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KEY FEATURES OF THE AGRARIAN TRANSFORMATIONS IN THE FORMER GDR*

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Abstract. The article considers the agrarian transformations (primarily privatization and structural adaptation to the domestic and international markets) in the former GDR that are often presented as a success story due to the growth in agricultural productivity and competitiveness of new types of agricultural enterprises. First, the author identifies the main tasks of these transformations: (1) privatization of the “socialist property” and its distribution between (a) those who contributed capital and land to the agricultural enterprise when it was established, and (b) its employees at the moment of restructuring; (2) adaptation to new market conditions. Both tasks were extremely difficult and challenging for they required large investments in better breeds and machinery, and a significant reduction of agricultural workforce. Second, the author considers the legislative basis for privatization and the real practices of the reorganization of the former agricultural enterprises (proposals for the distribution of the assets, land restitution as prior to compensation, the successor large-scale enterprises forced land leasing contracts, manipulations with the balance sheets to obtain hidden reserves necessary for survival by underestimation of the existing assets, etc.). The author believes that the Kohl government did not foresee that privatization would be so complicated, and made many mistakes while striving to keep agricultural production in the new countries, especially to restrain the growth of unemployment. Therefore, the contemporary research of the agricultural economy is very critical of the regulations and frameworks set by the German government that is blamed for being responsible for many serious development constraints (short-term leasing contracts, paying off old debts, the lack of state subsidies for large enterprises, etc.). The final section of the article reveals the meaning of the land property in the agrarian transformations in the GDR. The author relies on the statistical data for more than two decades, monitoring data on the still ongoing transition and his own studies of agricultural enterprises in different regions (1992, 1997, 2002 and 2016).

Key words: agrarian transformations; the former GDR; agricultural production; privatization; adaptation to the market; landed property; land leasing; reorganization of the former agricultural enterprises

In the late 1980s, the agrarian transformations (primarily privatization and structural adaptation to the domestic and international markets) started in Eastern Europe and the Soviet Union. This was an extremely difficult economic transition strongly influenced by changing prices and demand for agricultural goods. However, today in most post-socialist countries agricultural productivity has significantly grown though problems and uncertainties remain especially considering the property rights and structural changes of agricultural enterprises, and their consequences for the sustainability of rural communities and countryside in general. In the former GDR, the agrarian transformations are often considered a success story due to the growth in agricultural productivity and competitiveness of new types of agricultural enterprises, which certainly is not similar

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to the situation in Russia. In this sense, the article contributes to understanding problematic and contradictory outcomes of the transition in Russia though the author focuses on the former GDR transitional trajectory.

In general, the agrarian transformations of recent decades are to solve two tasks. First, privatization of the so-called “socialist property” and its distribution between (a) those who contributed capital and land to the agricultural production company (APC) when it was established and developing, and (b) employees of the APC at the moment of its restructuring; second, adaptation to new market conditions. Both tasks were extremely difficult and challenging, which is easy to prove by an illustration of what adaptation to market conditions meant in 1990. Thus, agricultural production prices in the European Union (EU) were only 35% of the former GDR prices; prices for necessary agricultural inputs such as machinery, seeds and fertilizers were also lower, but only by 30%, and were 70% of the former GDR prices. To make the adaptation even more complicated, crop yields and milk yield per cow in the former GDR were only about 80% of the West Germany level, potatoes and sugar beet prices — from about 50% to 60% [9. P. 9—12; 13. P. 104—104]. Therefore, adaptation to the market required to increase agricultural productivity significantly in a very short time to compete with the EU agricultural products. The necessary preconditions for such an economic breakthrough were large investments in better breeds and machinery, and a significant reduction of agricultural workforce [12; 13].

The legislative basis for privatization was laid down by the agricultural adjustment act (AAA — July 1990) that was seriously revised a year later. Already in the autumn of 1990, it was obvious that the first deadline set for reorganization (the end of 1990) was unrealistic for there were too many questions considering the distribution of the APCs’ assets under the privatization. The revised version of AAA in July 1991 improved the position of those who contributed capital and land to the APC when it was established, and changed the deadline of the prescribed reorganization to the end of 1991. Moreover, the right to decide on the future form of local agricultural enterprises was given to the assemblies of APCs’ employees. The assemblies had first to agree on the balance sheets of the assets of the APC calculated in West German currency Deutsche Mark (DM) as the basis for distributing shares between individuals under the privatization; then they had to decide on the future of the APC.

Since July 1991, a “double majority” has become necessary for voting: the proposed distribution of the assets and the proposed future of the APC had to be supported not only by two thirds of the votes of former employees, but also by two thirds of the votes of landholders and capital investors. Concerning the future of the APC, there were two choices: either establishing a successor large-scale enterprise, or liquidation meaning that former employees would lose their jobs, and the restituted landholders would either use the land as private farmers or lease it out. Since 1990, those who wanted to become private farmers had the right to use their land and to get their share of the APC’s assets paid out (Bayer 2012: 61). Thus, if the assembly voted for establishing a new large-scale agricultural enterprise, those who wanted to have their own family farm could leave the enterprise. In about 20% of cases the assemblies preferred to liquidate the APC and distribute the assets between the members to avoid bankruptcy for such a decision left creditors with nothing; however, the former employees lost their jobs, and those who

restituted their land property experienced strong pressure to revive a private farm. Bayer explains such a decision of voters by the high risk of the former APC liquidation. Therefore, in 1990 in general the assemblies voted for the transfer of capital to new owners (shareholders). Those claiming their money directly paid out had serious losses.

The opening balance and the proposal for the distribution of the assets under privatization were to be prepared by the management of the former APC together with the possible organizational model of the successor enterprise. Even the prolonged deadline (until the end of 1991) exerted a strong time pressure on all involved to identify the preferences considering the future structure of the enterprise. Only if the assembly did not vote until the end of 1991, the APC would undergo a compulsory liquidation, i.e. all creditors would have priority rights to the APCs assets (except for the land that had to be returned to owners).

The most important political decision that made privatization easier was to exclude the land from the distribution of the APC's assets. According to the dominant principle, the land restitution was prior to compensation. In the GDR the property rights did not change under collectivization, which is why the former landholders were easily found in the land registers. Thus, the APC could not dispose of the land as it used before: if the name of the landholder was known he would get land in private ownership; if the name of the landholder was unknown, the land was at the disposal of a special state agency founded for ensuring privatization of state assets — first it was Treuhand, and then from July 1992 BVVG (Bodenverwertungs- und Verwaltungs-GmbH), an Ltd responsible for the use and management of land, which still works today (1).

Therefore, the successor large-scale enterprises had nearly no landed property, they had to lease land from the proprietors of the restituted land and/or state agency. Other APC's assets were to be distributed between employees and former contributors of land or capital. The use of this land and capital was to be compensated, i.e. the assets were distributed very unequally: those who contributed land or capital got significantly higher shares than those who contributed only their work. Thiele [17. P. 115] believes that privatization determined a strong concentration of wealth due to the new farmers' claims to the APC: while 71% of the members got less than 10,000 Deutsch Marks (DM), 3% got about 50,000 to 150,000 DM. This created a dilemma for the members of the assembly when considering the liquidation of the APC: the value of the enterprise would be less if it would start the liquidation procedure than if it would become an operating successor enterprise. In the first case, the final price for the assets would be set by the auction. As many APCs at the same time started the liquidation, the expected prices were significantly lower the estimated value in the opening balance. Moreover, the old debts were to be paid back to the state directly under liquidation, while the successor enterprise according to the 1991 legislation could pay back the debts later. In general, the threat of concentrating the wealth led to the majority's decision to establish new restructured large enterprises, and only very few people left the APC: the risk of losing everything after paying out the old debts was too high. However, for people with high financial settlements it could be attractive to withdraw from the cooperative and start one's own farm [17. P. 115]. The land holdings restituted were usually about 1 to 20 hectares. Small landholdings of less than one hectare were widespread in the south of the former GDR (Thuringia).

Concerning the opening balance sheets, the APC managers were in a better position as they had an understanding of the economic situation. They had some interest in manipulating the data in order to give the new enterprise a chance to survive. In most cases, the total cost of the assets for distribution between the members of the APC was understated, especially by estimating the reserves too high [4. P. 54—72]. When checking the results of the distribution of the assets of enterprises in Brandenburg, Bayer find out mistakes in 67.3% of cases, insufficient data in 30.8% of cases, and in only 1.9% of cases the assets were distributed correctly [4. P. 65]. Usually the data about the reserves was manipulated. Sometimes only 20% of the assets value was set for distribution, while up to 80% were declared necessary reserves. Bayer speaks therefore of the hidden reserves formed by underestimation of assets [4. P. 65—72]. However, it is not worth speaking about deceiving the shareholders for it would mean that the managers already knew the results of the transformations for certain, which was not true in 1990 or 1991. The risk of not coping with significantly increasing efficiency was still too high, and a clear understanding of what would be profitable in the market conditions was still missing [13].

Manipulations with the balances were quite widespread, which explains how the successor large-scale enterprises managed to survive despite state regulative discrimination providing significant privileges only to the resettled farmers. The subsequent check of the balance sheets and formal registration of the successor enterprises also revealed many mistakes. In 97% of cases, the successor enterprise was registered despite the lack of some necessary documents, i.e. the malfunction of the register courts' control is evident [4. P. 51—54]. In principle, giving the democratic decision to the hands of the members of the APC to choose their destiny freely was a sensible step. However, in reality, it allowed only the board of managers to satisfy their own interests for they were much better informed than the voting members, and did not share the information with them. Many voters were not competent enough to understand what was happening in the financial terms. Bayer points out that violations of the legal procedures determined the lost of the validity of the member's voting. In more than 10% of cases, the vote of the assembly on the opening balance and distribution of property openly violated the legal procedures and the rights of the members, i.e. the vote lost its legal validity right on the spot. Already in 1996, 84 APCs in Brandenburg had such a fate (about 11% of all APCs of the region). Thus, the former APC in the legal sense was on the verge of enforced liquidation. Bayer believes that in the legal sense today some APCs are still “in the state of liquidation” though nobody is aware. As the registration of the successor enterprise was not necessary, it was not in a risky position in the literal sense of the word. Therefore, the significance of liquidation was limited: the successor enterprise only had to “buy up” the APC in liquidation together with its debts to validate the previous transfer of the APCs assets at the time when it was established [4. P. 33—51].

The Kohl government did not foresee that privatization would be so complicated for it expected most landholders to revive private farming because collectivization in the GDR until its end in 1960 was implemented by force and intimidation of the peasants. Such an expectation determined the fact that state subsidies and favorable credits were reserved for family farms. In reality, in 1991 only a small number of restituted landholders wanted to take a risk of becoming private farmers. Only 3% of families employed

in the agricultural sector in 1990 made steps to become private farmers and applied for the state financial support to establish a farm. If we take into account that the state reserves for private farmers exceeded 500,000 DM, their small number is even more surprising [13. P. 110—111]. However, despite the state support the risks of becoming a private farmer were too high, because the resettled farms lacked capital reserves, which had the centuries-old farms in West Germany. Thiele mentions better possibilities for adaptation for the part-time farms under such conditions (54% of the resettled farms were part-time). Part-time farmers were often able to work without credits for they did not need large capital investments. While family farms had to pay interests of 1.5 to 5.5% for their credits on favorable terms, larger enterprises (legal entities) had to pay 9 to 15% [17. P. 139—141]. Analyzing the motives for resettlement Thiele shows that securing the property played an important role in high settlement claims and decisions to leave the APC and establish one's own farm [17. P. 118—119].

The government gave the final decision on privatization and decentralized restructuring of the APCs to the assemblies' members including contributors of land and capital. It became clearly a vote against small-scale family farms; thus, only a third of family farms founded in the early 1990s were established rather voluntarily; when the APC was liquidated without registering a new large-scale enterprise, a family farm was not a free choice but rather the only alternative to unemployment [14]. Besides the structural preference for family farms, the German government was interested to keep agricultural production in the new countries, especially to restrain the growth of unemployment. Quite soon, this forced the government to compromises, which gradually improved the situation for large-scale agricultural enterprises after the majority of landholders voted against revival of private farms. However, there were economic constraints determined by the GDR's scarce resources for increasing productivity in agriculture, i.e. entrepreneurs to establish large-scale or family farms, and capital [17. P. 139—141]. Becoming a landholder did not mean being capable or willing to have a private farm. The necessary size of the family farm to be competitive significantly exceeded their average size in the 1950s (except for horticulture). The average size of the full-time family farm in the new countries in February 1992 was 1365 hectares (Table 1).

Table 1

Average size of enterprises in hectares, 1992—2013

Year	Individual farms	Partnerships	Corporative farms of which:		
			APCs	Ltds	Joint-stock companies
1991 August	50 (90)*	550	1 710	1 030	1 030
1992	46	629	1 537	1 116	1 546
1992 February	64(136)*	401	1 522	1 029	
1993	45	511	1 480	948	1 364
1994	48	468	1 457	879	1 275
1995	46	449	1 435	843	1 344
1998	49	417	1 432	773	1 369
1999	55	400	1 413	686	1 286
2003	59	386	1 412	659	1 201
2007	63	385	1 419	614	1 139
2010	83	386	1 405	605	1 089
2013	87	373	1 391	577	1 151

* Full-time farms.

Source: Statistisches Jahrbuch über Ernährung, Landwirtschaft und Forsten 2003—2015, Münster-Hiltrup 2003—2015; Agrarbericht der Bundesregierung 1992—1996, Bonn 1992—1996.

Zeddies [21. P. 220] calculated the optimal size of the family farm with two full-time family members for the new countries in the early 1990s as 275 hectares. This meant that a resettled or new farm had to lease or buy a significant amount of land (reasonable prices in 1992 were a third of the prices in West Germany) (Table 2). Besides, the requirements to the education of a future private farmer were high: without some special training or academic background, the chances for success in agriculture were rather small. The requirements to a successful manager of a large-scale farm were even higher and including “entrepreneurship”. This explains why only very few people were willing to get such a job and to take all its risks. Although all managers’ positions in new legal entities were to be taken up through job advertizing, almost all directors happened to be well-trained managers of the former APCs highly capable of motivating employees). Some agricultural economists suggest that due to the lack of well-qualified managers-entrepreneurs the government’s decision to give priority to private farms with small production units was not reasonable.

Table 2

Share of land leased in the new/old countries, 1978—2010

Year	Share of land leased		Price (€) per hectare for the leased land	
	Old countries	New countries	Old countries	New countries
1989	34.0	...	198	...
1991	42.5	(77.5)	217	(67)
1997	48.2	91.1	218	90
2007	53.3	78.9	234	122
2013	54.5	71.1	261	169

Source: Statistisches Jahrbuch über Ernährung, Landwirtschaft und Forsten 2015, Münster-Hiltrup Jahr 2015, p. 46.

Large-scale agricultural enterprises in general had no access to favorable credits. To further complicate the investment question, they lacked guarantees to get credits. The most crucial problem was that they were not land proprietors and needed at least a six-year leasing contract for a feasible production model, while Treuhand or BVVG gave them land on lease on shorter terms in the first years. To complicate things even further, often the new large-scale enterprises were not even proprietors of the land their buildings were on. Moreover, their opening balances often were full of old debts (from the GDR period), but this money could be used for capital investments. It was part of the money the new enterprises used in the adverse conditions for necessary investments in machinery and to modernize the equipment. However, the most important source for survival were manipulations with the balances such as understatement of money for distribution as shares. The successor enterprises worked with enforced credits from their shareholders for they could not be claimed to be paid out directly (except for establishing a private farm) — the shareholders were getting only interest rate.

Therefore, many members of the former APC sold their shares to get cash — this was an additional reason for concentration of capital in certain hands, often of the managers of the new enterprise. They expected the value of the shares to rise in the future and therefore were willing to buy others’ shares. The situation was similar to the Russian

experience of “minor privatization” in the early 1990s: many shareholders did not understand the real value of their shares or needed cash. Therefore, today the shares are unequally distributed, and many former members no longer have shares. The total number of shareholders decreased significantly, while some new managers hold a significant part of the shares. The interest paid out annually in general is above the today’s average interest rate in Germany (at least 4% vs. an average zero). However, in the early 1990s, nobody could foresee such outcomes for it took several years to solve the problem of short-term land leasing and solving the question of “old debts”.

The contemporary research of the agricultural economy is very critical of the regulations and frameworks set by the German government that is blamed for being responsible for many serious development constraints [15; 16; 17. P. 139—141; 18; 21]. The managers of new large-scale enterprises did complain about the excess duration of the combination of land property and real estate for the land registry was overloaded with work. They complained about the short-term leasing contracts with Treuhand that reduced their chances to get capital for investments. They could not pay off the old debts and criticized the lack of state subsidies for large enterprises [18]. Many registered APCs owned only 2% of land, resettled farmers — 7%, while the registered APC rented only 46% of their land on long terms, and the same share for resettled farmers was 90% [18. P. 89—93]. The APCs wanted to get rid of old debts and needed investments to buy agricultural machinery. They calculated the necessary investment in 1991—1993 as 1000 to 3000 DM per hectare, and the successor enterprise would not have profit in these years.

Rost and Schmidt [15] emphasizes the shortcomings of the state subsidy policy supporting only resettled private farms. They claimed that the political framework did not give all types of enterprises equal chances: the large-scale production was discriminated in terms of access to credits and subsidies (also by the rental policy of Treuhand), and had problem with poorly trained consultants. They needed advice of managers of the successor enterprises and mostly in the legal sphere, while most consultants were giving advice on production and management. Gampe and Heller [7. P. 73—77] and Bayer [4] underline the need for consultants under the transition for they significantly influenced the local choice of the legal form for the new large-scale enterprise. Thiele emphasized the consultant’s lack of knowledge about the variety of legal forms: the usual choice of registered APC was determined only by the fact that cooperatives were a better-known form. In fact, re-registration started soon in favor of companies with limited liability.

Thus, the key risks for the successor enterprises were determined by the uncertain status of their land and by old debts. If there was no land on lease, the large-scale enterprise could cease to exist. The claim to pay off old debts in a short term could lead to the bankruptcy of the successor enterprise. Both problems were solved in the early 2000s. BVVG reduced its discriminating rules of the mid-1990s and started leasing land for six years. After a decade of disputes with the German government, the old debts were finally cancelled. Other problems were solved even faster such as getting the property rights to the land their buildings were on. Thus, the period of politically set uncertainty for the successor enterprises lasted for about ten years, although the period of real despair was shorter.

Thiele [17] does not believe that the new structure of agricultural enterprises was determined by market forces. On the contrary, he argues that it was mainly the result of political interference by legislation (the agricultural adjustment act — AAA), privatization by the state agency (first Treuhand and then BVVG) that followed the state guidelines, beneficial credits for family farmers and discrimination of larger enterprises, and by the controlled access to the agricultural markets (quotas) still in force in the early 1990s. In his report on the region of Brandenburg, Bayer [4] provided a legal assessment of the transformation process. He argues that the property issues were very complicated and generated conflicts. For instance, the legal form chosen for the large-scale enterprises at the beginning proved not to be an optimal one especially considering the “registered cooperation”. The latter form was usually chosen as the most close to the former GDR APCs. Later it became evident that the legal entity with full viability was risky and not flexible. Therefore, cooperatives are re-registered as Ltds (Table 1), which is rather a change of the legal form not affecting the organization of agricultural production.

Many case studies show the restructuring of the APCs in 1992 [7; 19] due to the dramatic situation in 1990—1991: the end of guaranteed purchases, a sharp drop of prices, problems with marketing under the surplus production, poor quality and poor packing of products, etc. To prove the diversity of the transformations’ results, Wissing and Rost described the development of three APCs starting from 1991 when seven former GDR plant and animal production APCs united. In 1992, 31 successor or new enterprises were established based on these three APCs. In the first case, the initial APC was still operating on 5600 hectares, while four farms with 160 hectares in total were resettled focusing on plant production; nonagricultural branches of the APC (construction, packing, electric services, and timber production) were privatized separately. In the second case, the previous APC broke up again: the plant production was reduced from 4020 to 2738 hectares; there were also four resettled farms with 486 hectares, and an association of 25 fruit producers. In the third case, the APC was liquidated and 4 farmer cooperatives were established based on the former villages and combining plant and animal production: the APC had 5920 hectares, the four new village cooperatives — 1851, 1369, 1201 and 950 respectively. As a holding company, the four cooperatives formed an Ltd. There were also seven resettled farmers with 459 hectares in total [19]. In general, under the restitution of property rights the peasants’ perception of independent private farms did not change significantly: only very few restituted landowners took the risk of having a family farms; while the majority preferred to keep a large-scale agricultural enterprises with waged workers. In three mentioned regional cases, after restructuring in 1992, 7 registered APCs cultivate 14,129 hectares; 1105 hectares (7%) are cultivated by 15 family farms — 7 are full-time farms, 8 — part-time farms [19. P. 26].

Land property played no role in the GDR. During collectivization APCs were founded, no formal transfer of property rights to them took place: the local land registry kept the previous proprietors in their records. The APCs in the beginning paid small compensations to the contributors of land. In a certain sense, the APCs thus worked with leased land. Some peasant buildings were demolished or no longer used especially when new paddocks were built for large-scale animal production. About 5% (334,000 hectares) of the arable land in the GDR stayed private including the church land and small private holdings in Thuringia. Another 5% was used as private plots (Table 1) [4. P. 7; 20].

In West Germany, the structure of the agriculture was different. Most family farms had their own landed property. With smaller holdings becoming unprofitable, more and more farmers gave up, and leasing the land to those who were still producing became widespread instead of selling or buying land as not reasonable. The land for agricultural use is quite cheap; therefore, the landholders prefer to keep their landed property in case the price increases except for the situation when they are in dire need of money. For those who want to use the land, long-term leasing contracts are also the best option providing more flexibility. In West Germany, the average size of family farms increased from less than 20 hectares in 1989 to 39 hectares in 2013, while the share of the leased land — from 34 to about 55% (Table 2).

In the former GDR, under the restitution of the land, at the beginning more than 90% of the agricultural production used the leased land. In the 1990s, one could buy land from BVVG at a bargain price if the buyer was a private person and wanted to buy the land he had leased before. The share of production on the landed property increased first to about 20% by the mid 2000s, and to about 30% today. All large-scale agricultural enterprises have only a small share of their land as property; the majority of their land is leased from local landholders, sometimes from hundreds of them for each owns only a few hectares.

The crucial question is how the land market functions, and what is the role of the state. Table 2 shows a significant increase in leasing prices in the new countries. This is not a surprise for in the early 1990s there was hardly a land market. Catching up with the prices of West Germany is a factor, but there also regional differences of prices determined by the quality of the land (leasing prices are lower in Brandenburg and in the low mountain ranges in the south). In general, there is an alarming trend of the increase in prices for land and land leasing over the last decade. The negative consequence of the state subsidies for renewable raw materials to produce energy is that the land use violates the principles of sustainability: it expands the production of corn that reduces fertility of the soil. In regions with competing agriculture and production of renewable raw materials, the price of new leasing contracts increased significantly [8]. The European subsidies for the investments in biogas or solar energy production offer farmers guaranteed prices for selling the energy to the state. In 2013, 2.4 million hectares of agricultural land in Germany was used in such a way: the share of biogas production was about a half, or 6.2% of the total arable land — 0.83 million hectares are occupied by corn (a third of the area corn is used for energy production). Thus, such state subsidies have negative consequences for the agricultural use of land for the prices for land leasing in these regions are too high to use the land for agriculture.

The situation became even worse in 2009 (Table 3), when an amendment to the law introduced privileges for producing renewable energy. This led to the boom in constructing new biogas plants in 2009—2011, obviously influencing the prices of land leasing. In 2012, with the next amendment to the law, the privileges were reduced and stopped the boom. Gravert and Schmitz found out that in the new countries the regional influence of biogas production on prices is obvious — in the regions with a high share of biogas production the prices are much higher [8. P. 32—33]. Latacz-Lohmann, Hennig and Dehning [11] argue that the influence of biogas production on land prices is still insignificant except for the local prices for land lease. They mention the “astronomical

prices” of BVVG for the privatization of its land. Balmann [3] also points to some contradictory outcomes of the last decade: average prices for leasing land jumped by 30—50% in the new countries (Table 2). The prices of the newly leased land are even additional 25—50% higher. BVVG raised its prices for leasing land by auctions for land plots of more than 5 hectares between 2011 and 2013 from 520 to 840€ per ha; land leasing for renewing contracts costs 420 € per ha, while newly leasing land is 600 € per ha. Prices for buying land in Saxony-Anhalt jumped from 5000 € in 2007 to 13,000 € in 2014.

Table 3

Periodization of the agrarian transformations, 1989—2017

Nov 1989 — mid-1990	“Wild” restructuring: combination of the APCs plant and animal production
Mid-1990 — end of 1991	Restructuring based on the agricultural adjustment act (opening balance sheets, vote on the new legal form or liquidation)
1990—1995	Foundation of resettled farms under restitution (or without) on full-time or part-time basis, and of new private farms (by EU citizens)
1991—2000	Unclear perspective of the APCs due to the short terms of land lease and debts from the GDR period
From 2000	Stabilization of the size of family and corporate farms

Thus, the agrarian transformations in the former GDR were a success in the economic sense: there was privatization prescribed by the government, and the new agricultural structure competitive at the domestic and international market. However, the transformations did not create many medium-sized family farms the German government preferred due to the reluctance of the majority of rural employees with the restituted land property to start a private farm, and due to the contradictions of the state policy reclaiming the old debts of the GDR’s APCs from the new assets owners. In general, the GDR agricultural workforce showed little interest in private farms and risky economic activities. The former GDR APC-managers rarely established private farms for they expected large-scale agricultural enterprises to be superior in facing future challenges. The economic success was determined not by the state policies, but rather by the lack of state control, i.e. by the time pressure set politically, uncertainty about the future, and economic constraints. While in the German old countries, there is an ongoing ousting of smaller farms, the new countries since the early 2000s have kept a stable agricultural structure. The state subsidies in Germany in the 2000s favored biogas energy production and often had negative consequences for both the sustainability of agriculture and prices for land leasing or buying, which became unaffordable for agricultural use. The German agricultural policy still provides little real incentives for ecological and sustainable agricultural production.

NOTES

- (1) The total size of the land in the GDR was 6.17 million hectares; Treuhand/BVVG had at their disposal 1.7 million hectares: 0.5 million hectares were restituted, 1.1 million privatized (sold into private hands). In 2014, BVVG still had 156,000 hectares to be privatized until 2030 [4. P. 7; 20]. Among the land without an owner one can mention the land of the 1945 land reform no longer used by those who got it. The land of the relatively small number of state farms was privatized by Treuhand without restitution. Thus, about two thirds of the agricultural land of the former GDR were restituted to private owners. The other land, mostly in Brandenburg and Mecklenburg-Pomerania, was given to BVVG for privatization. The lawsuit over the land expropriated under the 1945 land reform took more than ten years, and the landholders lost the European Law Court, after which BVVG started the privatization of this land.

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ОСНОВНЫЕ ЧЕРТЫ АГРАРНЫХ ТРАНСФОРМАЦИЙ В БЫВШЕЙ ГДР*

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В статье рассмотрены аграрные трансформации (прежде всего приватизация и структурная адаптация к внутреннему и внешнему рынкам) в бывшей ГДР, которые часто называются историей успеха, поскольку привели к росту производительности в сельском хозяйстве и создали конкурентоспособные новые предприятия. Во-первых, автор обозначает основные задачи аграрных трансформаций: (1) приватизация бывшей «социалистической собственности» и ее распределение между (а) теми, кто вкладывал собственные средства и землю в предприятие на этапе его создания и (б) работниками предприятия в момент его реструктуризации; (2) адаптация к новым рыночным условиям. Обе задачи были крайне сложны, поскольку требовали значительных инвестиций в лучшие сорта растений, породы животных и сельскохозяйственную технику, что неизбежно повлекло значительное сокращение занятости в аграрной сфере. Во-вторых, автор рассматривает законодательные основы приватизации и реальные практики реорганизации сельскохозяйственных предприятий (разработка модели распределения их активов, реституция земельных участков вместо компенсации их стоимости, вынужденная аренда земли крупными предприятиями, манипуляции с оценкой активов прежних предприятий, чтобы создать скрытые резервы, необходимые для выживания в новых условиях и т.д.). Автор полагает, что правительство Г. Коля не смогло предвидеть все сложности приватизации и совершило массу ошибок, стремясь сохранить сельскохозяйственное производство и сдержать рост безработицы на территории бывшей ГДР. Сегодня исследователи экономической политики того времени критически оценивают действия немецкого правительства, обвиняя его в создании серьезных барьеров для аграрного развития (краткосрочные контракты на аренду земли, требование выплаты прежних долгов, отказ государства субсидировать крупные предприятия и т.д.). В заключительной части статьи показано значение земельной собственности в аграрных трансформациях в бывшей ГДР. Автор опирается на статистические данные последних двух десятилетий, мониторинги все еще продолжающегося экономического перехода и собственные исследования сельскохозяйственных предприятий (в 1992, 1997, 2002 и 2016 годы).

Ключевые слова: аграрные трансформации; бывшая ГДР; сельскохозяйственное производство; приватизация; адаптация к рынку; земельная собственность; аренда земли; реорганизация прежних сельскохозяйственных предприятий

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