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THE AGRARIAN "REVOLUTION" IN THE POST-SOVIET ECONOMIES

In this short note I deal with the problems related to the transforming of the transitional economies' agriculture. The paper is divided into two parts. The first proposes an historical approach to the reading of the Russian, Soviet, and post-Soviet agricultural development, while the second analyses some de-collectivisation processes (Albania, Baltic States, Russia and China), and the role of the Western world in the plan to market transition.

Russian, Soviet, and post-Soviet agricultural development

For many generations the Soviet solutions adopted in agriculture, the «red» revolution, were considered as corner stone, a positive one from the Eastern perspective and a negative one from the Western view. However, having deep roots in the period before 1917, the formalising of the Soviet model in agriculture reflects a long evolutionary process. To solve the various problems affecting agriculture in this historical period different solutions were adopted. Recently, I tried to demonstrate that the failure of the measures adopted has a double common matrix⁽¹⁾. On one side the will of transposing, without any regard for the peculiar condition of the country, some economic and social models borrowed from ideologies or experiences originated in the Western world; their imposition from above on the other. Step by step the transplanted and imposed models (organs) were rejected. The effect of these operations was to alter the equilibrium of agriculture. Yet, this sector suffered of various and sometime traumatic adaptations. Through these two elements I can read the main phases of the Russian, Soviet, and post-Soviet agricultural development, recognizing the adoption of at least seven «models».

The 1861's emancipation corresponds to the Malthusian model or the need of adapting rural population and cultivated land. The 1905's revolution and agrarian reform mark the Stolypin (unfinished) model, whose aim was to reinforce, through the access to individual property and the reconsolidation of the pulverised lots, a small land owners' class willing to modernise their farms. The 1917 revolution and the NEP reflect in part the Marxist model (progress of agriculture had to take as reference the industrial sector passing from family farms to large, mechanised agricultural enterprises) and in part the (unexpressed) model of Cayanov or the reorganisation of peasant economy. The collectivisation at the end of the 20s leads to the Soviet model: the collective farm, the *kolkhoz*, tool and symbol of the Soviet agricultural revolution, plays the role of compromise between the objective, the *sovkhos*, and the starting peasant environment. The post war industrialisation takes, in the 70s, to the agro-industrial model or the integration between agriculture and industry through the adoption of a systemic approach that looked at agriculture and its linkages with the up- and downstream sectors. The Gorbacëv's revolution of the mid 80s represents the first step toward the adoption of a market model with the introduction of some elements characterising the agricultural organisation in the

Western economies, e.g. ownership of technical means, possession and lease of land, partial liberalisation of input and output prices, etc.

In the 90s, with the dissolution of the USSR, the former-Soviet republics and some other «socialist oriented» countries initiated autonomously the search of the solutions to the problems posed by the failure of the Soviet model. This process led to the decision of de-collectivizing agriculture. A radical change has since taken place in the sector of all the transitional countries.

Also the roads followed by the single countries to solve the problems of the post-Soviet and post-collectivist agriculture could be analysed referring at some common characters of the ongoing processes: origin, endogenous or exogenous, of the adopted solutions; push, from above or from below; intensity of de-collectivisation and obstacles to its implementation.

As an outcome of my field experience, I investigated four cases of de-collectivisation: Russia, the Baltic countries of Estonia, Latvia and Lithuania, China, and Albania. In this comparative perspective, the path followed by the single countries allowed me to draw several conclusions that help to gain greater insight not only into the agricultural de-collectivisation but also into the processes of transition from a planned to a market economy (Segrè, 1994).

The de-collectivisation processes in the former socialist countries

Before detailing the results of this investigation, it would be useful to make some general comments⁽²⁾. In effect, in the transition to the new market-economy model the countries of a centrally planned regime lose their system's defining characteristic. They are now «new developing countries». They have broken with one ideological and political system but have yet to become full members of the other, which we may call the world market. It is in this sense that such a transition is already part of our society and economy, although the events of the past – the historical legacy of Soviet-style socialism – will indubitably influence this development.

It is precisely this latter consideration that conceals an important fact. In dealing with the issues linked to this transition, especially in the search for the most viable responses, the current tendency seems to lose sight of the store of knowledge accumulated previously by scholars of command economic systems. The reasoning appears to be logical: to gain entry to the Western system, i.e. to take their place among the world's developed nations, these countries must rely on experts of the market economy. While there is merit to this viewpoint, it also carries with it a marked risk. Many Western economists, especially those from the industrialised countries with links to international institutions, when called upon to advise the governments of these countries in transition, tend to see the formerly socialist economies as similar to others in developing countries – Second World equals Third World. Or, they are instinctively drawn to believe that the Western model can be successfully transplanted – Second World equals First World (Segrè, 1994).

Yet these views neglect to take account of at least two

⁽¹⁾ See Segrè (1994). Starting point of the followed path where the hypothesis formulated by Kerblay (1985, pp. 9-14).

⁽²⁾ In this reasoning I will follow the path suggested by Lavigne (1992).

important facts. The first is that no country has a perfect model. Most of the capitalist democracies, for example, have made errors in their economic and social policies: these developed nations do not seem offer models deserving to be cloned elsewhere. Second, policies and institutions alike have undergone evolution and adapted themselves to a particular economic and social environment: if transplanted, it sometimes happens that they are rejected by the intended host organism simply because they are incompatible with the substrate made up of the civil society⁽³⁾.

It is not surprising, then, that after a quick start the process of agricultural reform in the cases surveyed have slackened their pace somewhat, albeit at differing rates and to varying extent depending on the country. The reasons behind this general deceleration are to be found, apart from the progressive dissipation of the nationalistic thrust, in many and various obstacles – institutional, juridical, administrative, economic, political, social – that agricultural reform has encountered. This because in the transition stage institutions as well as economic and social behaviour typical of socialist systems are still very much alive.

While it is difficult to establish a ranking of importance because the various aspects are closely bound up together, the problems common to all the countries surveyed are imputable to the failure to define property rights and control mechanisms in agriculture, to the essentially hostile attitude to individual initiative by varying strata of society, to the generalised quantitative and qualitative lack of the technical means of farm production, to the lack of infrastructures and services needed by the new private farms and to the strict dependence (and not just economically) of the latter on public institutions.

Yet the major problems have arisen in those countries that, under the new regime, decided to adopt restitution or indemnity payments to former owners who were expropriated under the socialist government. This decision was dictated mainly by political reasons: it is no accident that it was legalised wherever nationalist movements had the greatest influence. This solution implied, however, an important series of issues linked as much to administrative and parity concerns as to land availability and, especially, the size of holdings, the latter being extremely fragmented right from the initial stages of acreage assignment.

These reform processes seem clearly to denote a structural overhaul marked by the presence, more or less numerous depending on the country, of generally family-run, individual farm holdings. This development is important for at least two reasons. First, the family farm, i.e. which provides work for the entire family and assures it an adequate income, has proven in various areas throughout the world the model that has most contributed to agricultural and extra-agricultural development, regardless of how property rights are defined and protected. The second is that the peculiar organisational principles of the family-run farm and the way these are linked to capital accumulation and investment make this model relatively less liable to outside pressures, the proper working of the markets on the demand side and of the farm itself on the supply side heading the list.

Implied throughout these issues is the fact that whatever the prospects are for the development of the private sector in these countries, they are closely linked to the success of the macro-

economic measures necessary to the transition from a command to a market system, i.e. to a reform of prices, of supply, an effective credit and monetary policy, a free market for farm equipment and produce marketing. In other words, the agrarian reform must be addressed within the overall economic framework.

The four de-collectivisation processes looked at also enable to draw up a kind of classification. It can help to identify on the one hand the way and the pace of the development process and on the other to assess the conditions that have determined the extent of its success.

Thus, in Russia, respecting the tradition of imposed exogenous models, the process of decollectivisation was forced and slowed. On the other hand in China, where push to reform agriculture started from below and elements introduced were not far from the peasant's culture, the process was spontaneous and accelerated. The Baltic case, though marked by a certain diversity depending on the country, represents an intermediate stage of de-collectivisation in that it is a process that first accelerated and then slowed down, even if it was essentially controlled from above since its very start. In Albania, in a reverse of Cajanovian's concept of *samo-kollektivizacija*, this process to be a kind of spontaneous and accelerated self-decollectivisation.

There are three conditions needed for successful de-collectivisation: two are linked to the process's mode and pace and the other is a factor found within the system that has to be changed. The first is that the impetus towards agricultural de-collectivisation be spontaneous, i.e. that it comes from below: the laws must immediately follow on the heels of this process, ratifying (or, if you wish, regulating) from above a situation already under way. The second is that the elements introduced from the outside, besides being assimilated gradually, must also be few in number so that the rural cultural can assimilate them: in other words, it is a matter of reestablishing, albeit in modern terms, traditions of trade that usually already exist. The third is to furnish the agricultural *nomenklature* with adequate incentives by offering particularly favourable conditions for undertaking private farming. This not only because the management of the former collective and state farm is the best trained, in the sense that these people are the most familiar with the production process and have the best connections to it both at inlet and outlet of the pipeline, but above all because favouring this management removes an important economic obstacle (and not just a political one) to the reform process. If the best insight into the mode and the pace of agricultural de-collectivisation makes it possible to add certain elements to our understanding of the stages of the transition process, the determination of the three conditions necessary (though not sufficient by themselves) to ensure the success of the process reinforces the conviction that the solutions adopted in a given country are viable only in so far as that specific case is concerned and, despite certain similarities, cannot be extended to the others. All the more important, then, that one should not think that the Western agricultural model, which itself is not

⁽³⁾ I developed very much the role of Western economists and of International Organisations in driving the transitional economies to the market system in Segrè (1995).

very uniform and stable, can be transplanted to the entirely different soil that is found in the countries emerging from Soviet-style socialism. That is, there is no such thing as a universal recipe viable for everyone, everywhere and at all times

This is why the transition process in agriculture, as in the entire economy, is foreseeably long not to mention unknown in its eventual forms. Nor is this is not surprising when one recalls that the process of transition (or, if one wishes, of adaptation) in the market economic-agricultural systems is anything but completed. In other words, albeit in relation to the temporal horizon of reference, this transition is transitory indeed and not continuous.

If we see the issues in this light, it is all the more necessary that scholars of economics and agricultural policy, together with the specialists in the mechanisms of central planning and the market economy, strive towards the formulation of a theory of «transition» in agriculture. This is a necessary step given the

previously undocumented character of the process itself, the consequent inapplicability of the methodological approaches developed for other situations and the fact that the transitional economies will long retain a modality that differs both from the centrally planned and market-economy models.

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