 50 hectares. 1951 deportations from border regions to Yugoslavia, 44,000 persons resettled in special villages after violent riots (Irodachi and Dobrincu, The Collectivization, 255, 263–64. Cf. also Witkowski, Collectivization, 486–90. Swain, Eastern European Collectivization, 522–25); GDR: 1949 show trials against cooperative chairmen (Scherstjanoi, *SED-Agrarpolitik,* 292–316); Czechoslovakia: show trials (Wädekin, *Sozialistische Agrarpolitik in Osteuropa I*).

73 For example: Romania: several uprisings in 1949–1950 and 1958 (Swain, Eastern European Collectivization, 522–25); Bulgaria: July 1950, female uprising in 3 catholic villages (Gruev, Collectivization, 352–56); Poland: armed bands, resistance was based on Catholic Church, Women: praying in the fields, religious songs, leaving meetings (Jarosz, The Collectivization, 131–34).

74 Scherstjanoi, *SED-Agrarpolitik*, 110–45, 317–44, especially: 321, 330.

75 Ibid., 485, 605.

76 Swain, *Collective Farms,* 28.

GDR had to reintroduce or maintain food rationing. After the small-scale peasants had nearly restored the prewar level of food supply, the collectivization campaigns caused a new reduction in production.[77]

Peasant reaction: outmigration from the countryside

Members of collective farms in Eastern Europe reacted to the lack of payment for their work in the same way they had in the Soviet Union in the 1930s. They showed little interest in working on the farms. Instead, they tried to find paid work outside or focused on working on their private plots. Even in the countries with a labor surplus, such as Hungary, Bulgaria, and Romania, the peasants reacted in the same way. The collective farms had difficulties finding volunteers for work and complained about the lack of laborers, but they neither offered paid work nor were they able to provide full-time jobs year-round. As the farms were not allowed to engage in non-agricultural activities, they were unable to make productive use of their labor surplus. Work peaks were during sowing and harvesting.[78]

Throughout the entire collectivization period, low and insecure earnings pressured male workers to leave the countryside and seek employment in urban areas. Often, only women became members while men left the collective farms.[79] When tractor columns had taken over the work on the fields in 1928–1929, the Soviet peasant had reacted in the same way.[80] Outmigration in most Eastern European countries was easier and not limited to big farmers. Males left the countryside after the start of collectivization in the early 1950s. Then, even more so after 1957, collectivization contributed to accelerating the previously slow and reluctant outmigration of the workforce into cities.[81] The elderly and women dominated the workforce of the collective farms.

77 Schöne, Ideology, 151. Rychlik, Collectivization, 193–97. Ö. Kovács, The Forced Collectivization, 217–20. Bauerkämper, *Ländliche Gesellschaft*, 170. Witkowski, Collectivization, 483–84. Wädekin, *Sozialistische Agrarpolitik in Osteuropa I*, 155. Czechoslovakia returned to rationing in 1951, which was lifted before in 1948.

78 Swain, *Collective Farms*. For Poland – Jarosz, The Collectivization, 130. For Hungary – Ö. Kovács, The Forced Collectivization, 215–16.

79 Wädekin, *Sozialistische Agrarpolitik in Osteuropa I*, 139–48, 159. Swain, *Collective Farms*. For example, in Czechoslovakia, often only one family member joined. In 1961, at least one family member worked outside the collective farm in 52.7% of member households.

80 Cf. Merl, *Die Anfänge*. Cf. also my first article in this publication.

81 Wädekin, *Sozialistische Agrarpolitik in Osteuropa I,* 136. Gruev speaks of the »depopulation of the villages« after collectivization – Gruev, Collectivization, 359–60.

The problem of cultivating devastated land

In the GDR, several peasants did not cope with the high norms of compulsory deliveries and left their farms. The amount of land no longer cultivated increased, and nobody was willing to take over, as high norms of obligatory deliveries were laid on it. The increase of the delivery norms in 1952 aggravated the problem: Now many big farmers fled over the open border to West Berlin. In the Czech part of Czechoslovakia and partly in Hungary, the issue of unused land was caused by the expulsion of the Germans. Still, the effect was the same; the land felt idle, and nobody was willing to cultivate it.[82]

While Czechoslovakia used this land to organize state farms, the GDR organized temporary »public agricultural enterprises« (ÖBL) and employed agricultural workers to cultivate it. The devastated land contributed to sharpening the problems with the domestic food supply, as it had lower fertility, suffering from the previous lack of care.[83]

The SED leadership's attempt to convert the ÖBL into collective farms between 1952 and 1955 sparked heavy protests from agricultural workers, as this meant the loss of their secure monthly wages and social privileges as workers, including the 8-hour workday, paid vacation, and payment during illness.[84] Even with the guaranteed minimum level of 7 D-mark for the labor unit, this meant a substantial reduction from their previous monthly wages in the ÖBL. This highlights the unattractive nature of working on collective farms compared to working as agricultural laborers on state farms in Eastern Europe. The situation for GDR members of collective farms was even better than for those in other Eastern European countries, where there was no guaranteed minimum value for labor units.

Instead of modernizing agriculture: claiming a tribute for industrialization

Copying Stalin, all countries implemented collectivization as a strategy for rapid economic development by transferring capital from agriculture to industry. Even the GDR, under pressure from Stalin, prioritized industrialization at the expense of agricultural development. Investment in agriculture between

82 Cf. GDR: Bauerkämper, *Ländliche Gesellschaft;* Scherstjanoi, *SED-Agrarpolitik*, 594–97. Czech land: Rychlik, Collectivization, 193–95. Hungary: Varga, The Appropriation, 437.

83 Bauerkämper, *Ländliche Gesellschaft*, 170. Scherstjanoi, *SED-Agrarpolitik*, 172–89. Steiner, *Von Plan*, 67.

84 Bauerkämper, *Ländliche Gesellschaft*, 386–89. Many agricultural workers migrated to industry in protest. This caused a lack of workforce on the ÖBL. From 1954 to 1957, the annual turnover rate of agricultural workers was 15–20%.

1951 and 1955 was below the level of 1948–1950, while investment in industry climbed strongly, especially investment in the raw material industry. This had fatal consequences for agriculture. Instead of providing financial support for the collective farms, »an additional withdrawal of means of investment« took place.[85] For Stalin's collectivization without providing state funding, Swain introduced a fine term: »collectivization on the cheap«.[86] Although the amount of this capital transfer decreased after Stalin's death, it continued under Khrushchev and was not finally stopped until the 1960s, after his replacement.

3. PUTTING COLLECTIVIZATION IN QUESTION: JUNE 1953 TO 1958

Collectivization as a »success model« was first put in question in the Soviet Union. The new Soviet leaders were unwilling to pursue Stalin's collectivization policy further. Several Party leaders around Stalin were aware of the miserable economic results of the collective farms. They were convinced that only a fundamental change in agricultural policy could save the situation, but they could not act as long as Stalin was alive.

After Stalin's death, they competed with each other to become his successor. They did not trust each other. Everyone understood that whoever implemented a successful economic program would win. Therefore, the objective of the game was to obstruct the implementation of their rivals' programs. Given these conditions, it was impossible to have a serious discussion about the best agricultural policy to increase production.

The first attempt for a policy change was the »New Course« of the economic policy, designed mainly by Beria and Malenkov. In early June 1953, the new Soviet leaders ordered the Party leaders of the GDR and those of Hungary to Moscow. Collectivization in both countries had strongly deteriorated the domestic food supply, and they had requested grain help from Stalin. They were not prepared for what they experienced in Moscow: The new leaders put the correctness of Stalin's orders in question; in other words, they declared that Stalin was not infallible. And they harshly criticized the policy of Ulbricht and Rákosi, although both had only followed the orders from Stalin. The Hungarian delegates were afraid – as before with Stalin – to misunderstand or misinterpret important »recommendations«. They therefore decided to make a stenographic record of the speeches of

85 Scherstjanoi, *SED-Agrarpolitik*, 159–60, 348, 478–84. Moscow was not willing to make concessions in armament, reparation, and foreign trade.

86 Swain, *Collective Farms*, 28.

their Moscow colleagues. This provides us with a unique insight into the discussions at the meeting and the views of the new Soviet leaders.[87]

The critique addressed central aspects of Stalin's industrialization and collectivization policies, as well as the extent of state violence employed to implement them. Primarily, Malenkov and Beria criticized the focus on investment in raw material industries, Stalin's orientation toward autarky, and the enforcement of collectivization through mass repression and the arrests of farmers, with the consequence that agricultural production was reduced and the domestic food supply was endangered. The new leaders refused to provide any grain help. They made the GDR and the Hungarian leaders responsible for the situation. They ordered to stop collectivization with mass repression immediately, to release the ten thousand arrested farmers from the prisons, and to pursue the policy of securing the domestic food supply and increasing agricultural production.[88]

The new Soviet leaders were no longer willing to tolerate the economic mismanagement of the Eastern European countries caused by collectivization. Walter Ulbricht and Rákosi now stood in the center of the critique, and the new leaders required their replacement. They replaced Rákosi with Imre Nagy, who then implemented a significantly different agricultural policy in Hungary. The intended replacement of Ulbricht did not take place due to the uprising of the construction workers in Berlin on June 17, 1953.[89] They went on strike because they did not benefit from the relief ordered. The increase in their work quotas was not reversed, which resulted in a significant reduction in their pay.

The signal from Moscow was that collectivization should no longer be a target in itself, and that its economic effects had to be considered. Beria and Malenkov claimed that collectivization required economic justification. Further collectivization should depend on the economic results: The collective farms should prove their superiority over small-scale private farms. Contrary to Khrushchev, they focused on intensifying agricultural production in Soviet agriculture.

At the moment of Stalin's death, it would have been possible to stop further collectivization completely and to liquidate the Soviet collective farms, which were still showing miserable economic results. But there was no concrete discussion

87 Ostermann, »This is not a Politburo, But a Madhouse«. Cf. also Merl, Entstalinisierung, 205–07. From the transcript, it becomes evident that Stalin had previously given his orders personally to the East European Party leaders, without informing the other Moscow Party leaders.

88 Ostermann, »This is not a Politburo, But a Madhouse«. Merl, Entstalinisierung. Scherstjanoi also reports on the visit of the SED delegation in Moscow, June 2, 1953. The delegation was confronted with a resolution to improve the situation in the GDR requiring stopping the collectivization campaign, returning the expropriated land to the big farmers, and cutting their norms of compulsory deliveries by 15% – Scherstjanoi, SED-Agrarpolitik, 552–84.

89 Scherstjanoi, *SED-Agrarpolitik*, 552–84. After the return from Moscow, Rudolf Herrnstadt, the possible successor of Ulbricht, proposed to liquidate those collective farms that were enforced, organized, and lacked an economic perspective, and to stop their special subsidies and privileges.

towards that end. China later decided to liquidate the people's communes. The success of China's approach, which became the starting point of China's economic progress, suggests that the Soviet economy would have benefited from the liquidation of the collective farms. In 1953, life on Soviet collective farms was so miserable that liquidating them would free up significant activity from former members. Already, the liberalization of agricultural policy between 1953 and 1958 led to a substantial increase in private plot production, improving the food supply in the Soviet Union. This is overlooked in most literature, uncritically following Khrushchev's propaganda of the success of his Virgin Land program.[90]

After the interference of the new Moscow leaders, collectivization was stopped in the GDR and Hungary. In both countries, several collective farms were liquidated, and many members, who had been forced to join before, declared their exit. Until February 1954, 564 collective farms were liquidated in the GDR, and 33,000 members declared their exit. A considerable number of arrested peasants were released. In the GDR, expropriated land was returned to those former proprietors who returned from the West.[91]

Stalin's death led to a shift in collectivization policy in many other Eastern European countries as well. Everywhere, further collectivization was now pursued with less speed and repression. Without openly speaking about it, the Party leaders now separated class war from collectivization. Hungary and Czechoslovakia stopped following the actions against *kulaks*. This did not directly end their discrimination. In Hungary, for example, after Khrushchev ended the New Course in 1955 and replaced Nagy, measures against *kulaks* restarted. Only after the October uprisings in 1956, was their discrimination finally stopped. It took until 1959 for former *kulaks* in Hungary to be allowed to take over leading positions in the collective farms after two years of membership. The GDR allowed *kulaks*, with restrictions, to join collective farms in December 1954, but this had little practical significance until 1957. In July 1956, Bulgaria permitted *kulaks* to join collective farms, but did not grant them access to leading positions. In Poland, *kulaks* were allowed to join if they behaved loyally to the rule. Czechoslovakia even admitted them to the leadership of collective farms.[92]

Not all members of the new Soviet leadership group stood behind the New Course. Khrushchev took the Berlin uprising of the construction workers as a

90 Merl, Entstalinisierung. Wädekin, *Sozialistische Agrarpolitik in Osteuropa I*, 228.

91 Scherstjanoi, *SED-Agrarpolitik*, 570–84. Steiner, *Von Plan,* 79–81. Varga, *The Hungarian Agricultural Miracle?*.

92 Swain, Eastern European Collectivization, 506–07. Wädekin, *Sozialistische Agrarpolitik in Osteuropa I.* In Czechoslovakia, the New Course caused the collectivization process to stagnate. Between 1953 and 1956, about half of the members of collective farms left. Then, on June 29–30, 1955, the Party, under pressure from Khrushchev, decided to restart collectivization. – Wädekin, *Sozialistische Agrarpolitik in Osteuropa I,* 197–98.

sign of its failure and blamed Beria, its main initiator, for the uprising. On this basis, he started his intrigue to arrest Beria. He organized the July plenum of 1953 of the Central Committee as a trial against Beria. He succeeded in restoring supreme power to the Party, whereas Malenkov and Beria had attempted to transfer it to the state organs.[93] Malenkov was at this Plenum one of the few Party leaders honestly distancing themselves from Stalin, while Khrushchev even tried to blame Beria for being responsible for Stalin's crimes.[94]

In September 1953, Khrushchev took over the initiative in agricultural policy. He revealed in public that Stalin had not solved the »grain problem« but only ordered to falsify the grain statistics; a fictive »biological« harvest was introduced in 1933, about one third higher than the previously (and normally) reported »barn harvest«, pointing out the »grain problem« still existed: 30% of the reported grain did not exist.[95] This prepared his strategy to focus on his fight for power on »solving the grain problem« by starting the Virgin Land campaign. The promise to raise grain and agricultural production was Khrushchev's choice to become Stalin's successor.

After removing Beria, Khrushchev successfully obstructed Malenkov's program to improve consumption. None of the other leaders could imagine that he would be successful in implementing a new agricultural policy.[96] The pretended »success« of his Virgin Land Program strengthened Khrushchev's position in the competition already in 1954.[97] Malenkov failed to implement his program due to obstruction by the other leaders. In January 1955, Khrushchev was able to remove him. He now stopped the New Course and insisted on restarting the collectivization campaign in all Eastern European countries. In Hungary, he removed Nagy from office, who had successfully relaxed the situation in the countryside, and replaced him with Rákosi. This contributed to the forthcoming split of the Hungarian Communist Party and the uprising in October 1956.

93 Merl, Entstalinisierung. Merl, Beschluss. At the Plenum, the need to reform agricultural policy was the only topic on which all agreed.

94 Merl, Beschluss. Cf. on Khrushchev as well Merl, Entstalinisierung, and Kramer, The Changing Pattern.

95 Davies, Harrison, Khlevniuk, and Wheatcroft, *The industrialisation of Soviet Russia 7*, 321–22. Merl, Entstalinisierung.

96 Merl, Entstalinisierung.

97 Ibid. Merl, Reassessment. In the long run, this was a failure. An independent cost–benefit calculation reveals that the expenses were not justified. The massive supply of equipment would have shown much greater effects in the Central Black Earth Regions without claiming the enormous costs of rail transportation of grain from distant regions. At the turn of the 1960s, wind erosion did considerable harm, and since the mid-1960s, the Soviet Union even depended on grain imports from the West for the rest of its existence.

Khrushchev's insistence on finishing collectivization

Despite the disastrous results, Khrushchev persisted in implementing collectivization. He did not require that the collective farms prove their superiority first. In his understanding, already a simple enlargement of the farm's size or the change to state property would provide economies of scale and increase yields. In the Soviet Union, he initiated the reorganization of collective farms and advocated for their conversion into state farms. To praise the achievements of Soviet collectivization, hardly visible in practice, he even ordered the production of a special propaganda booklet for the 1958 World Exhibition in Brussels.

Czechoslovakia, Hungary, Bulgaria, and Albania took up collectivization at the turn of 1956. Even Poland restarted collectivization in February 1956.[98] Only Bulgaria and Albania did not stop collectivization after the uprisings in Poland and Hungary. With his resistance against Wladyslaw Gomulka to become the successor of Boleslaw Bierut in Poland – as the Polish communists wanted – Khrushchev also contributed to the uprising in Poland. Gomulka's view on collectivization differed from his.[99] The uprising in Poland and Hungary was related to a protest against collectivization. Some collective farms were spontaneously liquidated by their members. In Hungary, their number has reduced dramatically. In Poland, only 11% of the peasants had previously joined collective farms. In the fall of 1956, a significant number of the members declared their exit. In open contradiction to Khrushchev, Gomulka stopped the enforced collectivization and declared a national way to Socialism in late 1956. Like Tito before him, he did not put large-scale mechanized »socialist« agriculture as the final goal in question, but refused to force the farmers to join by executing terror against them.[100]

1957: Requiring an open competition between collective and private farms

Unlike Khrushchev, who insisted on continuing collectivization without first stabilizing it, Hungary and the GDR attempted to stabilize their collective farms after June 1953 by improving the members' material situation and providing them with more agricultural machinery. Czechoslovakia also changed its approach, providing investment and improving the situation of the members. I will first examine the proposed strategy changes that were not implemented due

98 For Hungary, cf. Varga, *The Hungarian Agricultural Miracle?*, 78–83.

99 Merl, Entstalinisierung. Swain, Eastern European Collectivization, 501–02, 525–26. Following the uprisings of 1956, pressure to collectivize was reduced in Czechoslovakia and Romania as well. Yugoslavia had already stopped collectivization in 1953.

100 Swain, Eastern European Collectivization, 525–26. Varga, *The Hungarian Agricultural Miracle?*, 83–97. Merl, Entstalinisierung.

to Khrushchev's insistence on completing collectivization, and then consider the measures taken to stabilize the situation, despite Khrushchev's pressure, especially in Hungary, but also in the GDR and Czechoslovakia.

The uprisings in Poland and Hungary have forced a review of further collectivization. The collective farms in all countries were still working poorly. Despite subsidies and privileges from the state, they were unable to surpass small peasant agriculture. The need to take the economic results of the collective farms into account was newly expressed. In 1957, rethinking began, especially in Hungary and the GDR, with the aim of eliminating special subsidies and privileges for collective farms. They were to prove their superiority over small private farms through open competition before collectivization could proceed. The critics of collectivization came from agricultural specialists this time, practically all members of the ruling Parties. They were concerned about the dismal economic results of the collective farms (which they had previously supported) and requested a moratorium. When the collective farms had proved their superiority, this would impress and convince the private farmers, and collectivization could be finished.

In the GDR, such a program of open competition was developed by Kurt Vieweg (1911–1976), the head of the GDR Institute of Agrarian Economics, in 1956. He called for the stopping of subsidies for the collective farms. The focus of agricultural policy in the future should be on increasing production at »optimal costs«. The state should halt pushing agricultural reconstruction forward at any cost. Vieweg required to provide equal chances to family farms. They should be allowed to buy means of production and to organize traditional peasant cooperatives to improve their farming. State subsidies should be used only to increase production and productivity; prices in agriculture should be economically regulated. *Politburo* member Fred Oelßner held a similar position and demanded to liquidate collective farms and MTS, working with losses. Both were repressed on behalf of Ulbricht. Vieweg lost his position as head of the research institute as early as March 1957 and was sentenced to 12 years of imprisonment in May 1958; Oelßner was excluded from the *Politburo* in February 1958.[101]

Similar ideas were developed by the »agrarian lobby« in Hungary. Among them were Lajos Fehér and Ferenc Erdei, taking up approaches from Nagy in 1953 and 1954.[102] In Czechoslovakia, Antonin Zápotocký followed a similar position.[103] All claimed that definite changes to Stalin's model were necessary and

101 Bauerkämper, *Ländliche Gesellschaft*, 176–81. Cf. on Vieweg's concept: Scholz, *Bauernopfer*.

102 Varga, *The Hungarian Agricultural Miracle?*, 107–45.

103 Wädekin, *Sozialistische Agrarpolitik in Osteuropa I,* 197–98. Zápotocký stood against Antonín Novotný. After Stalin's death, he demanded to organize collective farms only where they provided economic efficiency. The members should be allowed to leave these farms. In March 1954, he repeated his proposals, but Novotný blocked a policy change in June 1954.

stressed that the precondition for a successful restart of mass collectivization would be to first stabilize the existing collective farms by transforming them into models of mechanized agriculture. This would then convince the farmers to join. They recommended ways to stabilize the collective farms and proposed changing the attitude toward *kulaks* and other peasants who were not willing to become members of the collective farms.[104] In 1957, Fehér and others described the concept in their »agricultural theses«.[105] The collective farms should increase their economic results without special subsidies and privileges from the state. The material situation of the members should improve by allowing them to keep collective animals on their plots, while the collective farm should be obliged to provide the fodder.[106]

In the Soviet Union, where collectivization was implemented, the primary goal was to enhance the economic performance of the cooperatives. The Soviet »agrarian lobby« (including Vladimir Venzher and Ivan Khudenko) demanded the dissolution of the MTS and the transfer of mechanized equipment to collective farms, thereby making the latter the »masters of their fields«.[107] In the mid-1960s, Khudenko required to release state and collective farms from state command and to allow their heads (directors) to organize the production on their own.[108]

Attempts to stabilize the collective farms in Hungary after June 1953

Returning from the meeting in Moscow, Nagy revised Hungary's agricultural policy, and a temporary relaxation took place. He tried to strengthen the collective farms that remained after the wave of exits. Many of them did not dispose of the necessary means of production. In 1954, for the first time, a significant portion of Hungary's investments (23%) was allocated to agriculture. The collective farms got more tractors in this one year than during the whole period

104 Swain, *Collective Farms,* 3. Varga, *The Hungarian Agricultural Miracle?.*

105 Varga, *The Hungarian Agricultural Miracle?*, 107–14. In conflict with the Ministry of Agriculture, the agricultural experts developed the final version of their theses in July 1957. They required an end to the disadvantageous treatment of agriculture in relation to industry, to improve the living standards of the members, and to partially rehabilitate the market. The establishment of large–scale farms should primarily become a means to develop the agricultural production forces. They complained about the slow progress in modernizing agricultural production and the outdated nature of agricultural machinery. Cf. also Varga, *The Hungarian Agricultural Miracle?*, 118–29, on the top-level debates on the eve of the restart of collectivization.

106 For more details, see Swain, *Collective Farms*, 33.

107 Merl, Why the Soviet Union, Vol. 5. Merl, Why the Soviet Union, Vol. 6. Khrushchev spoiled Venzher's idea by requiring collective farms to pay the state the full cost of machinery directly.

108 Merl, Agricultural reforms.

of collectivization under Stalin (between 1950 and 1953).[109] When Khrushchev ended the New Course, he replaced Nagy with his Stalinist predecessor Rákosi, who restarted the enforced collectivization in 1956. This led to a disaster: the uprisings in October and the Soviet military intervention.[110]

The uprising and the falling apart of collective farms caused a new rupture in agricultural politics. János Kádár's approach was more careful. Temporarily, Nagy's »spirit of reconciliation« shaped the policy of his regime. In 1957, he abolished the compulsory deliveries and paid attention to the »agrarian theses,« proposing a different concept for further collectivization. However, in 1958, under pressure from Khrushchev, Kádár restarted enforced collectivization. After a new failure, he soon returned to his more careful approach.[111]

In any case, Kádár reduced »the costs of joining a collective farm«. A rent was introduced for using the implements and land of the members, and ideological attacks against the private plots were reduced.[112] The concessions to utilize family labor on the plots were a decisive factor, as incentives to work on the collective farm were still widely lacking; they were unable to provide an equivalent to the income from family labor.[113] It was not until the 1970s that collective agriculture in Hungary gained a solid financial foundation. The concessions to private plots under Kádár were crucial during the period between 1959 and 1961, when collectivization was fully implemented. The government was now ready »to provide sufficient funds to cover the costs of collectivization« and a sound production base.[114] Agriculture »was no longer treated as a branch of the economy out of which surplus had to be extracted for industrial development«, but it got at least some finance and capital to transform its production base. Concessions were made towards middle peasants and *kulaks*. The material situation of the members improved with the »revised household plot regulations«.[115]

Hungary made political compromises. It supported household plot production as compensation for the low payment for work on the collective farm. Collective farms first used sharecropping (although under strong ideological critique) in 1954–1955. Since 1956, it has been officially tolerated to raise the incentive to work. It addressed the quality aspects. The remuneration was based on a significant amount of the products produced, and it included market elements

109 Swain, *Collective Farms*, 28.
110 Varga, *The Hungarian Agricultural Miracle?*.
111 Ibid.
112 Swain, *Collective Farms*, 31–33. In 1948, 0.86 ha and animals were allowed for private use. In 1949–1950, the size was reduced to 0.43 ha, and the allowed amount of cattle was cut in half. In 1953, plots up to 0.57 ha were allowed.
113 Ibid., 33.
114 Ibid., 25–26, 29.
115 Ibid., 26.

because the members sold many of the agricultural products they received. It spread after 1957, when the collective farms had a lot of land per member. In Hungary, the wage share paid in kind was still relatively high in 1964. Finally, sharecropping was kept only for special products and in regions that were unpleasant for agricultural production. The plot contributed to retaining labor reserves in the countryside.[116]

Under Kádár, »collectivization was no longer seen as an end in itself, but as a method whereby large-scale agriculture would bring about an ever-increasing standard of living«.[117] It took, however, until the end of collectivization in 1961 and the replacement of Khrushchev in Moscow, until permanent progress in that direction could be reached after 1967. To this end, in 1956, the government began encouraging the amalgamation of collective farms to increase their size, thereby allowing them to rationalize production. This was financed by a concerted policy of aid directed towards the collective farms. After the liquidations of the MTS in January 1963, the collective farms were allowed to own capital equipment and some agricultural machinery.[118] Modernization was still a complex and lengthy process, which is evident from the fact that in the mid-1950s, the collective farms still predominantly used horse traction, and that manual labor dominated until the end of the 1960s.[119]

Stabilization of the collective farms in the GDR after 1953

After Stalin's death, the GDR also changed its collectivization strategy to stabilize the collective farms. The most important changes in 1954 touched payment and social security. In the thoroughly socialized collective farms of type 3, a state-guaranteed minimum value (7 D-mark) of the labor unit was introduced, and the members were included in the state social security system. Due to the low price the state paid for compulsory deliveries, most farms were unable to pay the minimum value, and the state had to provide subsidies to cover the shortfall.[120] The GDR increased producer prices, reduced obligatory deliveries, and paid fees for the implements that members had to deposit at the time of joining.[121] The Third conference of the collective farm members in December 1954 proposed to

116 Ibid., 48–49. Cf. also Wädekin, *Sozialistische Agrarpolitik in Osteuropa II,* 191–92 on the »Nádudvár–system«. Bulgaria and Romania employed a similar system, but instead of payment in kind, they paid a monetary wage based on the value of the produced products.
117 Swain, *Collective Farms*, 26.
118 Ibid., 36–37. Wädekin, *Sozialistische Agrarpolitik in Osteuropa I,* 174.
119 Swain, *Collective Farms*, 37–41.
120 Bauerkämper, *Ländliche Gesellschaft*, 166–67.
121 Swain, Eastern European Collectivization, 508, 525–30.

accept big peasants.[122] After Khrushchev stopped the New Course in 1955, new disturbances concerning the *kulaks* arose. Only since 1957 were they fully admitted, and the SED even expected them to contribute their expertise to stabilize the collective farms.[123]

The Third Party conference in March 1956 emphasized the need to strengthen collective farms with lasting economic benefits. It allowed the establishment of new collective farms of type 1 or 2 with a lesser level of socialization of the means of production, even in villages where a collective farm of type 3 already existed. This was a special concession to reluctant farmers to ease their joining, but at the same time, it saved the state money, as it did not have to subsidize the payment of the minimum value of the labor unit in these farms. For this reason, types 1 and 2 were tolerated after the end of collectivization during the 1960s.[124]

In October 1957, following pressure from Khrushchev to expedite collectivization, the 33rd Central Committee Plenum reaffirmed the goal of completing collectivization. Still trusting Khrushchev's promise that collectivization would increase production, it proclaimed the end of food rationing and the reduction of imports in 1958. At the 5th Party Congress in July 1958, following Khrushchev, Ulbricht also declared that the main task was to surpass West Germany's food consumption per worker within a few years. This over-stressed target caused significant pressure to act.[125] After July 1958, the SED increased pressure to join collective farms and sent industrial workers to the countryside for agitation.

Despite all efforts, the speed of collectivization had reduced by the end of 1958. The Party reacted by trying to agitate primarily the underrepresented small peasants to join. Ulbricht declared that the collective farms should be strengthened to provide the peasants with the same standard of living they had before as individual peasants. Since this had little effect, the SED returned to previously banned approaches. They pressured the farmers by asking the local administration to develop »perspective plans for collectivization« in their region.[126]

The stabilization of the collective farms in Czechoslovakia

With the restart of collectivization in Czechoslovakia in 1958, special attention was given to attracting middle and large farmers, who would relinquish authority in their villages, and to improving the situation of collective farm members.

122 Bauerkämper, *Ländliche Gesellschaft*, 174.
123 Ibid., 389–90.
124 Ibid., 175.
125 Ibid., 181–83.
126 Ibid., 384–89. Stalin had used similar methods of pressure in 1929, cf. my first article in this publication.

Since 1957, members have been included in the state health and social insurance system and have received old-age pensions. In exchange for giving their indebted land to the collective farm, farmers got a state pension: »Many kulaks took the chance to get rid of their farms for compensation«.[127] Collectivization was ended, not because the farmers were convinced, but because they understood that they had no alternative.[128]

After finishing collectivization, Czechoslovakia provided significant state subsidies to stabilize the collective farms and to consolidate their production. A relatively high standard of living without much worry in the countryside was reached. Professional managers took over the leadership and were primarily interested in the relaxation of state control and attractive prices. Under the influence of the state subsidies and investments, the look of the villages changed completely. Already during the 1968 uprising, there were no attempts to return to private farming. However, in the spring of 1968, the chairmen of the collective farms demanded, with some success, to reduce rigid state and party control and allow production of commodities for sale in the market.[129]

The industrialization of agriculture started at the end of the 1960s. The collective farms were subsequently converted into large agricultural complexes, sometimes encompassing several villages. In the Czech part, the medium size of a collective farm increased from 610 ha in 1970 to 2,459 ha in 1980. In the Slovak part, the farm sizes were slightly larger, rising from 832 ha to 2,720 ha. As the standard of living on the collective farms had become satisfactory by now, their members had become a social stratum standing loyal to the regime. In Czechoslovakia, the allowance for collective farms to engage in non-agricultural activities also played a crucial role in this. The statute of 1975 even allowed the production of goods, such as furniture, machinery, and computers. While this was initially seen as an exception, these opportunities have significantly increased since June 1988.[130]

Following the end of collectivization, the Party's attitude underwent a drastic change, and the collective farms were finally accepted by the farmers who remained in the countryside. In November 1989, the farm members did not participate in the uprisings. In the majority, they stood loyal to the regime and showed little interest in returning to private farming.[131]

127 Rychlik, Collectivization, 200.
128 Ibid., 198–201.
129 Ibid., 201. Merl, Why the Soviet Union, Vol. 6.
130 Rychlik, Collectivization, 201–03.
131 Ibid., 201–03.

Soviet Union: Khrushchev ignored the need to raise efficiency

When Stalin died, most Soviet collective farms were still extremely weak; they paid hardly any money for participating in the work, and the available machinery in the MTS was significantly below the Western standard and inadequate for large-scale production. Unlike the Party leaders in Hungary, the GDR, and Czechoslovakia, Khrushchev, in his struggle for power, prioritized increasing the quantity of grain production over raising its efficiency. Instead of providing machinery to existing collective farms, which were suffering from a severe shortage, he ordered that nearly all new machinery be sent to the Virgin Land.[132]

Khrushchev's attempts to improve the extremely low remuneration in the Soviet collective farms showed little effect compared to the GDR, Czechoslovakia, and even Hungary, which compensated for the low remuneration by tolerating activities on private plots. The increase in the agricultural producer prices was not significant enough to close at least part of the income gap for agricultural workers on state farms. Even most state farms in the Soviet Union continued to operate into the 1970s with losses.[133]

Khrushchev's agrotowns

Khrushchev's ideas about socialist agriculture were straightforward: large-scale production should provide economies of scale, allowing for similar living conditions in the countryside as those in urban areas. His concept of establishing »agrotowns« reveals how he envisioned socialist agriculture.[134] With the start of the enlargement of the mostly small collective farms in 1950, Khrushchev revived the idea of building agrotowns, which had been developed in the 1920s. After the merger of the farms into large-scale enterprises, this should become the final form of socialist agriculture. For them, a new type of rural settlement for 5,000 to 10,000 inhabitants should be built, equipped with all typical urban facilities. The costs to establish such new urban settlements should be borne by the large-scale enterprises themselves.[135] He ordered the creation of a model of such an agrotown in the Cherkasy rayon. The project was halted when Stalin rejected the idea of agrotowns in 1951. He harshly criticized Khrushchev for it. However, after he came to power, Khrushchev ordered the revival of the project in 1957 on the ruins left over from 1951. It was completed in the summer of 1958 in the village of Khudyaki.[136]

132 Merl, Why the Soviet Union, Vol. 5. Merl, Why the Soviet Union Merl, Vol. 6.
133 Wädekin, *Sozialistische Agrarpolitik in Osteuropa II.* Cf. also below.
134 Jähnig, *Die Siedlungsplanung.*
135 Ibid., 42–44.
136 Ibid., 45–47.

Planning for such future settlements in rural areas began in the mid-1950s. This raised the question of what should be done with the old villages, and what the living conditions of the collective farmers should finally look like. In Khrushchev's imagination, the comprehensive modernization of the rural economy and society was intended to eliminate private agricultural production and provide urban living conditions for rural people. The size of the private plots in connection with such settlements should be reduced to 0.1 ha. Sticking to »collectivization on the cheap«, he did not pay much attention to the costs (seemingly covered by the economies of scale). In December 1959, the Central Committee Plenum approved his plan, and the Party Program of 1961 gave general guidelines for the building of agrotowns, requiring the replacement of simple farmhouses with modern apartments in multi-story buildings. After Khrushchev's replacement, the program's implementation was finally halted in 1968. The most fateful consequence of this project was the splitting of the rural villages into »perspective« and »non-perspective« settlements.[137]

Towards the end of the 1950s, Khrushchev's failures culminated. He had miscalculated the extent of the Soviet achievements in mechanization. Not only was the level significantly below the Western standard, but the quality was even worse. After sticking to »collectivization on the cheap« before, he now overestimated the effect of economies of scale in agriculture and started »mechanization on the cheap«. Liquidating the MTS in 1958, he required the economically still weak collective farms to pay for the partly rotten machinery immediately the full price as for new machinery, to finance »his race to the Moon«. This over-strained the capacities of the farms. They were unable to pay for the urgently needed additional new machinery and were even forced to reduce the still meager payments to their members, after they had increased slightly after 1953.[138] The worst effect was that most tractor drivers, who had been taken on the MTS payroll in 1954, (similar to the GDR) did not want to return to the miserable status of collective farm members, paid in labor units. Most of them decided to quit their jobs and leave for the cities. The collective farms acquired tractors, but lacked sufficient trained personnel to operate them.

With the start of his campaign against the private keeping of animals and the private plots, Khrushchev made things even worse, causing the out-migration of those members of the collective farms who had hoped that the relaxation of the policy after Stalin's death would allow a return to private farming. The better-qualified and more flexible people left the Soviet countryside at the end of the

137 Ibid., 51–68.

138 Merl, Why the Soviet Union, Vol. 5. Merl, Why the Soviet Union, Vol. 6. Bronson and Krueger, The Revolution.

1950s. This significantly reduced the possibilities for a turn to modernizing agriculture after his replacement.[139]

4. FINISHING COLLECTIVIZATION AT THE TURN OF THE 1960S

Pressure to total collectivization was executed in the final phase, in Czechoslovakia in 1959, in the GDR in 1960, and in Hungary in 1961. Khrushchev enforced the restart of collectivization in Eastern Europe in November 1957. Bulgaria, not stopping its campaign in 1956, first declared collectivization finished in 1958. Czechoslovakia resumed collectivization with increased pressure at the end of 1957, following Antonín Novotný's appointment as president. In 1958, about 75% of the land was collectivized, and collectivization in the Czech part was declared finished in 1959.[140] In the GDR, collectivization increased between 1953 and 1958, only from 20% to 40%. After Gerhard Grüneberg became the secretary of the Central Committee for agriculture at the end of 1958, the campaign intensified. Finally, in early January 1960, a »socialist spring« was declared to end collectivization in a few months before the start of spring sowing. This underlined that the SED tolerated the execution of the campaign by force. Rigorous pressure was exerted on the officials, and the violence against the farmers reached its peak at the end of March 1960.[141] Contrary to Ulbricht's promise, the enforced collectivization threatened the domestic food supply, particularly with regard to animal products.[142] Hungary restarted collectivization at the end of 1958, determining February 1961 as the end of the campaign. »Psychological factors« played a role in finishing collectivization. After 1956, Hungary was a demoralized country, and more and more farmers resigned to the inevitability of collectivization.[143] In Romania, collectivization lasted until 1962. Collectivization in Albania was largely completed by 1960; however, in the mountainous regions, it was not fully implemented until 1967. The collectivization of animals was separate from the campaign and did not end until the 1980s.[144]

139 Wädekin, *Sozialistische Agrarpolitik in Osteuropa I*, 86.

140 In Slovakia, collectivization was finalized only between 1971–1974 – Ibid., 41.

141 Bauerkämper, *Ländliche Gesellschaft*, 185–91. At the agricultural conference in Moscow on February 2–3, 1960, Ulbricht declared that self-sufficiency in food could only be achieved through collectivization. His criticism pushed officials to act with force. The arrival of worker brigades in the villages caused psychological terror. The brigades left only after all the peasants had signed up to join a collective farm. According to SED slogans, joining stands for peace, while not joining stands for war – Swain, Eastern European Collectivization, 520–23. On the Moscow meeting, see also Wädekin, *Sozialistische Agrarpolitik in Osteuropa II*, 299–322.

142 Steiner, *Von Plan,* 116–19.

143 Swain, *Collective Farms*, 26.

144 Swain, Eastern European Collectivization, 525–26. Wädekin, *Sozialistische Agrarpolitik in Osteuropa I,* 41. The campaign in Albanie was interrupted between 1959 und 1965.

All these countries under Khrushchev exercised violence in the campaigns. However, they offered, different from the years under Stalin, some concessions to the farmers to make life in the collective farms more tolerable. »Class war« was no longer pursued; instead, the joining of *kulaks* was now seen as an advantage to manage the collective farms afterwards. After a decade of collectivization campaigns, the situation had undergone some changes. Some farmers looked at the future differently. The importance of education had increased, and the menace of not giving their children access to higher education seemed worse than stopping private farming. In addition, several farmers started to look at land as »a burden« and not as a source of prosperity, and resigned.[145]

In all countries that brought collectivization to an end, production remained firmly behind expectations. Between 1950 and 1961, the increase in agricultural production in these countries was significantly lower than the increase in Poland and Yugoslavia, which worked with small-scale private farms.[146]

In the GDR, collectivization was done (apart from some mountainous areas) in May 1960. While the collective farms held 25% of the land in 1957, this percentage rose to as high as 84% by the end of 1960. However, large-scale integrated enterprises were not established. Often, there were even several small collective farms of different types in one village. The number of collective farms of types 1 and 2 increased from 3,000 to 13,000 in early 1960; they held a third of the agricultural area. In both types, the collectivization of the cattle still had to be done. At the beginning of the 1960s, only 7% of the LPG type 3 farms were able to work without subsidies to pay the guaranteed minimum value of the labor unit. This highlights how economically weak even the GDR's collective farms were. Another feature of their instability was that some members declared their »exit« and left the villages. The SED sent brigades to consolidate the farms. After the border to the West was closed with the construction of the Berlin Wall, the situation in the collective farms slowly stabilized in 1963–1964.[147] In all Eastern European countries that had finished collectivization, farm machinery and implements were in short supply, the remuneration for work was miserable, and the economic results of the collective farms were hardly comparable to those of small-scale peasant farming. The supply of capital to agriculture until the early 1960s was insufficient to support large-scale production.[148]

Following the end of collectivization in Eastern Europe and Khrushchev's

145 Swain, Eastern European Collectivization, 525–30.

146 Wädekin, *Sozialistische Agrarpolitik in Osteuropa I*, 71–72. Wädekin, *Sozialistische Agrarpolitik in Osteuropa II,* 12. After 1956, Poland reached an impressive increase in agricultural production. In Yugoslavia, after the end of enforced collectivization, production increased significantly between 1953 and 1959, and then after 1963.

147 Steiner, *Von Plan,* 90–92, 116–19.

148 Wädekin, *Sozialistische Agrarpolitik in Osteuropa II*, 12–15. Cf. below.

replacement in the Soviet Union, it was therefore urgently necessary to stabilize the collective farms during the 1960s. Then, a new phase of socialist agricultural policy began: the turn to modernization, which involved implementing slightly different concepts of industrialized agriculture. They were all directed to bring agricultural production closer to the upstream and downstream sectors of the industry, encompassing the production of inputs for agriculture and the processing, storage, and trading of agricultural products. This was achieved by fostering cooperation and integration among the enterprises. In some countries, this continued to form agricultural-industrial complexes. Bringing industry and agricultural production closer together had been blocked before by Stalin's ban on non-agricultural activities of the collective farms, transferred to Eastern Europe, and not lifted under Khrushchev.

5. STABILIZATION OF THE COLLECTIVE FARMS IN THE 1960S AFTER THE END OF COLLECTIVIZATION

Enlarging the size of the collective farms

The collective farms organized during the campaigns were, in general, relatively small, holding only several hundred hectares, and often included only one village. Their enlargement by amalgamation began in the Soviet Union under Khrushchev's pressure in 1950. He expected the enlargement to provide economies of scale. After becoming Stalin's successor, he restarted the campaign, now combined with converting the enlarged collective into state farms. Apart from Hungary, which began the amalgamation of collective farms in 1956, most other countries started the process only after completing collectivization. Finally, the Soviet Union and the Balkan states, making more extensive use of the land, had the largest enterprises. Stronger industrialized countries, such as the GDR and the Czech part of Czechoslovakia, used the land more intensively, had the smallest farms, and considered 3,000 ha to 5,000 ha to be optimal. At the same time, Hungary and Poland formed a medium group between them. The average size of a collective farm in the Soviet Union and Bulgaria reached 6,000 ha in the mid-1960s. In the GDR, their size increased from 240 ha to 930 ha between 1960 and 1976; in Czechoslovakia, from 400 ha to 2,000 ha, and in Hungary, from 700 ha to 3,000 ha.[149]

149 Ibid., 38–40, 44–47.

In most countries, collective farms were smaller than state farms and less well-equipped with machinery. The difference was most substantial in the Soviet Union. However, the average size of state farms here reduced from 26,000 ha to 18,000 ha between 1960 and 1976, due to the conversion of collective farms into state farms under Khrushchev. In Romania, the size of state farms increased from 3,000 ha to 5,000 ha, and in Bulgaria from 5,000 ha to 6,000 ha. In Czechoslovakia, the medium size of state farms increased from 3,000 ha to 6,000 ha, and in Hungary, from 2,500 ha to 6,000 ha. In the GDR, state farms (mostly experimental or special enterprises) were the smallest and increased in size from only 600 ha to 1,100 ha.[150]

The share of state farms varied significantly between the countries. In the Soviet Union, due to Khrushchev's conversion of collective farms into state farms, their share increased from 37% in 1960 to 64% in 1976. In Czechoslovakia, their share increased from 15% to 20%; in Bulgaria, from 7% to 16%; in Poland, from 11% to 16%; and in Yugoslavia, from 5% to 12%. In Romania and Hungary, the share of state farms was kept stable at 12% to 14%, and it was the lowest in the GDR (an increase from 6.2% to 7.5%).[151]

The conversion of economically weak collective farms significantly increased the losses of the state farms in the Soviet Union, due to the low procurement prices paid by the state. In addition, the state now had to pay wages to the former unpaid members of collective farms.[152] The expected »economies of scale« were insignificant. Only one aspect of Khrushchev's calculation was better founded: Fewer collective farms meant less need for reliable chairmen, primary Party members, to run them. To strengthen the collective farms, he ordered 50,000 skilled workers to the countryside to assume positions in managing the collective farms. This should secure control for the Party and improve the management.

150 Ibid., 38–40.

151 Ibid., 38–40. Accordingly, the share of collective farms decreased: in the Soviet Union to 34%, in Bulgaria to 65%, and in Czechoslovakia to 61%. It increased in countries where collectivization had not yet been completed or was only recently finished in 1960: in the GDR from 73% to 82%, in Hungary from 49% to 70%, and in Romania from 50% to 54%. The share of the private sector decreased in the GDR from 19% to 9%, in Hungary from 32% to 15%, in Romania from 20% to 16%, and in Czechoslovakia from 17% to 8%. In Poland and Yugoslavia, the private sector remained above 80%. In Bulgaria, its share increased from 9% to 10.5%, while in the Soviet Union, it held only 1.4% of the agricultural area.

152 Ibid. Merl, Why the Soviet Union, Vol 5. Merl, Why the Soviet Union, Vol 6.

Paying for work on the collective farms and ending the social discrimination of the peasantry

All Soviet leaders saw the need to improve the income of the collective farms. But none of them, especially not Khrushchev, had an idea how much it would cost and how long it would take to raise their incomes at least to the wages of state farm workers. Although agricultural producer prices doubled in the Soviet Union in 1954, the effect on increasing the worth of the labor unit was minimal, and the improvement in remuneration under Khrushchev progressed only slowly after 1956. By forcing the collective farms immediately to pay for the MTS machinery, Khrushchev even caused a new reduction in the members' income.[153] Most Eastern European countries made more progress in improving remuneration, especially those with a shortage of agricultural labor, such as the GDR and Czechoslovakia.

Practically all countries stick to remuneration by labor units, which meant distribution by the »remainder principle«, introduced under Stalin in the 1930s, providing only at the end of the agricultural year a »win distribution« by the labor units earned. This meant very low and uncertain income.[154] A first step to improve remuneration was the introduction of »advanced payment«, one or several times a year, before the final »distribution«. It was practiced in the Soviet Union since 1933/34.[155] Many Eastern European countries introduced »advanced payments«, first one or several times a year, and finally, monthly. In the GDR, from 1959 up to 70% of the planned distribution was paid in advance. Hungary allowed the collective farmers to receive advanced payments in 1951; in 1955, the members gained the right to require them. In 1950, Romania permitted the distribution of up to 50 percent of the expected money income in advance, and Poland up to 60%. In the Soviet Union, since the mid-1950s, 50% of the expected distribution was paid out in advance.[156] After 1953, most countries began to substitute payment in kind with payment in money gradually. In Hungary, until the early 1960s, monthly wages were paid only in exceptional cases. They were finally introduced in 1966, based on roughly 80% of the calculated total yearly wage.[157]

Another way to improve remuneration was to work with a guaranteed minimum value of the labor unit. In the Soviet Union under Stalin, such a minimum value was paid from the collective farms' funds only to tractor drivers among the

153 Bronson and Krueger, The Revolution. Wädekin, *Sozialistische Agrarpolitik in Osteuropa II*, 187–88. Merl, Entstalinisierung, 212–25.
154 Cf. my first article in this publication.
155 Ibid.
156 Wädekin, *Sozialistische Agrarpolitik in Osteuropa II*, 114–23. Wädekin, *Sozialistische Agrarpolitik in Osteuropa I*, 235.
157 Swain, *Collective Farms*, 37–50.

members, and then to the chairmen. This reduced the distribution to the other members by the remainder principle.[158] The GDR paid a state-guaranteed minimum value of the labor unit since 1954 in full socialized collective farms. The state had to subsidize these payments, as few collective farms were able to cover them from their income. In 1962, following the end of collectivization, the GDR replaced the minimum value of a labor unit with a state-guaranteed minimum income of 3,120 D-mark per year. Members earning more than 8,000 D-mark a year were now progressively taxed.[159]

Only in the GDR did collective farm members reach an equal level of payment to industrial workers by 1964, whereas the income disparity to workers on state farms in Romania was still high in the early 1970s. Similar disparities existed in the Soviet Union and Bulgaria. In Hungary, the toleration of an additional income from family work on the private plots partially compensated for the low payments of the collective farms.[160] The Hungarian collective farms could avoid paying sufficient wages to their members by utilizing the peasants' capacity for »self-exploitation« on the private plots. They received relatively attractive and predictable rewards from working on their plots.[161] In most countries, it took until the mid-1970s to provide payment to collective farm members at the same level as to state farm workers. Reaching an equal level with workers in industry or transportation took even longer, if it was ever achieved. In the Soviet Union, this happened only in the 1980s. In Hungary, an equal level of payment to industrial workers was reached when monthly wages replaced payment by labor in 1977.[162] This highlights how miserable the payment situation was during collectivization.

The low incomes on the collective farms were partly due to the difficulty of providing work for their members throughout the year. Most members only had seasonal work. The very low number of requested »minimum labor days« reveals the extent to which the collective farms were unable to provide their members with work as long as non-agricultural activities were forbidden to them. When they were first introduced in the Soviet Union in 1939, only 60 to 80 labor days were required. In the 1950s, the GDR and Czechoslovakia required 150 labor days, Poland 100, and Hungary 80 in 1951, and 120 in 1955. After Stalin, the

158 Merl, *Sozialer Aufstieg*, 96–120, 166–81.

159 Wädekin, *Sozialistische Agrarpolitik in Osteuropa II,* 182.

160 Ibid., 182.

161 Swain, *Collective Farms*, 6–7, 51–79. Spending family labor on the private plots is not for profit maximization, but rather to balance the utility of output, irrespective of any national labor costs, and the disutility of having no labor at all, and »wage costs are not taken into account« – Swain, *Collective Farms*, 2–6.

162 Remuneration at Hungarian collective farms improved after collectivization ended between 1961 and 1968. Since then, work payments have been treated as production costs. Social mobility died down in 1977, and the collective farms reached relative stability – Swain, *Collective Farms,* 4, 53.

collective farms were often allowed to fix the minimum number themselves.[163] An obligation to provide full-time jobs to their members never existed.[164] In the Soviet Union, the average member reached only 200 working days in the 1970s, and in Romania, the figure was even lower.[165] In Hungary, only 59% of men and 12% of women of working age were employed full-time by collective farms. Most young men had left for industry, and the median age of the collective farm members increased to 54 years by 1967.[166] In reaction to this situation, in Hungary, »labor on the relatively non-mechanized household plots was no longer seen as a threat to the co-operative«.[167]

A legal discrimination against the members of collective farms existed only in the Soviet Union: internal passports had been denied to them since the 1932 famine, and Stalin's 1936 constitution had explicitly excluded them from state social security. Both forms of discrimination ended during the 1960s and 1970s.

Besides the improvement of remuneration, the members of collective farms were now, step by step, included in the state social security system. In this respect, the Soviet Union was significantly behind Eastern Europe. It took until 1964 for Khrushchev to finally introduce old-age pensions for the members. In general, old-age pensions were lower for them at the beginning, and in the Soviet case, they were significantly lower than those for industrial workers. Often, a minimum membership period in the collective farm was required.

Some East European countries, such as the GDR, included the members of collective farms from the beginning in the state social security (including health); however, until 1959, they had lower social benefits. Czechoslovakia included the members in 1953 in the state health insurance and in 1962 in other forms of social security. Hungary started to provide social security to the members of collective farms by introducing old-age pensions (for those joining up until 1960); later on, the others were included as well. Social security for health and motherhood was introduced only in 1966. The benefits were improved in 1968 and reached 1977 the same level as for industrial workers.[168] In Yugoslavia, old-age pensions were introduced in 1954 (unified with pensions paid to other workers in 1961), in Bulgaria in 1957, and in Poland in 1962. In Romania, it took until 1966, and in Albania, even until 1972. In Bulgaria, the distribution according to land brought in worked as an old-age payment until 1959.[169]

163 Wädekin, *Sozialistische Agrarpolitik in Osteuropa I*, 80, 114–32.
164 Ibid., 109.
165 Wädekin, *Sozialistische Agrarpolitik in Osteuropa II,* 183–84.
166 Swain, *Collective Farms,* 83–85.
167 Ibid., 85.
168 Ibid., 39–40.
169 Wädekin, *Sozialistische Agrarpolitik in Osteuropa II*, 193–94.

Modernization required skilled labor: How mechanization changed the demand for labor

The real start of mechanization and modernization in the 1960s strongly changed the demand for labor. A lot of new occupational categories were developed, and the need for skilled labor quickly increased. Stalin's combination of collectivization with the »class war«, followed by Khrushchev's fight against private small-scale production in agriculture, not only in the Soviet Union, but in all collectivizing Eastern European countries, pushed those more flexible and better qualified for farming out of the countryside. Unlike Western countries,[170] the available workforce on the collective farms could not satisfy the need for suitable, qualified labor. As primarily unskilled labor remained in the countryside, skilled labor had to be brought in from outside.[171]

The surplus of unskilled labor in the collective farms had negative consequences for modernization. As cheap unskilled labor was in excess supply (apart from the GDR and the Czech part of Czechoslovakia), the farms felt less economic need to substitute labor with capital. While in the West the increase of labor costs pushed complex mechanization ahead, such pressure was missing in all socialist countries. This slowed down complex mechanization; cheap, unskilled labor could be used for loading and other manual work. In the collective farms, a process of de-peasantization started. Previous farmers were transformed into agricultural laborers and lost control over the agricultural production process.

Practically all socialist countries had to provide skilled labor from outside. This caused significant and nearly insurmountable problems, where, as in the Soviet Union, a developed infrastructure was lacking, and living in remote rural areas was not an attractive option. Skilled laborers can find a job almost anywhere. Among those trained for jobs in agriculture, the turnover rate was extremely high; for example, in the Soviet Union, trained tractor drivers in the 1960s and 1970s typically left their jobs after only 11 to 13 months.[172] The situation was less dramatic, although difficult, in countries like the GDR, which had a well-developed rural infrastructure. A detailed study on this problem is only available for Hungary. I will therefore use the Hungarian case to illustrate what happened.[173] All other socialist countries faced similar challenges when initiating agricultural modernization.

170 In Western countries with private family farms, skilled labor was recruited from the farms. Among the younger family members were more flexible persons, capable and willing to receive the necessary skills to modernize and develop the private farms.

171 Swain, *Collective Farms,* 83–113, described this process for Hungary.

172 Merl, Why the Soviet Union, Vol. 5. Merl, Why the Soviet Union, Vol. 6.

173 Swain, *Collective Farms.*

The workforce of a collective farm may be split into »mobile« members, able to use their skills everywhere, and »immobile« members, unskilled and only usable for manual labor on the farm. Among the mobile laborers, there was a high turnover rate on the job. In Hungary, among those working with machinery and chemicals, as well as those in administration, including lower and upper management, a high share had been on the job for only up to 3 years. The large number of »immobile« members of limited use for the farms in Hungary was allowed to work on their plots, becoming the domain of pensioners, especially female pensioners, as well.[174]

Nowhere were skilled laborers willing to work for labor units with no or uncertain value. Already in the 1930s, the Soviet collective farms had to hire the limited number of skilled workers they needed from outside and to pay them wages.[175] When the collective farms, after the liquidation of the MTS, had to employ skilled labor themselves, they had to pay them wages in cash. The number of hired workers increased strongly with the progress of mechanization. Thus, in Hungary, the collective farms had to hire 10,000 skilled laborers in 1961, and this number had grown to 200,000 in 1967. About 40% of them were permanently employed.[176]

Recruiting the manager staff for the enlarged collective farms

Under Stalin, the presidents (or chairmen) of collective farms were usually political cadres or workers sent from outside by the Party. They hardly held any knowledge of agriculture. After Stalin's death, the selection changed strongly. The percentage of collective farm chairmen and state farm directors with qualified special education training increased significantly. Starting in 1957, the directors in Hungary were elected and selected by the members. Local peasants, who had previously developed their farms successfully, were often elected to management positions. Towards the end of the 1960s, with the enlargement of collective farms and the shift to industrialized agriculture, the situation changed. The jobs in the upper management required solid training, increasingly at higher education institutions. Training »on the job« could no longer provide the necessary qualifications and knowledge. The generation of capable middle peasants was now replaced by young, highly qualified, technically and politically educated managers: »a new stratum of technical experts« became presidents.[177]

174 Ibid., 93–104.
175 Merl, *Bauern*, 383.
176 Swain, *Collective Farms*, 37–50, 85–88.
177 Ibid., 116, see also 114–29. Swain also analyzed (149–59) the extent to which farm management was constrained from »below«. The general meeting was more of a theatrical event to achieve and

Even in Hungary, the Party maintained considerable control over the selection of presidents; this control was most efficiently exercised through their appointment. With the change of the collective farm statute in 1967, the presidents won control over the day-to-day economic activity on their farms. They decided on the methods of plan fulfillment, and they were free in decisions concerning the factor labor (including its manipulation).[178] However, despite the intentions of the New Economic Mechanism, managerial autonomy remained restricted in certain fields; the government maintained strict control over investment funds and capital flows.[179]

When the farms became autonomous cooperatives in 1968, many presidents already held a university or technical college degree. In 1960, only 4% of managers had a high school diploma; by 1974, this had increased to 43%.[180] Upward social mobility from the rank-and-file members to managers within the collective farms was, after 1968, practically excluded. In 1974, a »triple requirement« for management positions was introduced: political suitability, academic and political qualification, and management ability. The Party thus established a separate management with special requirements regarding their political and educational qualifications, which simple members did not fulfill. Until the end of the 1970s, »Cooperative farm management« became a separate body of carefully chosen professional individuals, able to organize the efficient running of large-scale farms.[181] Also in Hungary, farm management was very much a man's world; only 8% of the presidents were women.[182]

Among the specialized managers (apart from the financial managers), the younger persons were often better qualified than the older ones. The best-qualified young managers were very mobile, and their turnover rate was high. In the upper and the middle management, 46% of the presidents, 65% of the chief agronomists, 50% of the finance managers, and even 81% of the middle managers had been in their jobs for less than five years.[183]

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celebrate consensus. Important financial decisions were made without discussion in board meetings. Only in workplace meetings did the management have to convince the members because they held a veto right.

178 Ibid., 182. Cf. also 17–20. He describes the strategies with manipulating the use of labor.

179 Ibid., 11–13, 133–61.

180 Ibid., 116–22. In 1968, 52.5% of the presidents had been without special education.

181 Ibid., 117, 128–29. The control worked through informal networks. Only the Party could give the needed »certificate of trustworthiness«, a third of the presidents held Party positions.

182 Ibid., 119–22.

183 Ibid., 124–26.

Ending Stalin's ban on non-agricultural activities of the collective farms

Under Stalin, the collective farms were not allowed to engage in non-agricultural activities; otherwise, they would have stopped agricultural production, resulting in losses due to the low producer prices the state paid. This ban was incorporated into the collective farm statutes of all Eastern European countries under Stalin, and Khrushchev adhered to this ban.[184] As many small-scale farmers had incomes from non-agricultural activities before collectivization, this made the problem of providing work and income to their members for the collective farms even more significant.[185]

The ban was only lifted during the 1960s after collectivization was finished. Until 1966, in Hungary, despite the underemployment of its members, only 1% of the collective farms' labor force engaged in non-agricultural work.[186] After the lifting of the ban in 1967, this changed significantly. In Hungary, as in most other countries, agricultural producer prices were kept low, while non-agricultural work was better paid. The allowance, therefore, showed an unexpected effect. The cooperative farms started a competition with industrial enterprises for skilled industrial labor.[187] Instead of employing their underemployed members, who lacked skills, many farms hired specially qualified workers from outside and pursued highly profitable non-agricultural activities. Between 1968 and 1970, processing increased by 113%, construction work by 165%, other industrial activities by 110%, and direct marketing to consumers by 47%. No longer under strict state regulation, the cooperative farms could offer qualified workers higher wages than the industry. The farms came under attack from the »industrial lobby«, blaming them of »private enrichment«. Several presidents of cooperative farms were criminalized, and in the 1970s, some show trials were organized against them.[188] The Hungarian government reacted and forbade »labor poaching« from industrial enterprises. The lending of workers to industrial plants was also banned.[189]

The production and marketing of non-agricultural products significantly raised the incomes of the Hungarian cooperative farms. In 1973, the cooperative farms earned 21% of their revenue from non-agricultural and an additional 9.8%

184 Cf. my first article in this publication. According to Wädekin, the statute of 1935 only spoke of the task to develop handicraft and the cottage industry. In 1952, the statute banned non-agricultural side activities for collective farms. In the GDR, the 1959 statute allowed farms to process and perform construction activities – Wädekin, *Sozialistische Agrarpolitik in Osteuropa II*, 124.

185 Ibid., 265–75.

186 Ibid., 238. Swain, *Collective Farms,* 141.

187 Swain, *Collective Farms.* Varga, *The Hungarian Agricultural Miracle?.*

188 Varga, *The Hungarian Agricultural Miracle?*, 232–41, 282–83.

189 Swain, *Collective Farms*, 140–46.

from industrial activities. In 1980, they still accounted for 4.4% of total industrial production, 6.5% of construction, and 9% of food processing. Taking up non-agricultural activities reduced out-migration of the workforce in all countries and allowed collective farms to provide their members with more steady work and payment.[190] Following Khrushchev's replacement, the ban on non-agricultural activities of collective farms in the Soviet Union was also lifted. Now, support for non-agricultural activities in the countryside has begun, with a focus on sectors such as construction.

Delivery of machinery and equipment and significant state investments: The shift from »collectivization on the cheap« to »mechanization on the cheap«

Despite the dominance of large-scale enterprises and the propaganda and official statements, mechanization in all socialist countries lagged firmly behind that in the West in the 1960s, even compared to family farms.[191] Apart from the GDR, in all countries, the capital stock per worker in agriculture was lower than that in industry and construction.[192]

To reduce the gap to the West, high state investment and the increased supply of mechanized traction power, machinery, and modern equipment were inevitable. The supply of machinery and equipment in quantity increased strongly, but in most countries, the improvement in quality stayed behind that of the West. The Soviet Party and Gosplan, the head of State Planning, attempted to economize on the high costs associated with building new production lines and constructing specialized, high-quality equipment for these enterprises. Instead, they ordered other industrial branches to produce agricultural equipment as a secondary product. As a result, the primary impact was on livestock production, including the supply of fodder.[193] The need for internal transport, which is extremely important for large-scale agricultural enterprises, was often overlooked.[194] This contributed to the waste of scarce resources, as producing and supplying equipment below the Western standard also had to be financed. However, it did not necessarily raise the efficiency and yields to cope with the West. While with the replacement of Khrushchev, »collectivization on the cheap« came to an end, most socialist states, following the example of the Soviet Union, replaced it by »mechanization on the cheap«. Only Hungary chose a different approach and imported highly efficient

190 Wädekin, *Sozialistische Agrarpolitik in Osteuropa II,* 281. Swain, *Collective Farms,* 140–46.
191 Wädekin, *Sozialistische Agrarpolitik in Osteuropa II*, 12–17.
192 Ibid., 161. Merl, Why the Soviet Union, Vol. 6.
193 Ibid. Cf. also Wädekin, *Sozialistische Agrarpolitik in Osteuropa II*, 166–67.
194 Merl, Why the Soviet Union, Vol. 5. Merl, Why the Soviet Union, Vol. 6.

Western machinery systems, resulting in impressive increases in yields, especially of corn and grain.

Until the beginning of the 1960s, capital input into agriculture in all socialist countries had been below the share agriculture held in the total net product. The transfer of capital to industry continued in the 1950s, albeit in significantly smaller amounts than under Stalin. Only after the completion of collectivization and the replacement of Khrushchev did the capital flow reverse, and investments in agriculture increased to stabilize the collective farms and initiate modernization.[195] In all countries, agriculture shifted from being a supplier of capital to industry to becoming a net receiver. The increase in investment in agriculture was strongest in Czechoslovakia and Hungary. Until 1973, the GDR maintained a high level of investment in agriculture. Hungary reached the peak of investment between 1969 and 1971. In the Soviet Union, significant net investment in agriculture started only under Leonid Brezhnev. After 1970, Poland, Czechoslovakia, and the Soviet Union increased their agricultural investments further.[196] In most countries, significant investment at the beginning of the 1970s went into melioration, equipment for factory farming, greenhouses, mix fodder plants, storage, and similar.

The investment was partially wasted, as it was not primarily used to increase production efficiency, but rather to make permanent changes to the size of the production units, replacing only no longer needed previous constructions. With collectivization, most of the capital stock of private farms, no longer of use, was replaced. The enlargement of the collective farms necessitated new investments for replacement at the new sizes. When, at the turn of the 1970s, countries began to implement their models of industrialized agriculture, a large portion of the investment went into constructing new production facilities. Despite the significant increase in investment, production did not increase accordingly.[197]

195 Wädekin, *Sozialistische Agrarpolitik in Osteuropa II,* 131–32.

196 Ibid., 122–23.

197 Ibid., 126–30, 135–36. The change in the size of the production units had little effect on increasing yields and efficiency. A rush into craze for the vast and spectacular started. Limits were less set by the lack of finances, but by the insufficient capacity of the state–owned industry. The low quality of the machinery caused problems, and the lack of spare parts. In all countries, construction materials were in short supply.

6. THE TURN TO MODERNIZATION IN THE 1970S: COOPERATION, INTEGRATION, AND »INDUSTRIALIZED AGRICULTURE«. DIFFERENT CONCEPTS WITH SPECIAL REGARD TO THE GDR AND HUNGARY

In the 1970s, all socialist countries began the modernization of their agriculture, transitioning towards agro-industrial cooperation and integration. This involved the formation of horizontal intercompany cooperation and the more challenging vertical integration of agricultural enterprises with upstream and downstream industrial branches. The GDR and the Czech part of Czechoslovakia were the forerunners in this process. Bulgaria, which produces a significant amount of perishable foods such as fruits and vegetables, as well as products that require processing, including tobacco and wine, is placed in the middle group, alongside Hungary. At the same time, the Soviet Union and Romania stayed firmly behind. This occurred despite the fact that the Soviet Union was the leader in developing concepts for industrialized agriculture in the late 1920s. The construction of the first agro-industrial complexes started in 1930–1931. However, it was never finished, as Stalin did not provide the necessary financial support and even separated processing from agriculture to make it a state monopoly with high profits for the state budget.[198] The step to proceed to vertical integration was connected (apart from Poland and the Soviet Union) with the establishment of ministries responsible not only for agriculture, but also for input-producing, procurement, and processing industries. The Soviet Union did not follow until 1985, when it established Gosagroprom.[199]

The optimal size of the large-scale farms strongly depended on the infrastructure. Only the GDR, Czechoslovakia, and parts of Poland and Hungary had developed infrastructure in all respects: economic, social, and communicative (including transportation). A developed infrastructure was missing in most parts of the Soviet Union. The economic advantage of large-scale production units reached its limits at specific sizes, especially as in-farm transport costs increased significantly with size. While in the West, the focus was more oriented toward the market and its stabilization, the socialist countries were primarily focused on increasing production capacities. The impulses for the enlargement, apart from Hungary, came from above, not from the farms.[200] Another problem arose from the need to harmonize the property forms with the start of industrialized

198 Merl, *Die Anfänge*, 365–69. For the concepts of industrialized agriculture of Chayanov's group cf. Merl, Was Chayanov's concept.
199 Wädekin, *Sozialistische Agrarpolitik in Osteuropa II*, 265–98. Merl, Why the Soviet Union, Vol. 6.
200 Wädekin, *Sozialistische Agrarpolitik in Osteuropa II*, 290–93.

agriculture. Since 1971, the GDR formed large production units, in which the previous state and collective farms worked together, trying to unify the systems of wages and premiums. Hungary maintained the autonomy of state and collective farms until the mid-1970s, and Romania throughout the entire period. Czechoslovakia worked primarily with integration contracts.[201] The Soviet Union fell behind in the harmonization, as Khrushchev had instead favored the conversion of collective farms into state farms.

Especially with the upstream vertical integration of agriculture to agricultural machinery production, chemical industry, and other branches providing inputs, the Eastern European countries and the Soviet Union lagged strongly behind the West (and American agro-business). This hit primarily livestock farming. In 1975, the share of livestock holdings working in an industrial character in Bulgaria was 20% for slaughter pigs and 50% for slaughter poultry, as well as 25% for eggs. Czechoslovakia had reached 83% for milk cows, 48% for cattle, and 38% for pig fattening. Ninety-four percent of the laying hens were kept in industrialized production holdings. In the Soviet Union, as of 1975, there were only 668 large-scale fattening units, which produced 2.5% of the beef and 4% of the pork. Additionally, some collective and state farms owned large numbers of cattle and pigs. In poultry farming, the GDR held a leading role, producing 54% of the poultry in industrialized farms.[202]

In the following, I will describe the steps taken to transition to industrial methods of production in the GDR, adopting the most radical concept,[203] and in Hungary, utilizing Western technology with temporary impressive success.

GDR: Industrialized agriculture with separating plant and animal production

Ulbricht spoke of the intention to adopt industrial methods of production in 1963. Agriculture should be connected with industrial branches. In this process, the living conditions in the countryside should be harmonized with those in urban areas.[204] It took time to develop a concept. The transition to a new agricultural structure began with reorganizing the administration and consolidating the collective farms. Integrated large-scale enterprises were formed, starting with the establishment of cooperation between the enterprises.

201 Ibid., 282–89.
202 Ibid., 278–80.
203 Cf. especially DDR–Handbuch, 9–31, 783–812; Agrarfachtagung, 107–21; Hohmann, Akzentverschiebung.
204 Bauerkämper, *Ländliche Gesellschaft,* 194–205.

The reform of the administration started in 1963. Following Khrushchev's hectic administration reorganizations with replacing ministries by »councils«, the GDR also replaced its Ministry of agriculture and forestry with an »Agricultural council« with the task of running agricultural production. This council worked together with the committee for agricultural procurement and the agricultural bank. In 1968, councils for agricultural production and the food industry (RLN) were established to link agricultural production with processing. These councils combined agricultural councils with the first level of processing and committees for agricultural procurement. They became responsible for the complex administration of producing, procuring, and processing agricultural products. As the administrative turn to »councils« did not solve any problems, the GDR replaced the council in 1971 with a new Ministry of agriculture, forest, and food industry.

After abolishing compulsory deliveries in 1963, the GDR based the delivery of agricultural products to the food industry on contracts. In 1964, the number of plan criteria for farms was reduced. Only figures for market production, investment, and fertilizer supply were provided further. On this basis, the collective farms should propose their delivery plans. When the plan had been accepted, the collective farms should conclude contracts with the food industry. To account for the specifics of the agricultural production cycle, yearly plans were replaced with a biannual planning period based on the previous year's production. In 1964, the system of double prices (low for compulsory and higher for free deliveries) was abolished for plant production and poultry, and in 1968, also for animal production.

The GDR replaced its administrative planning during the 1960s with more economic regulations, while maintaining state control. For some products, compulsory deliveries were maintained, and the state continued to exert control over prices. As the prices did not provide incentives to increase production, the regime returned in 1971 to prescribe figures for sugar, milk, slaughter animals, and eggs.[205]

In principle, the prices should cover the cost of production and allow for a certain amount of profit (approximately 40%) to finance future investments.[206] With this intention, the GDR raised the agricultural production prices. In 1955, their level was 20% above the agricultural producer prices in West Germany; by 1971, it had risen to 80%, although inflation in the GDR was lower. This reflected a significant increase in costs. Input prices for equipment and agricultural machinery rose in 1966. In practice, the concept of farms financing the necessary

205 Wädekin, *Sozialistische Agrarpolitik in Osteuropa II*, 231–34.

206 The agricultural producer prices in theory should cover the »average costs of production«, including wages, and in addition provide about 40% »profit« from which accumulation for investments should be done. Cf. ibid., 194–222.

investments themselves was not satisfactory. Several collective farms still needed state subsidies to pay the guaranteed minimum income to their members.

The implementation of the new structure of the agrarian enterprises started in 1967/1968. The concentration, specialization, and scientification of the production became its declared goal. Concentration should be based on horizontal as well as vertical cooperation. Cooperative associations (KOG) were formed between the enterprises for special production branches, especially for animal production. From the horizontal cooperation, they expected economies of scale and the delivery of large amounts of standardized products to the processing industry and trade. In addition, cooperative unions (KOV) were formed. They should superimpose the KOG in the form of vertical connections with the processing industry. Based on long-term contracts, they were expected to deliver standardized products according to the assortment, determined by the processing industry, considering, different from the previous inflexible compulsory deliveries, the wishes and needs of industry and the consumers. In addition, central planning should be superimposed or replaced by a network of cooperative connections through contracts.

Horizontal cooperation connected different forms of enterprises. Pressure to change the structure of production was exercised by the decision to deliver machinery systems only in complexes of 4 to 10 units. This required enlarging the production units accordingly. Cooperative associations were formed for melioration, construction, and cattle stables, established by the joint investment of the participating enterprises. Until the end of the 1960s, cooperation existed in all branches of production. Juridically, the enterprises kept their independence, but they organized and planned the use of their technique jointly. The councils served as institutions of coordination and control.

Under the influence of the Central Committee Secretary for agriculture, Grüneberg, the 8th SED-Party congress in June 1971 made the concept of large-scale industrial production in agriculture obligatory. The idea of forming large-scale collective farms was rejected; cooperation was deemed the better approach. Animal and plant production should be divided into specialized enterprises. This meant a third change of agricultural production units in only one decade, always connected with the necessity to adapt the cattle barns and other constructions to the new size.

Grüneberg justified the concept with an alleged law of development. According to this law, large-scale production had to replace small-scale production in agriculture as well. This required the concentration of land and the means of production, as well as the specialization of enterprises.

This way, agriculture should profit from economies of scale by serial or mass production. He proclaimed four targets: the separation of animal and plant

production in the agricultural enterprises, the reduction of the per-unit costs by producing in large quantities, the increase of profitability, and labor productivity. In 1974, new norms for the size of specialized units were published: barns for 1,930 milk cows and fattening of 24,000 pigs. In plant production, one main fruit/product should be produced on 5,000–6,000 ha. For suitable vegetables and fruits, the industrial production should also start. Special services, such as fertilizing, plant protection, and transport, should be provided for several production units by specialized brigades or enterprises.

Grüneberg expected a constant increase in production and the harmonization of the living conditions between urban areas and the countryside. Since 1975, he pushed ahead (together with Günter Mittag, the vice head of the Council of Ministers and then Central Committee Secretary for economy) the separation of collective farms to plant or animal production. The delivery of affordable means of production, such as fertilizers and machinery, should increase yields and productivity while reducing production costs. In reality, the opposite effect was achieved: the cost of production steadily increased as prices for agricultural inputs rose sharply during the 1970s, creating a cost trap.

With the transition to the concept of industrial production, the cooperative associations (KOG) were replaced by independent production associations (KOE) for specific types of production. They got their own juristic status and own capital. The enterprises involved, both collective and state farms, formed a council. Since 1972/73, cooperative associations of plant production (KAP) were formed as independent, all-inclusive complexes of agricultural production, in which enterprises of different property forms collaborated and jointly cultivated farm and grassland. In early 1974, already 1,173 KAP with 4,000 ha on average existed, at the same time, the merger to »fully corporated« villages was pushed ahead.[207] The concentration reached its peak in 1977/78. However, with the size of the farms, the costs of transportation increased, and the use of heavy machinery reduced soil fertility. Finally, 1,210 KAP or ZBE plant productions were organized. The formation of inter-company institutions (ZBE) for animal production turned out to be much more complicated. It was slowed down by the considerable investment needed to construct new stables in the necessary sizes. In the mid-1970s, there were only 367 ZBE animal production facilities.

The previous collective and state farms remained as »trunk-collective/state farms«, responsible only for those branches that could not be done in separate production unions. The number of collective farms reduced from about 9,000 at the beginning to 4,574 trunk LPG in 1975, mostly engaged in animal production, and to 2,899 in 1980.

207 Cf. also Bauerkämper, *Ländliche Gesellschaft,* 199–202; Steiner, *Von Plan,* 185–87.

As the combination of different forms of property, even in the GDR, caused numerous problems, further reorganization began in 1977. The ZBE and the KAP were reorganized into collective farms for plant or animal production. Only a few KAP remained. The formation of KOE animal production was combined with further concentration.

Hungary: making use of highly efficient Western production systems and competition

Although Hungary was temporarily successful in its transition to industrial production in agriculture, it eventually reached the economic and moral limits of this approach.[208] In the end, Hungary also fell into the cost trap, due to the extreme increase in the costs of industrial-produced inputs, while agricultural producer prices were kept low. The political limitations against market-based freedoms never ended.[209]

With their enlargement, the number of collective farms reduced to 2,894 by 1970. The average sowing area increased from 700 ha to 1,700 ha.[210] On this basis, between 1968 and 1975, the replacement of their technical base occurred, utilizing modern production systems imported from the West. With further pressure to expand the enterprises, the number of collective farms declined to 1,800 in 1975 and to 1,400 in 1985, reaching an average size of 3,000 hectares.

Between 1960 and 1963, Hungary transferred Western agricultural technology to the state farm of Babolna, with state financial support, to establish industrial poultry production. This farm was established in Hungary in 1963, laying the foundation for industrialized poultry meat and egg production. In the next step, the farm disseminated Western production technology in Hungary, providing support to partner farms. They produced commodities following the guidelines of the system owner in Hungary, the Babolna state farm. In 1964, the farm already had 63, and in 1967, as many as 217 partner farms.[211]

After the Hungarian farms were freed from state control in 1967 and became cooperatives, they began to adopt Western closed production systems. With the focus first on corn production, this became a mass phenomenon. In general, state farms served as partners to Western companies and as »mediators of transfers«.

208 Varga, *The Hungarian Agricultural Miracle?*, 221–76. Varga shows the limits of this agrarian miracle. She stresses that, in addition to the moral condemnation of private »greed of profit«, the agricultural policy determined economic distress – ibid., 245–52.

209 Wädekin, *Sozialistische Agrarpolitik in Osteuropa II,* 221–34.

210 Merl, Hat sich der landwirtschaftliche Großbetrieb, 139–70. Varga, Neue Produktionsbeziehungen, 198–214.

211 Varga, *The Hungarian Agricultural Miracle?*, 162–67.

The cooperatives were free to choose the production systems they wanted to join or to decide not to participate in this process. Hungary succeeded in integrating »the highly developed industrial-style production models of capitalist agriculture,« working in competition with each other, in Hungarian agriculture.[212] Although adopting this »Americanization« with highly efficient Western technology, the operational structure of the Hungarian farms was hardly touched.

At the beginning of the 1970s, the government promoted the transition to organized agricultural production systems with the aid of state subsidies. These systems have been used in plant production since 1971, primarily for corn and wheat. They were later adopted for animal husbandry, beginning with industrial poultry production. In 1981, there were 21 different systems in grain production working on 2.5 million ha, approximately 60% of the land. In total, more than 70 systems were active across approximately 80 production branches.

The production systems contributed to modernizing Hungary's agricultural technology, keeping it close to the world standard. They disseminated progressive methods of production by distributing hybrids, seeds, and fertilizers. They supplied high-quality (Western) machinery, including repair services and spare parts, to ensure that the machines run even during the peak of work. The production systems provided additional services, including consultation on production methods, technology, and scientific examinations to determine the best type of plant and fertilizer supply for the soil. They bought the means of production for their member farms. Some systems offered the entire production process (including seed and machinery), while others handled only the processing and marketing of the final product.[213] Other Eastern European countries imported only models of machinery and equipment from the West to construct their own improved equipment. However, in general, they did not provide full service and did not allow competition between suppliers to improve the service.[214]

Most cooperative farms joined several production systems (on average 3 to 4) for different branches of their production. In comparison to farms not joining the system, they achieved yields up to 15% higher and had lower self-costs. The achievements with corn production by using hybrids were most impressive. The yields doubled and reached the Western standard. Corn was produced over several hundred hectares over two months, with only two people. Wheat yields also doubled. If a production system was not working profitably for them, the cooperative could exit.

212 Ibid., 183–220, 281–82.
213 Varga, Neue Produktionsbeziehungen.
214 Merl, Why the Soviet Union, Vol. 5. Merl, Why the Soviet Union, Vol. 6.

Financing the investment remained problematic. Only some enterprises achieved impressive results. While some farms reached yields as high as 6,000 liters of milk per cow, others stayed significantly below that. While corn production was mechanized to 87%, potato production was only mechanized to about 50%. Irrigation was not used sufficiently, and the average use of fertilizers and chemicals fell behind that of Western Europe, as well as the GDR and Czechoslovakia.[215]

The Soviet Union: staying behind in the transfer to industrialized production

In 1971, the Soviet Party Program mentioned forming agro-industrial complexes (AIK), but apart from some emphasis on production, little was done. Livestock production, in particular, lagged in modernization on an industrial basis. In plant production, the sizes of the farms would have allowed for industrial production, but mechanization in general was poor, often even defective, and did not meet the needs.[216] Due to a lack of harvest machinery, it had to be used in different places on various farms and transported from west to east during harvest.[217]

Following the 1976 *Politburo* decision, reconstruction efforts began in three directions. Cooperative associations were formed between the enterprises, for example, for poultry and fruit production. The integration of previously independent enterprises or branches occurred through mergers. Until 1979, in combination with specialization in milk, cattle, or vegetable production, approximately 9,000 such integrated units were formed. Until 1979, about 800 AIKs were organized as the third form. These included, in general, the downstream processing industry and trade, and, in rare cases, the upstream industry that produced inputs. The number of AIKs increased to approximately 3,000 by 1983. The reorganization of AIK ended in 1985.

The 1982 food program took into account the entire complex of the agricultural sector for the first time: the upstream service industries, the downstream industries involved in processing and trade, and the improvement of infrastructure. In 1985, Gosagroprom was established as the central administrative body for the agricultural sector, encompassing its related industrial components. With the food program, management of agriculture returned from the branch to the territorial principle. Now, all enterprises within one Rayon should be united into AIK. To coordinate the planning of the enterprises, Rayon-Agro-industrial-unions

215 Varga, Neue Produktionsbeziehungen.
216 Wädekin, *Sozialistische Agrarpolitik in Osteuropa II*, 270.
217 Cf. Wädekin, *Sozialistische Agrarpolitik in Osteuropa II;* Merl, Why the Soviet Union, Vol. 6. Even in the GDR, some machinery had to be used in different places.

(RAPO) should be established. In 1985, 3,109 RAPO existed. While the AIK had been initially organized by branches, they returned to a territorial management structure in 1982, as losses due to a lack of coordination were substantial, and investments showed little efficiency. As the local costs often did not correspond to the prices dictated by the state, many AIK decided to work with prices different from the state prices.

7. WHY DID INDUSTRIALIZED AGRICULTURE LEAD ALL SOCIALIST COUNTRIES INTO A COST TRAP?

The assumption that transferring to »industrial forms of production« would reduce production costs due to the effects of the economies of scale did not work in any socialist country. Often, scarce resources were wasted. Much of the investment was used solely to adapt production to the continually increasing sizes of the production units, rather than to enhance production efficiency. In the GDR, the increase in size contributed significantly to an enormous rise in the per-unit production costs.

In the following, I will examine some reasons for the cost trap, beginning with the adverse effects of work alienation. Then, I will touch on the ever-increasing prices for agricultural inputs, the increase of capital input without a corresponding reduction in labor input, and the disregard of agricultural concentration specifics.

Alienation from work: Loss of the overview of the agricultural production process

Agricultural labor productivity in the GDR fell back in relation to West Germany. One reason for this was the alienation of work in connection with the enlargement of the farms. This resulted in a loss of societal control over work. While the hierarchy within smaller farms was often based on trust rather than pure administration, this changed with the transition to industrial production. In the GDR, the separation of plant and animal production contributed to a sense of alienation from work. Brigades, working in plant production, became responsible for fields of up to 15,000 ha. They were working several villages away and always in different places. Nobody took notice of the quality of their work. This led to poor work receiving the highest possible premiums, regardless of yields or other criteria. For the GDR, the problems were described in a monograph. Not seeing the results of the work contributed to the loss of interest in them. The narrow

specialization led to monotonous work, and a considerable amount of work time was lost transporting the workforce to and from distant fields. Unmarried young workers were housed in barracks. Working in industrialized agriculture meant losing all personal connections at work. The administration was felt as an anonymous bureaucracy, running the farm from their desks without knowing the practice. On the contrary, people working in trunk collective farms were quite satisfied with the varied types of work, allowing them to keep an overview of the production process.[218]

Agricultural sociologists in the GDR therefore proposed a change to the organization of work: The members of the collective farms should take direct and active part in the farm's decision-making, property and responsibility should be made concrete. At the end of the 1970s, the GDR launched a campaign to attract young people who had left the countryside due to dissatisfaction with working conditions. This showed effects. By the end of the 1980s, approximately 50% of new skilled laborers came from within the collective farms. Among those sent from outside, labor turnover remained extremely high.[219]

Increased prices for inputs in agriculture without providing more efficient machinery

Since the early 1970s, prices for agricultural inputs have increased significantly in all socialist countries. A general reason for the cost increase was the practice of agricultural machinery plants in the command economy. They often stopped the production of »old« but reasonably priced machinery. Instead, they only offered »new« machinery at significantly higher prices, in most cases with no higher efficiency, and in general, far below Western standards. Thus, unlike in Western agriculture, the price increase was not compensated by increased efficiency and higher yields. The situation was exacerbated by the lack of improvement in services, and the provision of spare parts was consistently inadequate. During the 1970s, the cost of producing animals and potatoes in the Soviet Union increased by 50% to 70%, while the cost of producing grain increased by 45%. Only the costs for producing poultry and eggs increased moderately (3–5%). In the GDR, plant production increased by 14% in the 1970s; however, the cost of plant production increased by 21%, animal production increased by 10%, and production costs increased by 13%.

218 Eckart, *So sehe ick.*

219 Interview with Kurt Krambach, agricultural sociologist at the GDR Academy of Science, in 1990. He stated that the people look on their collective farm as a state and not as »their« enterprise.

The statistics ignored these price increases and took the much more expensive new machines with 100 in the calculation, as if the price was the same as before[220]. Many countries started to provide relief, either by subsidizing agricultural input prices or by raising the producer prices paid by the state. The Soviet Union periodically annulled the old debts of the collective farms. Thus, instead of fighting against the reasons for the increase in input costs, the state provided additional subsidies in order not to lose its »control« over the prices.

Collective or state farms had little opportunity to select the most suitable machinery for their needs. The state provided and distributed investment, machinery, and equipment. Decisions on investment in irrigation and drainage were made by the ministry above. The farms could only refuse the investment. The Soviet Union spent substantial amounts of money to expand irrigation and drainage systems without any noticeable impact on yields.

After compulsory deliveries were liquidated (in Hungary and Romania at the beginning of 1957, in the Soviet Union in 1958, in Bulgaria in 1959, in Czechoslovakia in 1960, and the GDR in 1964), state producer prices became more important because farms could now react more strongly to prices that caused losses. Therefore, most countries returned to paying split producer prices in the mid-1960s to increase the incentive to deliver over-plan production, for which higher prices were paid. In the Soviet Union, this had a drastic effect. In years of good harvests, significantly higher prices were paid due to premiums for over-plan deliveries than in years with a poor harvest.

Despite increasing producer prices in 1983, 24 percent of collective farms and 42% of state farms in the Soviet Union were unable to accumulate capital because many procurement prices did not cover production costs. For example, they covered only 70–75% of production costs for potatoes, beef and pork, 80% of vegetables, and 90% of milk. In reaction to prices causing chronic losses, the collective farms reduced the production of these products.

Increase in the input of capital without reducing the labor input accordingly

In Western agriculture, capital input replaced labor, and production costs remained unchanged. In all Eastern European countries, however, the increased capital input hardly reduced labor input. Even when some people were set free, the amount of labor input often stayed relatively stable, as only the previous underemployment of the workforce was reduced. The costs for the increasing input of capital, thus, were not equalized by the reduction of the labor costs. The

220 Wädekin, *Sozialistische Agrarpolitik in Osteuropa II,* 212.

provided »complex« mechanization was insufficient. Often, some labor-intensive work had to be done by hand, especially storing and packing. Little mechanization was provided for labor-intensive work, such as harvesting potatoes, hay, and silage, as well as animal production in total, and the fight against weeds. In the Soviet Union, even labor input from other branches of the economy took place during the harvest. In September, students were sent to the countryside to assist with various tasks. In many Eastern European countries, non-agricultural people were sent to the countryside as helpers, even during the mostly mechanized grain harvest.[221]

The reduction in labor input was significantly lower in Poland, Yugoslavia, and the Soviet Union than in Western countries. Considering the large-scale size of the farms, the labor input was also high in Hungary, Czechoslovakia, and the GDR.[222] In the GDR, since 1976, hardly any laborers were set free from agriculture. Since 1980, the number of workers in the GDR agriculture has increased. While labor productivity still had reached about 62% of the level in West Germany between 1966 and 1970, it fell to only 53% between 1976 and 1980. Before 1974, the GDR's agriculture had coped quite well in comparison with agriculture in West Germany. Grüneberg's concept of industrialized agriculture caused a disaster. Despite high investments, the GDR agriculture stagnated between 1974 and 1982. During this period, the GDR lost its leading role among Eastern European countries in most branches, while Hungary improved its position.

While labor productivity in Western agriculture since the 1970s has been as high as, or even higher than, in industry, in socialist countries it has been significantly lower than that of industry. At the beginning of the 1970s, agricultural labor productivity in Poland and Romania was only 19–20% of that in industry. In the GDR, the rate was approximately 50%.[223]

Ignoring the specifics of concentration in agriculture, working with plants and animals

Understanding the deficiencies of the concept of »socialist agriculture« requires knowledge of Christian Krebs's study on the origin and development of the concept by Marx, Engels, and other socialists. They assumed that agriculture would be subjected to similar processes of concentration as industry. Krebs convincingly put Marx's expectation in question with the idea that the peasants' petty commodity production, with the simple exchange of goods by the producers, would necessarily produce capitalism. He explains why the parallelization

221 Ibid., 117.
222 Ibid., 106–09.
223 Ibid., 118–20.

of the development of the peasants' »simple« or »petty commodity production« with the industry did not work and similar economies of scale are not possible in agriculture.[224] Here, other forms of concentration are likely to raise efficiency, as the real »producers« in agriculture are plants and animals, and not the workforce. Intensification of production is also possible without increasing the size of the production as this has only limited effects. Copying the industrial organization does not increase yields in agriculture. Moreover, insufficient attention is paid to the fact that internal transport costs increase significantly with the size of the farms.

In reaction to the cost trap: Reducing the costs of production

Detailed data on costs and subsidies, published in the statistical yearbooks, are available for the GDR.[225] I will therefore use this data to describe the reaction, which, however, was similar in most other socialist countries.

The reorganized »industrial agriculture«, set up in the GDR in the mid-1970s, became a cost trap. In reaction to this, the planned norms for cattle barns were reduced, and reorganization slowed down. The SED decided to stop further concentration. After the death of Grüneberg in 1981, it was decided to return the employed to the territorial principle. In the 1980s, the goal of harmonizing living conditions in rural and urban areas was abandoned. As the prices for agricultural inputs were fixed in 1973, the need for state subsidies increased significantly: from 0.4 billion D-mark in 1974 to 6.9 billion D-mark in 1982.

The costs of maintaining agricultural production and avoiding public unrest over the increase in food prices required enormous state subsidies. The GDR, for example, subsidized food prices for consumers to keep them low and stable, anxious that rising food prices would cause dangerous public unrest, as seen in the Soviet Union in 1962 and several times in Poland. Although it was hardly possible to finance the subsidies any longer, the SED leadership did not dare initiate the necessary correction of consumer prices to reflect the increased costs of production until the end of the regime in 1989. However, other measures were taken to reduce the pressure of costs. Thus, the spending of scarce currency on imports for agriculture, such as concentrated feed and fuel, was reduced and brought under strict state control. The technical drying of straw and root crops was discontinued in 1978 to conserve fuel imports.

In the GDR, subsidies from the state budget for agriculture increased significantly between 1970 and 1980: subsidies for maintaining low and stable consumer prices rose from 4.85 to 7.85 billion D-mark, and subsidies for reducing

224 Krebs, *Die weltanschaulichen und wirtschaftstheoretischen Grundlagen.*
225 Cf. Weber, *Stand*.

the prices of agricultural means of production rose from zero to 6.11 billion D-mark. The number of permanently employed persons (agriculture and ACZ with no forest, veterinary services, and plant protection) between 1970 and 1980 fell from 907,962 to 820,122 persons, while salaries and premiums paid rose by 125%, from 7.45 to 9.40 billion D-mark. While the GDR's net production of agriculture and forest increased only by 11% (from 14.95 to 16.62 billion D-mark), the capital stock increased from 37.5 to 61.7 billion D-mark.[226]

To reduce the use of fuel and concentrated feed, the agricultural price reform of 1984 aimed to encourage enterprises to take the costs of means of production into strong account. The end of state subsidies for means of production significantly increased the production costs for the farms. This increase, however, was more than compensated by a substantial rise in the producer prices paid by the state. As a consequence, state subsidies to keep consumer prices low increased very strongly. In 1986, already 30.9 billion D-mark (7.85 billion in 1980) were paid, while subsidies for means of production fell to 3.1 billion D-mark (6.11 billion in 1980). In total, the GDR paid 34 billion D-mark in subsidies in 1986 to agriculture (more than double the sum of 1980 (14 billion D-mark). Regarding the net income of the population, this meant that the GDR paid as much as 2,000 D-mark of subsidies per capita for the people's food consumption, while the average yearly income was 9,000 D-mark. After the 1984 price reform, hardly any agricultural enterprise in the GDR operated at a loss, whereas previously, a significant part had not generated sufficient income to cover investment and salaries from its »profit«.

As in several other Eastern European countries, the goals of the 1982 food program in the Soviet Union also aimed to substitute imports to save currency. It therefore tried to increase the incentives for using local resources through a price policy. Subsidies for the means of production were cut. To reduce the high losses of production, investment should be concentrated in downstream branches, such as transportation, storage, and trade, which were previously neglected. To attract and retain well-qualified, skilled specialists on the farms, their wages were adjusted to the level paid in industry, and comparable living, housing, and services were provided to them as in urban areas. To satisfy the demand for skilled labor, investment was increasingly directed toward the social sphere and infrastructure improvement. Agricultural specialists, working in the countryside, got priority access to a private car. People working in the countryside were allowed to build single houses and hold private plots.

226 Hohmann, Akzentverschiebung.

8. THE RETURN TO COST-EFFICIENT PRIVATE SMALL-SCALE AGRICULTURAL PRODUCTION

The crisis of the socialist large-scale agricultural enterprises put their superiority over small-scale production in question. Apart from Czechoslovakia, all other socialist states started to support the small-scale private output. Working with family labor allowed the state to save money as it did not have to provide the cost for wages and social security as for »socialist labor« in the large-scale farms.

Hungary began to react to the cost trap as early as 1976. It stopped its previous fixation on large-scale socialist enterprises by starting to promote private, small-scale production. This was the beginning of the successful integration of private small-scale production into the cooperatives. Large-scale farms focused on the highly mechanized branches of arable crop cultivation, while household plots specialized in labor-intensive vegetable and fruit production, as well as poultry and pig farming.[227] State promotion also included small-scale agricultural production by non-agricultural people.[228] The integration of small-scale agriculture into socialist agriculture in Hungary reached an unprecedented extent by the beginning of the 1980s. Now the state started »to harvest the capital reserves created by "family labor"«.[229]

At the beginning of the 1980s, the Hungarian government increased the integration of family labor into the service and industry sectors to reduce the production costs of large-scale enterprises by creating a mass of new, less closely regulated production units. Among them were »economic work partnerships«, which required that at least one member have a trade qualification. They got an allowance to lease space and machinery from the state enterprises and subcontract to them. A special form was the »enterprise economic work partnerships«, consisting of employees or pensioners of a parent enterprise. Most members provided the work in their spare time while working full-time in the socialist economy.[230]

Hungary also reduced the state subsidies to the farms. As a consequence, about one-third of the cooperative farms, which held 44% of the sown area, operated at a loss. Between 1982 and 1984, the state supported the liquidation of some of them and the formation of economic working groups or small specialist groups within these farms. They took over production orders by contract and worked on their account. The state did not interfere in this process and allowed the cooperatives to decide how best to react to the economic pressure of ending the state subsidies.

227 Varga, *The Hungarian Agricultural Miracle?*, 282.
228 Ibid., 253–54.
229 Swain, *Collective Farms*, 4.
230 Ibid., 10–11.

In Hungary, about 1.5 to 1.6 million families were busy in agriculture after work (in their primary job), which is about 40% of the total population. Non-agricultural workers and employees accounted for approximately 40% of private agricultural production.[231] Private production dominated in labor-intensive branches, difficult to mechanize, such as fruits, vegetables, wine, fattening of pigs and geese, in addition to the meat of small animals like rabbits and pigeons. It was strongly oriented to the market, and the collective and state farms provided attractive conditions to all private producers. They served as trade enterprises by providing necessary inputs and means of production, offering services such as plowing the land, and taking over the marketing of their products. In 1981, state and collective farms employed about 3,000 specialists only to advise their small-scale producers. Approximately 540,000 private producers participated in this integrated form of production. In Hungary, consumer prices remained at the same level for all consumers. Therefore, selling on free markets (as in the Soviet Union) lost its attraction for the private producers.

By focusing on mobilizing local resources for production to substitute for imports, the Soviet Union also changed its attitude toward private production. Since 1977, the restrictions on the plots have been lifted step by step, for example, for the fattening of animals, which is not profitable for large-scale enterprises. Since 1981, it has been allowed to use additional grassland for the harvesting of fodder, and in 1986, the upper limits for keeping animals were annulled.[232]

Since 1982, the Soviet Union has also tried to improve the motivation for good work with incentives. The formation of »contract teams« (*zveno*) was propagated: they should take over orders to produce certain products, organizing the work themselves. The farms should provide them with the necessary means of production. Payment should be for the final product, calculated, however, by the official norms. However, this attempt was not effective under Soviet conditions. Often, enterprises failed to fulfill their obligations, necessary inputs did not arrive on time, and the turnover of team members was significant. The income calculation was complicated as it had to be based on state norms instead of simply on the final product.

After abolishing the upper limits on the size of private plots in 1977, the GDR also began to support the private agricultural production of non-agricultural

231 About 22,000 small private farms were left, mainly working on poor soil. The private plots of the members of the collective farms measured on average 0.57 ha, and together with the private farms, 650,000 ha were cultivated privately. In addition, there were 790,000 small land allotments of non–agricultural workers and employees.

232 The plots, however, failed to provide the expected additional food, as machinery for work on the small plots was missing, and the prices paid by the state for buying up these products were not attractive. Unlike in Hungary, the collective farms did not provide attractive conditions for selling privately produced products.

individuals. It entered into a contract with the VKSK (the association of allotment gardeners, settlers, and small animal breeders), founded in 1959, which had approximately 1.5 million members by around 1980. The state paid its members 10% more for fruits, vegetables, and small animals than it paid collective farms. The products bought by the state trade were then sold in state shops at highly subsidized state prices, below the prices paid to private producers. The VKSK delivered about one-third of the fruits, 100% of rabbits for meat, 100% of honey, two-thirds of the geese, 25% of the vegetables, and 40% of sheep wool. The share of the VKSK in providing products for state marketing showed a strongly increasing trend. In the GDR, as in other socialist countries, primarily the Soviet Union, it was a widespread practice to buy highly subsidized bread to feed it to private animals, as concentrated feed was costly and in short supply.[233]

In many countries, family members changed their way of production on private plots. They reduced the time and labor-intensive keeping of cows, while the keeping of sheep and pigs increased. The younger generation wanted to spend less time on the plots.[234]

9. THE FATE OF SOCIALIST AGRICULTURE AFTER THE END OF THE SOCIALIST REGIMES: WHAT DOES THIS TELL US ABOUT ITS ADVANTAGES AND SHORTCOMINGS?

To assess the question of the extent to which socialist agriculture was a success or failure, it is helpful to examine what happened to it after the end of the socialist regimes. In 1985, Swain argued that the Hungarian collective farms were a »socialist success« regarding economics, while they were a »socialist failure« regarding social and political aspects, as they did not create a workplace environment with intrinsically socialist features.[235] In my understanding, this assessment had to be revised after the end of the socialist regimes. From today's perspective, socialist agriculture was an economic failure. It was unable to produce cost-efficiently and wasted material and human resources. At the same time, the working conditions and social security it provided did satisfy the workforce of the socialist farms in most countries, with the only exceptions of Romania and Albania.[236]

Despite the severe economic problems caused by the cost trap, in Hungary, Czechoslovakia, Bulgaria, the GDR, and the Soviet Union, most collective farm members were satisfied with their working conditions at the beginning of

233 Bauerkämper, *Ländliche Gesellschaft,* 202–05.
234 Swain, *Collective Farms*, 9–10.
235 Ibid., 9–11, 181. He based his assessment on »socialist principles«.
236 Swain, Agricultural Restitution. Also Merl, Agrarian transformations and Merl, Key Features.

the 1980s, which were now quite similar to those of industrial workers. Non-agricultural activities in the second economy were now allowed everywhere. The members received a fairly reasonable payment for the sometimes relatively low-quality work. Payment, in most cases, did not depend on the work results. In most countries, they enjoyed the same working conditions and social security as industrial laborers. Although the harmonization of living in the countryside with urban areas was not achieved, the balance of socialist industrial agriculture towards social goals was not too bad. Significant public investments in farms and private investments in housing had developed a general sense of well-being in the countryside. The previous infrastructural disadvantages related to culture and living had been reduced. On the collective farms, they now enjoyed regular working hours, vacation, and free weekends.[237]

After the end of the socialist regimes, all countries started a reconstruction, following two requirements: 1/ to correct by the restitution of their property the injustice done by collectivization to the proprietors of land and equipment, and 2/ to transfer the farms to – corporate or private – agricultural enterprises coping to produce in a market economy under competitive conditions. In this process, external and internal factors played a role. Political discrimination of former »socialist« enterprises and the need to increase efficiency by reducing production costs were external factors. To this end, the workforce had to be significantly reduced, and low-efficiency machinery and equipment had to be replaced with highly efficient Western models. The satisfaction of the collective farms' members with their living and working conditions, and the trust they hold in their management to cope with the challenges of transforming the enterprise, were internal factors. They determined the outcome of the meetings, in which the present members and the – by now mostly external – property holders had to vote on the economic concept that the management had developed for the future of the enterprise, and the opening balance, distributing the financial and material assets of the enterprise. Both needed the approval of the present members and (separately) of the property holders, two groups of very different interests.

The internal factors provide the clearest judgment on success or failure. Those »socialist« farms that had not provided a comfortable living, social security, and acceptable working conditions to their members disappeared immediately. This was a common occurrence with the collective farms in Romania and Albania. Both countries never ended Stalin's discrimination against the peasants; the incomes of the members stayed miserable, and distribution by labor-units was never abolished. In Albania, the members' vote led to the complete liquidation of the

237 Bauerkämper, *Ländliche Gesellschaft*. Bauerkämper, Collectivization, 34. Swain, Agricultural Restitution, 199–201.

collective farms, and in Romania, it led to a significant extent of liquidation.[238] In all other countries, in the overwhelming majority of cases, the members gave their consent to the management's proposals.[239] External factors worked more complexly. Each country approached the legislation on restitution, bankruptcy, and restructuring the large-scale farms differently. In Germany, the regulation of »old debts« played a decisive role in the outcome.[240]

To provide compensation for the historical injustices done by the expropriations, the assets (of the collective farms) had to be returned to the real owners. Only in Poland and Yugoslavia, there was no need for this as they had stopped collectivization.[241] Bulgaria and Romania insisted on returning the land within the historical boundaries, which caused special problems.

Most new governments (except Bulgaria) exercised intense political pressure to destroy the collective farms. They wanted to restore peasant agriculture as it had existed before collectivization. They did not take into account the economic changes that had occurred over the past few decades. The preconditions for successfully running a family farm in most industrialized countries were vastly different from those in the 1950s. A quick progress of agricultural science (for example, the »green revolution«) and knowledge had taken place. Even private farmers needed solid training and qualifications to cope with the new requirements of farming. Every farm used efficient machinery and equipment and had to invest in fertilizer and a high-quality stock of animals. To calculate the risks of investment, they utilized advice from cooperatives or private consultants. In addition, a process of concentration had taken place. The medium size of a farm had at least tripled. Many farmers had retired without finding a successor. They often kept their property but rented out their land to other farmers.

In general, the restituted property was small and often split. Such holdings no longer provided the preconditions for successful farming. In addition, most previous land proprietors, more precisely their heirs, had been away from agriculture for a long time, and many had never worked in agriculture. Only a very few of those who regained their land property were able or willing to restart private farming.[242] Only members of the previous collective farm who had a special

238 Swain, Agricultural Restitution, 1199–219. He gives an overview on the outcome in Romania, Czechia, Slovakia, and Hungary.

239 Ibid., 1199–201.

240 Merl, Agrarian transformations, 130–47. In the GDR, the costs for investments in the local infrastructure and social institutions were registered as debts of the farms, although they never had access to this money. The Kohl government required to repay these »old debts«. It took a decade to solve this problem finally and to free the enterprises from repayment.

241 Poland suffered from a lack of land consolidation, elsewhere reached by collectivization – Swain, Agricultural Restitution, 1201.

242 Many new private farms in the GDR were founded by people from West–Germany or even from abroad, often from the Netherlands. Many started a (family) farm with several hundred hectares.

»peasant mentality« and loved working with animals and in the fields, regardless of the length of the workday, could cope with such risks. Under these conditions, only very few of those getting their land back decided to start (individual) farming. Among those restarting voluntarily were many specialists and members of management, who held the necessary qualifications and network connections to acquire machinery. Rank-and-file members seldom decided to run this risk if they had other alternatives. Most preferred to lease their land out. The new leaseholders, often reorganized large-scale enterprises, had to manage a large number of lease contracts. They held little land; most now leased the land from hundreds of proprietors. In Hungary, they were not even allowed to buy land.[243]

On the other hand, large-scale enterprises, run by qualified managers and equipped with high-quality equipment, had a good chance of coping with market conditions. The fact that so many of them survived the re-registration process (primarily to »true« cooperatives, ltd., seldom to a holding) reveals where the decisive deficiencies of the socialist regimes had been. The problem had not primarily been the size of the enterprise, but rather that the directors, presidents, and chairmen had been under command from above and could not select their own inputs and machinery necessary for efficient production. Now, many of them coped well with deciding on their own risk. They prioritized cost-efficient production, selected highly efficient machinery and livestock, and reduced the workforce to those truly necessary, retaining primarily skilled workers.[244] The fact that most of these managers came from previously existing state or collective farms suggests that they were well-qualified for their jobs and able to earn the trust of their previous members.

In the Czech Republic, restitution was highly politicized. It should return the object lost at full value and in its actual form. However, restitution was not a mass phenomenon, as the land was kept in private ownership: it affected only those expropriated as *kulaks* at the beginning of the 1950s, and the estate owners, who were expropriated in 1948. Other land could be assigned to them.[245] Due to the creation of »cooperative property« in 1967, restitution in Hungary became a mass phenomenon. At the end of the 1980s, only 35% of the land had remained in private property. Thus, many had to be compensated for their loss. In Hungary, however, there was considerable concern about the viability of future structures. Therefore, it was decided not to return the land, but to issue restitution vouchers that allowed one to acquire land in auctions, not limited to the original location.

243 Swain, Agricultural Restitution, 1205–06.

244 The success of the large–scale farms or the newly founded large family farms depended primarily on raising the efficiency. In all previous socialist countries, the plant and animal yields reached before were soon surpassed.

245 Swain, Agricultural Restitution, 1201.

Everyone should get something, but nobody might claim »their« property back. Compensation could be provided by physical assets or financial securities, but not in cash.

In Czechoslovakia (as in Germany), the management of the large-scale enterprise had to present a plan for liquidation or for establishing a successor enterprise. The assets and the net win of the enterprise should be distributed as follows: 50% by land, 30% by assets brought in, and 20% by the length of the membership. The request to return assets had to be made within 7 years. This led to large-scale successor farm uncertainty and severe problems: over this time, it would be in an uncertain position concerning its assets. Additionally, there was the risk that those dissatisfied with the decision might pursue legal action, potentially keeping the final decision open for several years.[246] In Hungary, however, restitution was limited to 1992. Even those who did not bring land could claim a plot as their own, and the distribution should be at least 40 percent based on the length of membership.

In most Eastern European Countries, 1992 became a »window of opportunity« (Swain) to (re)start a family farm. Favorable start-up support was given to those who wanted to become farmers. After 1994, however, support was reduced or canceled in many countries, as it became too expensive and because many private farmers did not start producing for the market. »Socialist« small farming, as it existed in Hungary, seldom coped with the new market competition. Only in Russia, supplying oneself with additional food from the plots was still widespread and necessary in the countryside until the early 2000s. In all other countries, most private plots were soon converted into garden plots, losing their importance for feeding the people and producing for the market. Only in some cases did the proprietors successfully enlarge their private plots to become real family farms producing for the market.

Most managers envisioned their future in large-scale enterprises rather than in private farming, particularly in the GDR and the Czech Republic. They held important advantages: their commercial experience, familiarity with working with banks, business partners, and handling large sums of money. Additionally, they were members of networks that they could still utilize. Thus, they held the »social capital« that others lacked.[247] The success strongly depended on the qualifications of the managers. For restarting private farming, personal contacts with the farm managers opened access to capital and machinery. The farm managers held a decisive lead in information, which they did not share with others. Many of them used

246 Ibid., 1203–04. Merl, Agrarian transformations. In the GDR, uncertainty about the assets was a problem for the successor enterprises for a decade.

247 Swain, Agricultural Restitution, 1208–09. Merl, Agrarian transformations.

it to frighten the members by menacing (for example) with the cut of pensions. The better their farms were run before, the more successful the managers were. In these cases, they held authority and prestige among the members. The social and demographic profiles of the members also played a role. Older people and females, more willing to follow the arguments of the managers, dominated among them.[248] The reorganization process often took about a decade to complete.

Only in Hungary was the breaking up of the collective farms more likely, as bankruptcy legislation directly became effective. In the Czech Republic, and especially in Slovakia, many large-scale farms underwent a transformation to a new legal basis. That happened paradoxically due to the lack of bankruptcy legislation. In 1993/94, the number of corporate farms increased. Outsiders mostly did not risk starting farming privately. Many of the (previous) members increased the size of their private plots. In 1994, cooperaties and corporate bodies held nearly 74% of the land. Of the 23.2% in private hands, more than 80% were below 10 ha, and only 2% more than 100 ha (among them »residual estates«, returned to the heirs). In Slovakia, most voters on large-scale farms decided to retain this form. In 1994, they held 70% of the land, and nearly 5% was held by corporate bodies. Individual farms in Slovakia held only 5.2% of the land, 76% of them held less than 10 ha, and about 2% held more than 100 ha.[249]

In Hungary, the members initially decided to retain the cooperative farms. However, the political and economic pressure associated with the bankruptcy legislation altered the situation. More than a quarter of the large-scale farms were declared bankrupt. This became the lever to liquidate them. Their assets, however, were often retained, and the management used them as stepping stones in the creation of private, large-scale successor farms. Among those members who had already expanded their plots, only a few increased their production. In 1994, cooperative farms held 31.7% of the land, and private cooperative farms 35.9%. Individual farms held 32.4%, most of them under 10 ha in size.[250]

The specific features of the German case arose from the speed of the transformation during the process of German reunification and the fact that the new countries became part of the European Union from the beginning, which had fixed market rules and calculable prices. This was lacking in all other countries undergoing transformation, especially Russia. The majority of the former collective farms underwent significant changes in concept and survived. It took, however, roughly a decade to complete the transformation process. During this period, particularly in the early years, the share in landholding underwent significant changes. Corporate enterprises reduced their share in the New Countries

248 Swain, Agricultural Restitution, 1207–08.
249 Ibid., 1210–11.
250 Ibid., 1213–15.

from 90% to 51%, while the share of individual farms (including partnerships) rose from 10% to 49%. Only about one-third of the individual farms were formed »voluntarily«. At the same time, two-thirds arose due to the liquidation of the collective farms without a successor enterprise, leaving land proprietors with no other choice but to start cultivating the land themselves.[251] Most of the newly founded private farms on the territory of the former GDR, working under EU conditions, were significantly larger than the farms in West Germany. They even increased their medium size in that decade from 120 ha to 160 ha. Partnerships, included in private farms, often held several hundred hectares.[252]

Although the Helmut Kohl's government exercised pressure to return to private peasant farms, this had little effect. The time pressure set by the German government was decisive for the survival of most large-scale enterprises. The Agricultural Adaptation Law (Landwirtschaftsanpassungsgesetz) gave managers (APC) and workers only a few months to decide on the opening balance, the privatization proposal, and the future form of agricultural production. If no consensual vote by members and (separately counted) those with a right to assets was reached by the end of 1991, the large-scale farm went into liquidation, meaning that the management and the members lost control over the further process.[253]

In most cases, the votes were in favor of transforming the existing enterprise into a new legal form (»true« cooperative, Ltd). A decisive role in these votes was played by the »old debts«, causing uncertainty about what would be best for an individual. There was the risk of losing everything in the case of bankruptcy due to the »old debts«, which would then be subtracted from the value of the assets.

Making use of their »social capital«, the managers manipulated the outcome of the vote to give the successor enterprise a chance of survival. Only they held the real information on the farm and on the value of the assets. In the opening balance, the »reserves« were often manipulated to secure capital for the successor enterprise.[254] Managers who were disposing of the »trust« of the members often got a unanimous vote for their proposed concept and the opening balance. In only about 20% of the cases was such a proposal or vote missing, and the farms were subsequently liquidated through bankruptcy. Most transformed large-scale enterprises survived in the long run and adapted to market competition. Freed from state command and interference, and with access to high-quality equipment, many put their competitiveness to the test and made use of tax privileges and subsidies.[255]

251 Merl, Agrarian transformations, 136.
252 Ibid., 136–37.
253 Ibid., 131.
254 Ibid., 132–33.
255 Ibid., 131–32.

CONCLUSION

Stalin's combination of collectivization with class war was replicated in Eastern Europe, resulting in the same fatal consequences for the social and economic capital of agriculture as had occurred in the Soviet Union, and endangering the domestic food supply. The critique of Stalin's approach started in the Soviet Union. In June 1953, Beria and Malenkov put his infallibility in question. The revision of collectivization, which began in several East European countries, primarily Hungary, the GDR, and Czechoslovakia, was temporarily blocked by Khrushchev's insistence on completing collectivization instead of stabilizing the collective farms first. With his ideological approach, he exacerbated the disaster of Stalin's collectivization and caused the exodus of a more flexible workforce from agriculture. Hungary was the only country to make use of the potential of family labor already after 1953. Khrushchev's replacement opened the possibility of stabilizing the collective farms and implementing a concept of agricultural modernization, bringing agricultural production closer to industry. Since 1955, the Soviet Union has fallen behind most Eastern European countries in every aspect, including improving of the living conditions of collective farm members.

Blocked by the myth of agricultural mechanization under Stalin, the socialist countries began to modernize their agriculture only in the 1970s, two decades after the West. Consolidation required what Stalin refused to provide: substantial state investments in agriculture, payment for labor, and highly efficient machinery for large-scale farming. But the industrialization of agriculture was done as collectivization before: »on the cheap«, providing mass machinery and equipment to agriculture below the Western standard. In addition, at the order of the ruling parties, huge investments were wasted on changes in the size of production units, independent of economic necessities. Although since the 1970s, the heads of large-scale farms in general were highly qualified, the command economy did not allow them to run the farms based on their competence. The ruling parties retained control over agriculture and subsequently dictated the prices. Fighting against the cost trap of socialist agriculture, they paradoxically returned in the 1980s to support the cost-efficient small private agricultural production that Stalin and Khrushchev had tried to eliminate. While the bulk of the workforce was satisfied with working conditions and remuneration on the large-scale farms, the enterprises ultimately suffered economically due to an extreme lack of efficiency. Only after the end of the socialist regimes were they able to prove their competitiveness under market conditions by winning access to high-quality inputs.

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