

Responses to the Decollectivisation Question in post-Soviet states: a comparison of Ukraine, Moldova and the Baltic States

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ABSTRACT

Post-Soviet Ukraine, Moldova and the Baltic States (Estonia, Latvia and Lithuania) have faced a set of dilemmas regarding reforming the relationship between the state and agriculture. The most prominent issue has been that of agrarian structures and the question of the decollectivisation of land. Debates on the decollectivisation question saw three positions develop: preservation of existing collective structures, privatisation through restitution to previous owners or their heirs and privatisation through distribution to members or the wider rural population. In Ukraine the first option has to date largely prevailed as pre-existing power structures have remained in place, while in Moldova, after initial resistance, radical decollectivisation has been followed via a process of distribution to members and workers. The Baltic States, in contrast have followed a path of radical decollectivisation based largely on restitution to pre-WWII owners and their heirs. This paper explores the different choices made by drawing on a literature concerning political norm formation and change.

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1. INTRODUCTION

As part of the Soviet Union, Ukraine, Moldova and the Baltic States (Estonia, Latvia and Lithuania) had a structure of agriculture based on large collective and state farms (*kolkhozi* and *sovkhozi* respectively), augmented with subsidiary plots. As the Soviet system unravelled, policy makers in each country faced a set of dilemmas for reforming this sector with the question of the decollectivisation of land being particularly prominent. The decollectivisation debate revolved around three possible options: (a) the preservation of existing collective structures, (b) the restitution of land to previous owners or their heirs (c), 'radical' decollectivisation, based either on distribution to members or the wider population. In Ukraine the first option has prevailed to date, while in Moldova, after initial resistance, radical decollectivisation has been followed via a National Land Programme (NLP) that distributed to capital and land assets to former collective farm members. The Baltic States in contrast followed a path of decollectivisation based on restitution to pre-WWII owners and their heirs.

This paper explores the different paths chosen and the role of differences in evaluative political norms in shaping post-Soviet land reform processes. It draws on interviews with key stakeholders and documentary evidence. The paper is split into five sections. The next section discusses the literature on political form formation and the critical role of norm entrepreneurs. These notions are applied to the decollectivisation question with section 3 considering the labour relationships of collective farms. Section 4 surveys the different paths followed after independence and in the conclusion the role of differing notions of agrarian identity is explored.

2. POLITICAL NORMS

Research on norms and normative dilemmas has been central to studies of political change, where conventional rational choice theories have appeared to be limited, such as with the demise of Apartheid in South Africa, the collapse of the Soviet Union and the abolition of slavery (Lumsdaine, 1993). A norm can be defined as a standard of appropriate behaviour for actors with a given identity (Finnemore and Sikkink, 1998, p. 891). This is related to institutionalist perspectives which define an institution as a relatively stable collection of practices and rules defining appropriate behaviour for specific groups of actors in specific situations (March and Olsen, 1998). In this way one difference between a norm and an institution is the level of aggregation: a norm refers to single standards of behaviour, whereas institutions relate to the means by which behavioural rules are structured together and interrelate (Finnemore and Sikkink, 1998). By making this distinction an analysis of norms can provide a framework for analysing the dimensions of socio-economic institutions as well as patterns of political reconfiguration (Jepperson *et al.* 1996; Finnemore and Sikkink, 1998).

In distinguishing between types of norms, the most common distinction is between regulative norms, which order and constrain behaviour, constitutive norms, which create new actors, interests, or categories of action and evaluative or prescriptive norms. The latter dimension is particularly important, as it sets norms apart from other kinds of rules in that they incorporate standards of appropriate behaviour. As norms

by definition embody a quality of *oughtness*, norms also prompt justifications for action and communication among actors. While theoretical work on norm building has been limited, two essential elements have been identified: norm entrepreneurs and organisational platforms from which entrepreneurs can act. Norm entrepreneurs are critical for norm emergence because they call attention to issues and frame debates. As Finnemore and Sikkink (1998, p. 897) write: ‘the construction of cognitive frames is an essential component of norm entrepreneurs’ political strategies, since, when they are successful, the new frames resonate with broader public understandings and are adopted as new ways of talking about and understanding issues.’

New norms emerge in contested political spaces where efforts to promote them occur within the standards of ‘appropriateness’ defined by prior norms. To challenge existing logics of appropriateness, norm entrepreneurs may need to be explicitly inappropriate as often the standards of appropriateness are precisely what are being contested (Finnemore and Sikkink, 1998). To mount a concerted challenge, norm entrepreneurs require some form of organisational platform. In many cases these platforms are specifically created for the purpose (e.g. non-governmental organisations). A platform however is necessary but not sufficient as for a new norm to effectively diffuse it must become institutionalised in specific sets of rules and organisations. Norm diffusion depends on effective socialisation where a persuasive challenge is mounted to the legitimacy of pre-existing norms. This may occur through many mechanisms but Waltz (1979) points to the importance of linking new norms with national heroes and ridicule of existing practices as foreign or a deviation from traditional values. In a similar vein, Sugden (1989) perceives a critical link between the successful diffusion of a new norm and its ability to connect with pervasive images of ‘common experience’ that determine the focal points around which particular conventions emerge.

The Soviet Union disintegrated as its domestic legitimacy was increasingly and openly questioned so that other political arrangements were seen as preferable. In part this illegitimacy was based on active comparison with West European and North American states and the experiences of other former Warsaw Pact countries in 1989. This process highlighted the importance of international socialisation and domestic legitimisation in shaping political behaviour. International socialisation can be defined as the degree to which states and state elites fashion a political identity in relation to international communities. The concept of socialisation suggests that the cumulative effect of many countries in a region adopting new norms may be analogous to ‘peer pressure’ among countries (Finnemore and Sikkink, 1998) and can be motivated by a desire for legitimacy, conformity, and esteem. Socialisation therefore involves a recognition that national identity fundamentally shapes political behaviour and that identity is in turn shaped by the cultural-institutional context in which actors are embedded. In this paper we use these notions of norm formation and the importance of international legitimisation to evaluate the different outcomes chosen to the decollectivisation question.

3. COLLECTIVE AGRICULTURE

During the communist era, agricultural land management was dominated by *sovkhos* and *kolkhos* farms augmented by small subsidiary plots.¹ The average size of the *sovkhosi* was approximately 2,000 hectares (ha) while *kolkhozi* tended to be larger (3,000 ha on average). The directors of the large, collectivised farms were appointed by the state.² To become a farm director it was necessary to be a member of the Party or at the very least be loyal to it, to speak Russian fluently and as one policy advisor in Moldova described ‘a Russian wife was an almost compulsory feature for top chiefs’.³ The majority of their children would also be sent to Russian speaking schools so that a large part of the agrarian elite was Russian speaking and thinking, even if they were of other ethnic origin. There were few differences between *sovkhosi* and *kolkhozi* in this respect.⁴

Collective farm directors were in charge of rural institutions, rather than just agricultural enterprises. Both the state and collective farms were engaged in activities other than farming such as processing and the provision of social services in rural areas. While subsidiary plots have been portrayed as autonomous, *kolkhozi* were important for ‘individual’ farming as collective farm workers would draw on the assets and tradable inputs supplied to the collective farms (through formal, informal and illegal means) for use on their individual plots. Individual farmers would also draw on the social services provided by the collective farms (such as transport to towns and markets, kindergartens etc.) in their everyday life. While collective farms would record low output per employee, this was in part due to a proportion (up to 30 per cent of employees) not being employed in agriculture but in kindergartens, schools, village halls and restaurants run by the collective farm. The key incentive for a collective farm was not to record profits, but to keep surpluses for redistribution at the local level. This redistribution financed much of the improvements in rural infrastructure (village halls, piped water etc.) throughout the Soviet Union but made agricultural activities appear more inefficient as critics drew attention to low profitability (Lerman, 2001).

With the collective farms being rural institutions attitudes to their reform were complex as each enterprise was comprised of four labour types: (i) farm directors, (ii) professional agricultural employees such as agronomists, (iii) lower skilled agricultural labour and (iv) non-agricultural workers employed in kindergartens, schools and so forth. These groups faced three broad options with regard to the question of decollectivising land:

¹ For the purposes of this paper, the collectivised sector is defined as all *sovkhosi* and *kolkhozi* and successor producer co-operatives and collectivised agricultural enterprises.

² In theory, for *kolkhozes* the decision-making body was the General Assembly of *kolkhoz* members. The general assembly elected the *kolkhoz* council, which in turn appointed a board of management. In practise, the *kolkhoz* councils would act on recommendations from state agencies and these would be approved without dissent by the general assembly.

³ Interview, November 2001.

⁴ Interviewees noted few differences between state and collective farm managers in their opposition to decollectivisation. One former Moldovan lecturer in agricultural marketing thought that as ‘directors of the collective farms had to be approved by the worker's collectives at public meetings they were a bit more attached to their farms but in the majority of cases public meetings were just a formality’ (interview, November 2001).

- a) the preservation of existing collective structures / transformation into new collective entities,
- b) the restitution of land to previous owners or their heirs,
- c) 'radical' decollectivisation, based either on distribution to members or the wider population.

The vast majority of farm directors were opposed to radical decollectivisation as this would remove their power base and control over agricultural capital. They favoured either option *a*, as the transformation of collective farms into successor collective companies / co-operatives would allow them to retain control over resources but with greater freedom to strike their own deals using their connections and relations. However, some farm directors thought that the 'game was up' or that radical decollectivisation might present opportunities to build up their own private farm as they could exploit their higher social capital and knowledge of the decollectivisation process.⁵ Technical agricultural experts, which worked on the collective farms, were university educated but lacked the social and financial capital of farm directors. They depended on a highly specialised division of labour and many feared that they would have no role if the collectives were transferred into a mass of small-scale individual farms.⁶ However their relationship with the collectives was ambiguous; brought up on notions of improving production efficiency many were deeply critical of the lack of effective incentives to work and problems of theft and drunkenness that persisted in the enterprises.

The position of agricultural labourers was also complex. Those workers or their heirs who had 'given' land as part of the collectivisation process argued most strongly for restitution and the need for historic justice. While this group saw that land reform based on restitution would be the just outcome, this did not translate into a majority wishing to resume individual farming. This was highlighted in a 1997 study of the rural population in Moldova, which indicated that only 16 per cent wanted to become independent farmers (*Centrul de Investigatii Strategice si Reforme*, 1997). The main reasons highlighted by those reluctant to become farmers were the absence of the necessary equipment and materials (around 32%), old age and poor health (18%), lack of legal guarantees (16%) and a reluctance to change their lifestyle (15%). There was thus no groundswell of opinion in favour of decollectivisation. Rather the process of collectivisation had left bitter memories amongst some, and a suspicion of the communist elite that managed the collective farms, but this did not translate for the majority into a desire to completely dissolve the collectives and begin individual farming. In the Moldovan case, ethnic Slavs were more likely to oppose radical decollectivisation than ethnic Romanians, many of whom saw collectivisation as a painful form of Russification. Similar patterns of sentiments have been recorded for the Baltic States (Tisenkopfs, 1999; Alanen, 2001). The final labour group, non-agricultural workers were also in a difficult position in that at the outset of transition it was often unclear whether the break-up of the collectives would lead to the loss of the social services they provided and, consequently, their jobs. Collective farms in each Soviet republic incorporated these four labour groups yet the paths followed after independence have been very different.

⁵ Interview, former kolkhoz director, Jelgava, Latvia, January 2001.

⁶ Interview, agricultural extension officer, Vilnius, July 2001.

4. POLITICAL REFORM AND THE DECOLLECTIVISATION QUESTION

Responses to the decollectivisation question in all five states were set before the final collapse of the Soviet Union (Table 1). In the three Baltic States, the necessary laws to initiate the restitution of land occurred before the Moscow Coup: Latvia passed its initial land reform in November 1990 and Estonia and Lithuania followed in June 1991. These land laws acknowledged a desire for ‘historic justice’ and envisaged the re-establishment of the traditional pre-WWII farming structure based on private land ownership and family labour. Individual private land ownership was also advocated by international agencies such as the World Bank and IMF, for example progress in land reform was measured by the World Bank in terms of the degree to which private property rights were (re)established (see Table 1). In the Baltic States, for restituting land and other assets, the date of 1940 was chosen so that land used by the state and collective farms would be fragmented into small-size holdings claimed by former owners or their legal heirs (Meyers and Kazlauskiene, 1998).

Table 1: Summary of Land Reform Procedures in the 5 Post-Soviet States

Country	Procedure for Majority of Agric. Land	World Bank Land Reform Progress 1999 ^a	Farm Restructuring Land in Indiv. Farms After 5 years	Average Size of Private Farm 1999	Ownership Rights Transferable	Use Rights Transferable
Estonia	Restitution	8	41		Yes	Yes
Latvia	Restitution	9	81		Yes	Yes
Lithuania	Restitution	8	64		Yes	Yes
Moldova	Shares	7	12	2	Yes	Yes
Ukraine	Shares	6	10	32	Unclear	Yes

^a: 5-6 indicates an advanced stage of privatisation, 7-8 indicates that most land is privatised but titling is incomplete and land market is not fully functioning, 9-10 indicates private ownership and active land markets.

Source: Swinnen and Heinegg (2002, p.22).

The first Moldovan land reforms were outlined in its 1991 Land Code and the 1992 Law on Peasant Farms. The Land Code provided a framework for privatising the collective and state farms with the beneficiaries defined as the ‘members and all the workers of collective and state farms, including pensioners’ (including those employed in the social sphere) (Lerman *et al*, 1998). The Law on Peasant Farms provided a framework for members to exit collective farms and receive a share of its land to pursue individual farming. While this legislation set in place a framework for following a course of radical decollectivisation (option *c* in the list above), the Land Code explicitly ruled out restitution of land to former owners and their heirs. This set the tone for future Moldovan legislation that supported radical decollectivisation,

which focused on the rights of rural workers rather than the claims of pre-Soviet owners.

Restitution was not followed for a number of reasons in Moldova. First, *kolkhoz* and *sovkhos* leaders opposed restitution as it would mean the loss of their asset base. While opposed to all forms of radical decollectivisation they believed that legislation that focused on the rights of rural workers as a group would more likely lead to a process of reorganisation within existing farm boundaries than restitution. These collective farm directors were much closer to political power than their counterparts in the Baltic States, because of the much greater relative importance of agriculture in Moldova and independence did not lead to the same degree of elite transformation. Second, centre and right-wing political groupings in Moldova largely did not advocate restitution. One former policy advisor to the Ministry of Agriculture explained this as a desire to avoid 'ethnic divisions when the Transdnistria conflict was at its height'.⁷ It also avoided the question of the rights of Germans who previously owned land in present day Moldova. After the annexation of Basarabia and Northern Bucovina in 1940 as part of the secret protocol of the Soviet - German pact, significant population transfers occurred. As part of the 1940 treaty, the German population of Basarabia was repatriated to Germany. This repatriation affected 124,000 people and left 59,000 ha of land (Gribincea, 1999). This land was then transferred to 10,000 *kolkhoznik* families, who were moved from Ukraine. Similar to the Baltic States, deportations were used to 'clean up the western border' and as a tool of fear to force peasants into collective farms with deportations concentrating on the families of 'kulaks, former landlords and big merchants' (Gribincea, 1995).⁸ The land and assets of those deported to other parts of the USSR was transferred to *kolkhozi* and local authorities.

Restitution thus involves thorny questions about returning land to the families of those that were displaced and also the question of employment for those agricultural workers 'imported' or born in the country after 1940. While the Baltic States faced these questions head on, as evidenced in debates over citizenship rights, in Moldova ethnic tensions over the secessionist Transdnistria republic⁹ and the 'minor' civil war which ensued led to a more consensual approach that considered the rights of all rural workers. This also meant that the questions of land previously owned by Germans in the country have never become a major political issue.

In Ukraine, the first land reform legislation was passed in December 1990. The land code, adopted by the Ukrainian Supreme Soviet, produced a framework to provide:

...lifetime inheritable possession of individuals, permanent possession of *kolkozi*, *sovkhozi*, and other enterprises,...and providing user rights, with the purpose of creating equal conditions for the development of different forms of farming.

⁷ Interview, former advisor to the Ministry of Agriculture and Food Processing (1991-1992), November 2001.

⁸ The 1949 deportations from Moldova included over 7,620 kulak families (Gribincea, 1999).

⁹ The Transdnistria region, is an autonomous republic with its own constitution, president and currency governed from Tiraspol. To end a bloody conflict over the territory, a peace agreement was signed in 1992 that led to Transdnistria becoming a 'special autonomous republic within a common state' (O'Loughlin et al, 1998). Transdnistria has retained Soviet economic structures and its leaders opposed the break-up of the USSR. In asserting their independence, Transdnistria has refused to take part in the national agricultural programmes of the Republic of Moldova.

This legislation which granted lifetime inheritable possession of land to individuals and permanent possession by farm enterprises differed from the Soviet system as the latter had only recognised usership rights to state-owned land (Lerman *et al.* 1994). However, it should be noted that possession (*vladeniye*) is different from ownership (*sobstvennost*). In contrast to the Baltic States and Moldova, the Ukrainian Supreme Soviet at this time rejected proposals to allow private (and collective) ownership of land. Rather land remained state-owned but users were given the status of possessors who could pass possession on to their heirs and have greater freedom concerning the use of land (Lerman *et al.* 1994).

In the Baltic States, the path of decollectivisation was influenced by the political norms of the post-communist political leaders that emerged out of the national independence movement. In each state land reform was guided by a fairly small, professional elite who were deeply suspicious of the old guard (Berg, and Oras, 2000). While there were differences between the three states, a set of basic principles for land reform were shared:

- Only private individuals and the state could own land. Legal entities (organisations and enterprises) were excluded from land ownership.
- Initially, land could be acquired for ownership by receiving land restitution as a former owner or legal heir or by purchasing it from the state. In Estonia and Latvia restitution extended to former landowners who were citizens before WWII but later emigrated. In Lithuania only citizens residing in the country were eligible.
- Individuals or legal entities could lease land from the state or other landowners for their agricultural activities.
- Former owners and their heirs had priority in acquiring land for agricultural purposes. Others were able to buy or petition for land in a priority sequence after the original claims were satisfied (Meyers and Kazlauskienė, 1998).

The new political leaders that emerged out of the independence movements in the Baltic states embraced two sets of, at times contradictory, political norms: agrarian nationalism and neo-liberalism (Schwartz, 2001). Agrarian nationalism is a belief that the identity of a people is rooted in the land, generating notions of a smallholder society as ideal. In the Baltic States such beliefs have been pervasive as they link national identity with the previous period of independence when inter-war land reform created a system of small-scale peasant farming by ethnic Latvians, Lithuanians and Estonians. Inter-war land reform was initiated by the state and involved the expropriation of land (mostly from large private estates) and land redistribution began in Estonia in 1919, Latvia in 1920 and Lithuania in 1922. The recipients of the land were those who served in national armies, the landless, existing smallholders and those that could demonstrate a need for land (Meyers and Kazlauskienė, 1998). As a result of this process, by the end of the 1930s there were 140,000 family farms in Estonia, 275,000 in Latvia and 287,000 in Lithuania. These reforms cemented agriculture's position as the main source of employment. While the inter-war economies of the Baltic states were far from stable, agrarian nationalists invoke this period as a 'golden age' of prosperity and solid agrarian values and, at the outset of independence promoted it as a template for future development strategies

(Schwartz, 1999; Kuus, 2002). From this perspective, restitution to former owners was essential.¹⁰

The second set of political norms, neo-liberalism, was adopted as a reaction to communist orthodoxy and as part of a process of reasserting the Baltic States' linkages with Western Europe and their historic role as trading nations and intermediaries with the east. These views were particularly prominent in the new professional elite that emerged out of the independence movements to lead the first post-Soviet governments. This new professional elite did not include the *kolkhoz* and *sovkhos* directors and was also detached from the wider rural population. As a result in designing the land reform programme the 'old guard' rural elite played a minimal role and was effectively removed from the formation of agricultural policy.

With policy set by this new professional elite, based on this amalgam of agrarian and neo-liberal values, restitution was implemented against a background of the liberalisation of prices, a reduction of trade barriers and the removal of government price support to agriculture. While all three Baltic States substantially cut the real policy support afforded to their agricultural sectors, this was particularly severe in Estonia, which maintained the most liberal trade policy of any European state (OECD, 1996). This 'ultraliberal' stance in Estonia was adopted by the *Isamaa* Party, which assumed power in 1992 and held a strong anti-communist and anti-Russian stance and sought to break-up the political and administrative networks of the rural old guard, particularly collective farm directors (Alanen, 1999). As farm profitability fell dramatically and the land of the collective farms was restituted and their physical assets were sold-off, the ability of new, smaller collective farms to emerge and be financially sustainable was severely curtailed.

Latvia's first post-independence government pursued a similar policy of restitution coupled with reduced policy support. However, this government collapsed in 1994, when the dominant liberal party, under heavy pressure from the IMF and World Bank, moved to lower agricultural import tariffs, provoking the defection of the Farmers' Union party from the ruling coalition (Schwartz, 1998). Thus while neo-liberalism has prevailed in the Baltic states and such economic liberals could support restitution on the grounds of destroying inherited communist structures, they have come into conflict subsequently with other aspects of the agrarian nationalist model.

Post-communist political parties in Moldova have their roots either in the former Communist Party of the Moldovan Soviet Socialist Republic (*PCM*) or the *Popular Front* movement, the latter of which emerged in the Spring of 1989 (Neukirch, 2001). The *Partidul Comunistilor din Republica Moldova (PCRM)* was established in 1995 and most closely resembles the former *PCM*, which was banned in 1991. After the banning of the *PCM* its supporters and many former key players migrated to the *Partidul democrat agrar din Moldova (PDAM - Agrarian Democratic Party)*, which won parliamentary elections in 1994. While having multi-ethnic support, the *PCRM* has received greater support from Russian speakers and pensioners (a particularly large constituency in Moldova). *PDAM*'s senior figures were younger party nomenclature, from the agri-food complex, which supported the bid for sovereignty and independence but the retention of collectivised agriculture. The latter was

¹⁰ Lieven (1993, p.355) has written that the 'national-cultural image of the hard-working peasant farmer was indeed the key motivation of agricultural reforms in the Baltics in 1990-1992'.

justified on a desire to retain and support 'large, productive farms on which our wealth can be based'. Agrarian nationalism thus embraced a state led model in Moldova, as opposed to the agrarian movements in the Baltic States which were linked to the independence movement and embraced a set of ideals harking back to a peasant society and a 'golden age' of inter-war independence (Schwartz, 1999). Likewise, while there was a consensus in the Baltic States concerning the desirability of 'returning to the western sphere of influence' and the importance of international socialisation with the west which followed, in Moldova and Ukraine there has been no such consensus. This was evidenced in the fragmentation of *PDAM* after winning the 1994 parliamentary elections, where it suffered a number of splits with some splinter parties adopting a pro-market stance while others returned to the resurgent communist party.

The Popular Front of Moldova was created in opposition to the conservative elements in the *PCM* and its original aim was to support *glasnost* and *perestroika*. However, the Popular Front became more radical as the USSR began to unravel and after the overthrow of Ceausescu, explicitly argued for unification with Romania. At the beginning of the 1990s the Popular Front Movement split into different political formations with the longest-lasting political force from this grouping being the *Partidul Popular Crestin Democrat (PPCD* - Christian Democratic Popular Front). They derive their support almost entirely from ethnic Romanians and have been most hostile to Soviet institutions, including collective farming. Initially many ethnic Romanians looked to Romania, with amalgamation seen as a distinct possibility as advocated by the *PPCD*. Relationships with Bucharest, however, have ebbed as Romania has looked west and tried to avoid becoming embroiled in the Transdnister conflict and the internal affairs of its poorer neighbour. Currently only one major Romanian politician, C.V. Tudor, leader of the right-wing, nationalist, *Romania Mare* (Greater Romania) Party, is explicitly demanding the reincorporation of Moldova into Romania.

In both Ukraine and Moldova, while it is possible to trace the roots of most political parties back to the movements of the late Soviet period, with the exception of the communists, parties have tended to have shallow roots without networks of local activists and infrastructure. In Moldova, opposition to *PDAM* or the Communists has thus taken the form of alliances between smaller centre and right-wing parties. These alliances have not been enduring and have suffered from internal disagreements, corruption scandals and squabbles over the distribution of power between leading figures.

After *PDAM* gained control of parliament in 1994, its leaders sought to impede the implementation of previous initiatives for decollectivisation. In 1995, *PDAM* introduced the Law on Amendments to the Land Code (Lerman *et al.* 1998). The latter introduced three major changes. First, members could only exit the collective farm if they formed a group large enough to be entitled to one crop rotation field (approximately 100 ha and 70-75 people). In effect members could only exit if they agreed to manage the land in smaller 'collectives.' Second, the exit of these new groups of farmers could only be approved if the head of the new organisation was suitably qualified and had formal qualifications in farm management. Finally, the entitlement to land was extended to all workers (rather than just members and

pensioners of collectives). This modification was granted after complaints that other rural workers were discriminated against in a time of falling real incomes.

While PDAM halted temporarily decollectivisation, they were unable to reverse Moldova's pattern of falling real incomes and their political fortunes waned dramatically. With the internal strife of *PDAM* and with financial support from the World Bank and USAID, the Moldovan President, Lucinschi, was able to seize greater control of agricultural policy by launching the NLP (USAID, 1999). The NLP was formally instigated in March 1998, following parliamentary elections in February 1998. In these elections the *PCRM* polled the largest number of votes but they were kept out of office by an alliance for 'democracy and reforms'.¹¹ The alliance promised to develop an anti-Communist, reform-oriented programme¹² and unlock external funding to ameliorate a severe fiscal deficit. Implementation of the NLP was made a condition for external financing, along with other reforms aimed at reducing the growth of the national debt and the stimulation of the private sector. For example, because of Moldova's high fiscal deficit and slowness with policy reform, the International Monetary Fund (IMF) and the World Bank suspended loan disbursements in 1997 (Wesolowsky, 2000). Key pragmatic, political leaders such as Lucinschi saw obtaining World Bank / IMF loan disbursements as vital, particularly in the face of the Russian crisis and the public finance deficit.

The politics of agrarian reform were thus bound up with the problem of a persistent state deficit and in this situation, Moldovan politicians were confronted by a stark choice. Either they had to agree to a reform package proposed by Lucinschi and the democratic alliance in parliament, that would reduce government expenditure and implement the NLP or cut off loans from international agencies which were vital for financing the public sector and dealing with an energy crisis. Both proponents and opponents saw the economic programme as 'western reforms' and this raised fundamental debates as to the type of state Moldova should be, and where its future geopolitical interests lay. Voronin, the First Secretary of the *PCRM*, for example, described the land privatisation programme as 'destructive' and 'part of a plot to turn the Republic of Moldova into a province of Romania'.¹³ Unlike the first post-communist leaders in the Baltic States, which had a shared set of political norms based on historic justice and a return to the west, post-Soviet Moldova has not generated a political consensus on its relationship with the west and east. A similar claim could be made for post-Soviet Ukraine. As a result in Moldova, the passage of the legislation for decollectivisation through parliament rested on an alliance of those on the Right who saw the collectives as a Soviet 'crime' and a set of pragmatists who saw obtaining funds from international lenders as taking priority (Gorton and White, 2002). Neither wing of the alliance reflected the main wishes of the rural population, which recognised that incentives in collective farming were poor but nonetheless largely opposed individual farming and was suspicious of radical decollectivisation.

¹¹ This alliance encompassed the Democratic Convention led by former President Snegur's *Partidul Renasterii si Concilierii* and incorporating the *PPCD*, the *Bloc for a Democratic and Prosperous Moldova*, which at that time was closely allied to Lucinschi and the *Partidul Fortelor Democratice* (Party of Democratic Forces).

¹² Infotag News agency, 18th March 1998.

¹³ AP Flux News Agency 2001, Vladimir Voronin: "Certain Political Forces Want to Transform the Federal Republic of Moldova into a Romanian Province", 24th April.

As part of the NLP, over 1 million land beneficiaries were established (out of a total population of 4.43 million), with the average size of a land share being about 1.4 ha (Gorton, 2001). Under this process new landowners typically received dispersed land parcels and cases of farmers receiving their land shares of 1 ha in the form of plots in ten different places were not uncommon. While these formal stages were adhered to, as in the Baltic States, there were numerous cases of decollectivisation turning into a 'grab what you can' at the local level with buildings stripped of all that was of value.¹⁴

As in Moldova, while Ukrainian national democrats succeeded in banning the Communist Party in 1991, communists retained their political networks that were well organised at the local level, only under different names (Pigenko *et al.* 2002). Again as in Moldova, two major political blocs have emerged in the post-communist era: a centre-right bloc, which is highly fragmented and has been subject to infighting and numerous corruption scandals and a communist-socialist bloc. During Kravchuk's Presidency, elite transformation was minor with pre-existing power blocs asserting themselves after the country freed itself from Moscow's control (Polokhalo, 1994).

Agrarian nationalism has not been so pervasive in the Ukraine either in the form of a peasant idyll (Baltic States) or state led agricultural development (PDAM model in Moldova). As Ukraine is much more economically diversified than Moldova, it was not electorally sensible for communists to rebrand themselves as an agrarian party. While agrarian parties have emerged in Ukraine such as the Village Party, founded by former chairman of parliament, Oleksandr Tkachenko and the Agrarian Party, led by the directors of leading agri-food companies like Hryhorii Omelianenko, they have remained marginal. While neo-liberalism emerged as a dominant ideology amongst the politicians that guided the first post-communist governments in the Baltic States and emerged in the Moldovan NLP through international pressures and a political crisis surrounding the public deficit, it has never consistently prevailed in the *Verkhovna Rada* (Ukrainian parliament).

While radical decollectivisation has been rejected, since 1992, however, attempts have been made to reform the collectives. By July 1994, some 70 per cent of the former collectives had opted to become new Collective Agricultural Enterprises (CAEs). The majority of these CAEs took the form of closed joint stock companies in which assets are divided amongst members according to their labour contributions with the land collectively owned. Mechanisms by which members can freely dispose of their shares were not normally included at the time of their establishment. Whilst in theory, collective members are free to buy and sell their land shares, there has been little trading of land and/or development of private farming. This can be attributed primarily to resistance to change by farm directors, who were not sidelined by legislation from above as in the Baltic States and in Moldova under the NLP. In Ukraine, if a member chose to withdraw from the CAE there was a danger that their plot would be too small to viably farm or impractically located and they would forfeit their access to the subsidised inputs of the CAE.

¹⁴ Infopress, 20th October 1999.

In December 1999, President Kuchma signed a decree calling for the reorganisation of the CAEs.¹⁵ The decree specified that CAEs could be transformed into a number of entities, including private family farms, private-lease enterprises, economic associations, and agricultural co-operatives (Pugachov with van Atta, 2000). As a result of the decree, land has been distributed to individuals for family farming, or more generally, members have leased individual land shares to the collective enterprise. By May 2000, the land shares entitled to by eligible members had been determined in 11,244 enterprises and more than 96.8 per cent of the 6,463,000 citizens entitled to a land share had received their land share certificates.¹⁶ By the same date, over 5.3 million agreements for leasing land shares and 3.5 million agreements on property leasing had been concluded. The majority of these leasing agreements were agreed for over three years and included a provision for automatically extending leasing agreements for a new term.

While at first glance these reforms may be perceived to be stimulating ‘individual farming’ in Ukraine, one should note this is a particular form of restructuring in which farm directors retain their central role. In fact while some have chosen to take their entitlement to a land share and farm independently, there has not been significant division of CAEs into new enterprises or the introduction of new investors. As Pugachov with van Atta note:

The ability of farm directors in rural areas to independently manage the operation of their enterprises does not appear to have changed appreciably as a result of the presidential decree. For the most part, although farm directors and specialists have become owners of companies and private enterprises...little has changed on the ground (2000, p.6).

While Kuchma has publicly advocated private land ownership and a new land code was passed in December 2001, the code still sees a strong role for the state in governing transactions and land use. It is therefore unlikely that individual or family farming will come to predominate in Ukraine, at least in the short to medium-term. An agrarian system based on collective arrangements led by a small number of farm directors appears attractive as a tool for regime control. An insight into this is given on the ‘Kuchmagate’ tapes where the President directs his interior minister, Yuriy Kravchenko, to use blackmail to coerce the directors of the collective farms, a potential source of support for the communist opposition:

Kuchma (speaking over the phone to Kravchenko):. This is the mechanism at work here. They have a case on virtually every collective-farm head. They have to be collected in every *raion*, so that every militia head and tax-service head... And say: Guys, if you don't give, [expletive], the number [of votes], say it like that, that are needed, then tomorrow all of will be where you should be...

Kuchma (to Derkach): It's necessary for a tax worker to go to every collective-farm head in every village and say: Dear friend, you understand clearly how much material we have on you so that you could find yourself in jail tomorrow....And there is probably more than enough material on every collective-farm head...That's why the militia,... have a serious talk with every kolkhoz head. (KPNews, cited in Darden, 2001)

¹⁵ Decree No. 1529/99, on 'Immediate Measures to Accelerate the Reform of the Agrarian Sector of the Economy'.

¹⁶ Possession of a land-share certificate entitles an individual to receive a land plot of an ‘average size, average quality, and disposed in an average location.’ The physical identification and demarcation of a land plot is accompanied by the issuance of a state (title) deed.

While the collective farm directors have remained in place they are thus still vulnerable to political interference from above. While in place however the directors can use their position to exploit new market opportunities: for example it has been common for directors to create new agricultural companies to exploit trading opportunities or cherry pick the most attractive parts of the CAE. This has left the remaining CAEs with the least attractive or profitable operations, social responsibilities and high debts.¹⁷ This arrangement gives the CAE directors a position to exploit profit-making opportunities but still leaves them vulnerable to political interference through the threat of a tax investigation. This is remarkably similar to the system of a central political elite allowing regional management figures a privileged economic position, subject to political patronage that prevailed under Brezhnev's stability in the cadres approach.

5. CONCLUSIONS

During transition, post-Soviet states have attempted to reform the relationships between agriculture and the state. This has typically been conceptualised as a process of state withdrawal (Wegren, 1997) or decollectivisation (Swinnen, 1999) where governments have had to choose between retaining existing structures or establish private property rights. As the Soviet Union disintegrated, agricultural policy making in the Baltic States was captured by a small elite, drawn from the professional middle class, which came to prominence in the independence movements and became key players in immediate post-communist governments. This elite shared a set of evaluative norms based on an inter-war smallholder idyll and neo-liberalism. While these two ideologies would come into conflict over the degree of real protection offered to agriculture, restitution of land could be justified by both creeds. Restitution was essential to the reestablishment of inter-war 'independent' norms and could be justified on the neo-liberal grounds of dismantling the communist system and entrenching private agriculture. Former collective farm managers were removed from policy-making systems like most of the rural population. Farm directors either resigned themselves to the loss of their privileged position or acted opportunistically, creating new private ventures drawing on their relatively strong social and financial capital. However in an era of very low returns to agricultural activities, opportunities for profitable farming was scarce and the era was characterised by substantial decapitalisation of the sector (both of physical and human capital).

In Moldova and Ukraine, disintegration of the Soviet Union brought forward less radical responses to the decollectivisation question. In Moldova land reform enshrined the rights of collective farm members and the wider rural population rather than previous landowners. Claims for historic justice were less politically salient because in Moldova and Ukraine, no notion of a preferable inter-war smallholder idyll could be invoked and in the former there was a desire for a more consensual reorganisation against a back drop of 'low-level' civil war. Elite transformation was far more constrained in Ukraine and Moldova, so the replacement of an old guard by neo-liberal agricultural policy makers, that was witnessed in the Baltic States failed to materialise. In Moldova, radical decollectivisation was only implemented as a result of external conditionality in the face of public deficit and energy crisis. The NLP was

¹⁷ Interview, agri-business researcher, Dnepropetrovsk, April 2001.

piloted and developed by international agencies and failed to generate a broad consensus on both rural and national identities but rather revealed deep economic ideological and geopolitical divisions. Ukraine has witnessed the least radical response to the decollectivisation question under both the Kravchuk and Kuchma Presidencies. CAE directors have retained a position of being able to exploit market opportunities but are still vulnerable to political control through the threat of a tax investigation, an arrangement remarkably similar to Brezhnev's stability in the cadres approach.

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