Agrarian transformations in the former GDR in 1989–2017: A success story?

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The transformations of agriculture in the direction of privatization and adaptation to the market started in Eastern Europe and the Soviet Union in the late 1980s. Looking back from today, this was a difficult process for the economic transition was strongly influenced by changing prices and demand for agricultural goods. Today in most countries, agricultural productivity is higher though problems and uncertainties are still evident especially considering the structural changes of agricultural enterprises and their consequences for rural life. The article focuses on the country in which agrarian transformations seem to be a success story: in the GDR, the agricultural productivity grew significantly, and the new structures of the agricultural enterprises allowed competing at the world market. The author does not directly compare the former GDR and Russia though the article contributes to understanding the reasons of the problematic outcomes of the transition in Russia. The article highlights general problems of agrarian transformations such as the uncertainty of their structural aims, and puts forward the following questions: can the GDR be considered a success story transferable to other countries as the political approach in Germany was more sophisticated or is there another explanation of its success? Was the success a result of the political course, or was it, on the contrary, an unexpected result of the lack of control? Another question is the criteria for considering the transition in the GDR a success in the economic sense (increase in productivity), social (keeping up the rural community), ecological or agricultural (increase in sustainability of production). To answer these questions the author relies on the statistical data for more than two decades, monitoring data on the still ongoing transition and partly privatization and registration of new enterprises, his own studies of agricultural enterprises in different new countries together with the Russian colleagues (1992, 1997, 2002 and 2016), which allowed to understand the estimates and reactions of people to different challenges of the transition.

Key words: agrarian transformations, the former GDR (German New Countries), economic transition, agricultural production, rural communities

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Introduction: were the transformations successful?

The agrarian transformations in the former GDR were undoubtedly a success in two respects: they determined the structure of agricultural enterprises that was competitive at the world agricultural markets and an impressive increase in productivity. As productivi-

ty in the GDR compared to the EU at the starting point was low a very strong increase in a short time was necessary in the early 1990s. The goals of the German government and the ideas of the heads of the enterprises at that time prove that the outcomes of the transformations did not meet the expectations. The Kohl government wanted to restore a structure based on small family farms like in West Germany, while the chairmen of the agricultural producer cooperatives (APC) wanted to keep the structure of large-scale enterprises similar to the GDR. Taking into account failures of implementing these conceptions, one may consider the transformation's success a miracle achieved due to the pressure of time, political uncertainty about the future, and the dominance of economic constraints over ideology.

The time pressure was determined by the laws: the agricultural adjustment act (AAA — July 1990, revised in July 1991) set a period of a few months for the agricultural producer cooperatives (APCs) to decide on the opening balance, proposal for privatization of the assets, and the future form of agricultural production. If there was no consensual vote of the members and those with a right to the assets by the end of 1991, the APC would have been forced to liquidate with the relevant legal consequences. This set a terrible time pressure for both sides: the former management had to make a proposal on distribution of assets under privatization, and on a new form of a successor enterprise; the new assets owners were to identify their interests and individual advantages, to decide by their votes on the opening balance proposed by the management, on the assets distribution (only land was distributed according to the restitution law), and on the legal form of the enterprise. The distribution of assets between the members should have led to open and severe conflicts as many would be dissatisfied with their shares, which would have led to long-lasting lawsuits. It was a miracle that this scenario did not take place for the distribution of assets did not lead to many lawsuits. For instance, in Brandenburg the number of such lawsuits was extremely low (Bayer 2012: 30-31, 70-80); however, the authorities were to decide on 746 complaints by mid-1992.

One decisive reason was uncertainty about the best future. The situation was similar to the Hobbes' description of the fictional social contract to form a strong state: if everybody doubts about the best for oneself, there is a chance for a compromise. This was true for the GDR agriculture considering the distribution of property and the form of the successor enterprise. On the one hand, many members wanted larger shares and were ready to fight for them; on the other hand, they were afraid to lose everything if the liquidation of the former APC would reveal that the calculated total value of the assets was above the market value with the consequence that the subtraction of the APCs' debts would turn them into debt owners instead of assets owners. The uncertainty of the situation in 1990-1991 explains why the majority finally trusted the former APCs' management and

accepted their proposals. Thus, uncertainty turned into trust for managers and members of the APCs knew each other from working together, and the members were certain about the leadership qualities and competence of some managers that took the responsibility for the successor enterprise. Without their ability to win such trust, a consensual vote would not have taken place. Such "trust" was widely missing between farmers and kolkhoz management in Russia at the turn to the 1990s.

Based on this "trust" the assemblies of former employees of the APC including those who made land or capital input when establishing the APC vote unanimously or with an overwhelming majority in favor of the managers' proposal (Bayer 2012: 13-31). In about 20% of cases, the former APC was liquidated for none of managers wanted or could take responsibility for a successor enterprise. The forced liquidation was perceived by the majority as the most negative option determined by the "old debts" of the APC. Usually these were credits used as investments not in production but in the local infrastructure or social sphere, which were written in the account books as debts of the APC[1]. The Kohl government's claim of these debts from the calculated assets of the APCs could have become the sword of Damocles for the privatization making the majority of voters agree to the managers' proposal. Those who expected to benefit from privatization were aware that they also would inherit the debts and might become debtors. The simultaneous liquidation of many APCs would have negatively influenced the assets prices. According to the law, in case of liquidation, first all creditors were to get their money back, then the old debts were to be subtracted and paid to the state, and only the money left after selling the assets were to be distributed between the APC members. The debts were to be paid at the time of liquidation, while the successor enterprise could pay off credits later.

To understand the amazing results of the transition let us consider an alternative scenario: without time pressure, uncertainty of the old debts payment and future perspectives of agriculture, many members would have filed a lawsuit to enlarge their share of assets. Today we know theprobable results of such lawsuits: the decision would have been in favor of those wanting to get more money for the "real" value of the APC's assets was underestimated. The APC's management artificially underestimated the shares to manip-

1. The "old debts" are a good example of the contradictory German government's policy after the unification. First, the government did not understand that these credits were only formally of the APCs as production enterprises and actually were credits of the local rural community. Second, although the Kohl government wanted to support family farms and to force former APCs into liquidation, its claim that the old debts were repaid directly only under liquidation, while the successor enterprise would have to pay them off later, made the enforced liquidation the worst case and contributed to the founding of many successor enterprises.

ulate the payments (Bayer 2012: 54-72). The managers were interested not so much in personal enrichment, but rather in securing the future enterprise under the scarcity of capital for investments. Many lawsuits of the property owners trying their luck would have stopped production for a long time. Even few such lawsuits would take years for the final decision, and the more such lawsuits the more time would have been spent, which would have determined a widespread downtime of agricultural production in the successor large-scale enterprises. As the rest of the EU countries would have had no problem with feeding the former GDR population, they would have been benefited from the situation that would have meant a catastrophe for the rural GDR. Russia in the mid 1990s, especially in the Non Black-Earth regions, is an example of such a widespread collapse of agricultural production.

Too large reserves damaged the law but were a crucial precondition for successor enterprises, which allows to identify a final factor crucial for the successful outcomes of the transition and the "miracle" — the economic constraints. Though the ideas of the German government and of the former agricultural managers about the future of GDR agriculture were contradictory, both agreed in that the new countries had to keep the agricultural production. Such a belief led to the following economic constraints: to avoid bankruptcy of all large-scale successor enterprises under the deficit of capital and the urgent need for investments to increase productivity, the transfer of capital from the former APCs to the successor large-scale enterprises had to be manipulated by the new managers in order to secure enough money for capital investment; the cost of production per unit in the successor enterprises had to be cut by about a half to help them survive. As the Kohl government preferred to discriminate large-scale enterprises economically, the managers had no other chance to allow the successor enterprises to survive in the first years.

In most cases, the new manager or the new board of managers were local people and managers of the former APCs. Thus, trust was a local phenomenon of human capital in the community in which people knew each other. Only managers that worked successfully before and proved to be able to cope with their tasks by training and personal qualities could win the people's trust. They had to convince the voting assembly of the viability of the new form of enterprise. When visiting the same enterprises over years, we found the same persons with convincing leadership qualities as their heads ensuring their current economic success. Certainly, the new managers and the trust of the local people in them and not the legal form of enterprises played the decisive role for the success of the enterprises. Today these managers form a rather homogenous group considering their age, qualification and personal capabilities (mainly they are at the start of their 70s). The question is if they will find equally well qualified successors capable of earning the trust of local share holders.

Table 1. **Indicators by agricultural enterprises type, 1989-2013**

	Individual Farms*	Partnerships	Corporative farms of which:			
				APCs	Ltds	Others
1989	3.558		5110			
April 1991	8.952	263	3364			
August 1991	12.106 (5.722)**	531	3070			
1992	14.602	1123	2749	1464	1178	208***
1993	20.587	1879	2829	1388	1302	212***
1994	22.601	2388	2824	1335	1338	230
1995	24.588	2671	2902	1315	1417	257
1996	25.003	2820	2888	1292	1427	
1998	25.925	3064	2942	1218	1560	164
1999	23.946	3199	3171	1205	1755	…
2003	23.544	3236	3239	1110	1895	234
2007	23.412	3235	3379	1028	2102	249
2010	17.723	3204	3484	983	2246	255
2013	17.100	3300	3600	900	2400	300

* includes horticulture farms with little land hold

** () = full time farms

*** including APC in liquidation

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

Dynamics and interrelations of large- and small-scale enterprises in agriculture

To understand the dynamics of agrarian transformations let us consider their different stages based on the statistical data (Tables 1-4).

In the early 1970s, under the guidance of Gerhard Grüneberg the GDR agriculture followed a specific way of "industrialization" dividing the large-scale agricultural enterprises into "animal production" and "plant production". In economic terms, such a specialization did not contribute to the growth of production. Already before the Cur-

Table 2. **Average size of enterprises in hectares, 1992-2013**

	Individual Farms	Partnerships	Corporative farms of which:		
			APCs	Ltds	Joint-stock companies
1991 Aug	50 (90)*	550	1710	1030	1030
1992	46	629	1537	116	1546
1992 Feb	64 (136)*	401	1522	1029	
1993	45	511	1480	948	1364
1994	48	468	1457	879	1275
1995	46	449	1435	843	1344
1998	49	417	1432	773	1369
1999	55	400	1413	686	1286
2003	59	386	1412	659	1201
2007	63	385	1419	614	1139
2010	83	386	1405	605	1089
2013	87	373	1391	577	1151

* 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

rency, Economic and Social Union with West Germany in mid 1990, this division was widely abandoned (by the APC-chairmen) by a kind of "wild" combination of cattle and plant production in the APCs. As a result, the average size of the APC decreased: after 1164 plant production enterprises of 1989 with an average size of 4284 hectares had merged with 2851 animal production enterprises with an average size of 25 hectares, in April 1991 4050 APCs on the average occupied about 1400 hectares. Moreover, some APCs with smaller land holdings produced special products (horticulture); there were also 580 state farms with an average size of 800 hectares (Wolz 2016). In Brandenburg, 792 APCs turned before the AAA in mid-1990 to 365 new APCs combining again plant and animal production: 248 registered as the APC, 99 as Ltds and 18 as Ltds & CoKG until the end of 1991 (Bayer 2012: 20).

The second stage of transformations began in mid-1990 — the end of 1991. During this period, privatization of the land by restitution and

Table 3. **Number and average size of individual farms, New/Old countries comparison, 1995–2013**

Year	German "Old" Countries (former FRG)				German New Countries (former GDR)			
	Full-time		Part-time		Full-time		Part-time	
	Number of farms	Ø size in hectares	Number of farms	Ø size in hectares	Number of farms	Ø size in hectares	Number of farms	Ø size in hectares
1995	221,000	38.6	305,700	8.8	7,080	122.3	18,060	15.0
1997	203,600	41.0	290,500	9.4	7,610	126.4	18,390	14.6
1999	187,900	42.8	238,500	11.0	8,200	127.2	15,800	17.7
2001	166,400	46.0	224,000	12.3	7,700	135.8	15,300	19.5
2003	167,100	47.3	198,200	12.2	8,400	134.3	14,900	17.2
2005	156,400	50.1	186,800	13.2	8,000	143.0	15,000	19.7
2007	149,500	51.8	177,200	13.4	8,000	145.7	15,400	19.6
2010	127,300	56.2	(127,100)*	(19.2)	7,500	154.7	(10,200)*	(29.3)
2013	116,200	59.7	(122,000)*	(20.1)	7,300	161.4	(9,800)*	(31.8)

* Only farms with more than 5 hectares; 1995–2007: farms with more than 1 hectare

Source: Statistisches Jahrbuch über Ernährung, Landwirtschaft und Forsten 1995–2015, Münster-Hiltrup 1995-2015

of the APCs assets took place under the pressure either to register the APC as a new legal form or to liquidate it. About 20% of former APCs were liquidated, usually as a result of the members' assembly vote. By the end of 1991 from 4050 APCs of mid-1990 2850 turned into registered agricultural cooperatives, Ltds or other forms of large-scale agricultural enterprises (Table 1). In most cases non-agricultural services and side production in former APCs were separated, now most new or successor large-scale enterprises were engaged only in agricultural production, while about 4000 independent private service enterprises were established (Koch/Moll/Thiele 1992, 112-113).

In the third stage (1990 — mid-1995), new family farms were established. Likely one third of 23,000 new family farms were founded voluntary, while two thirds rather forcedly, often as there was no successor large-scale enterprise after the liquidation of the former APC. In such cases, people with landed property often had no choice than to establish a family farm. However, in general only the voluntarily founded family farms are interested in investing in their private farm to devel-

Table 4. **Share of land use, 1989–2013 (in %)**

	Individual/Partnerships, Private plots	Corporative Farms
1989	10.2	89.8
1992	27.0	73.0
1993	35.7	64.3
1995	42.4	57.6
1998	45.6	54.4
2007	48.7	51.3
2013	49	51

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

op it. Among the family farms founded before August 1991, one would find the largest share of new farmers purposefully establishing a new farm and willing to develop it. 5,722 family farms are listed as full-time farms among 12,637 individual farms; on the average, they have about 135 hectares (Table 1-2). Other purposefully founded farms are usually partnerships in which two or more farmers decided to work together.

The average size of individual farms in Table 2 is misleading for we need data on different types of individual farms especially on working part-time and full-time (Table 3). The number of private farms with only a few hectares in horticulture was above 2000; the number or registered private farms increased from 14,602 at the beginning of 1992 to 25,925 in 1998. Later we see a steady decline as those starting farming only as alternative to become jobless retired. At the beginning of 2007, there were only 23,400 farms of both types — part-time and full-time. A slight fall in the number of individual farms between 1998 and 2003 by about 10% is probably due to the liquidation of farms created forcedly, which corresponds to the moderate increase in the average size of individual farms in the same period from 50 to 60 hectares. The further changes in the number and size are only a statistical blunder for after 2007 only farms with more than 5 hectares were registered, while before the minimum registered size was 1 hectare. Thus, the number of private farms is quite stable in the new countries, while the decline of farms number in the western part of Germany is significant (Table 3). Part-time individual farms can be a stable form too, especially in the regions where this combination of work in industry and part-time agriculture had tradition, for example in Thuringia. Often the part-time farms have only a few hectares, thus artificial-

ly reducing the average size of the individual farms in the statistical data for the majority of private farms are part-time.

Among the farmers who founded a (large) family farm or a partnership a significant share is from West Germany or the surrounding EU countries such as the Netherlands. In the statistical data, there is a significant group of resettled farmers who like to have a farm but do not want to take a risk of investing and developing their farm to a high productivity. Most of these farmers like to work in agriculture and be independent; however, many are not well qualified to run a contemporary family farm (Rost 1997).

The time between 1991 and 2000 was still connected with a lot of uncertainties for the large-scale enterprises. Due to the unpopularity of land leasing and the claim of old debts, they were insecure under the ongoing re-registration of APCs as Ltds. However, these problems were finally solved, and since 2000, we see stable enterprises with only a few registering as Ltds. The statistical data on large-scale enterprises is also misleading as it counts only single enterprises without taking into account whether they are independent or parts of holdings or "families" of the same shareholders. Thus, despite the statistical reports, today the average size of large enterprises is larger than in the GDR. I believe that the average size of joint enterprises today is more than 4000 hectares. However, these enterprises are much smaller than Russian agroholdings as there is no trend to merging large-scale enterprises. It is typical for the new countries to have strong local connections between farms managers, shareholders and land leasers.

Therefore, the farm restructuring ended in 2000 (Table 4) having created full-time family farms and large-scale enterprises competitive at the world market. These transformations were both politically influenced and obeyed economic constraints to create production units more stable than the farms in West Germany that are further increasing their average size and ousting smaller farms (mainly for elderly farmers do not find successors) (Table 3). There is no trend to closing the gap between the East and the West considering the farm structures. Table 4 provides a convincing picture of the results of the transformations such the division of land between large-scale corporations and individual farms including partnerships. Thus, there was a transfer of about 40% of the arable land from the APCs to individual farms or partnerships from 1989 to 1998. In the next decade (1998-2007) only other 3% of land were taken by private farms, and since 2007 this transfer of land to the private farms stopped mainly due to the successful stabilization of large-scale enterprises.

The post-socialist development of the rural social sphere

The agrarian transformations focused on adaptation to the market and privatization and not on developing of rural areas. At best,

there are statements that the market will regulate everything. However, there were state investments in the rural infrastructure. As some parts of the German new countries were sparsely populated, they were most affected by privatization in the form of dividing the former APCs that took responsibility for local services and social sphere. The successor large-scale enterprises usually focused only on agricultural production, while the local administration became responsible for the social sphere, services were privatized. The aim to increase the labor productivity led to the growth of unemployment among the rural workforce that was reduced in the agricultural production by about 70%. Actually, among the former APCs' workforce about one third was employed in the local social sphere, repair and transport services. Today rural areas lack jobs, which determines the outflow of rural population, especially of the female youth, and the high level of unemployment. However, unemployment benefits from the state support today's wages are often higher than in the former GDR wages in purchasing power (Merl 1993; Jaster/Filler 2003: 7-9, 21-22).

Neither in Germany nor in the EU, a reasonable conception of the structural development for rural areas (apart from declarations) was developed. The pre-1950 associations were not reestablished in the New Countries after privatization. The local people did not understand such forms and did not sought any cooperative organization. There is also an additional problem in the new countries that is evident under the direct comparison of rural areas in West and East Germanys. In West Germany, there are often intact social structures, many local associations und unions — professional, recreational, religious and political. Most rural families are members of dozens of such associations organizing their social life. Such structures, especially cooperative ones, were missing in the GDR except for some local sport associations, and the situation did not change significantly according to our research data of 2016: neither political parties nor religious associations play a significant role, while the peasant union unites only managers of large-scale enterprises.

Thus, privatization in the course of agricultural transformations did not take into account social institutions that allowed the people to adapt to the market in the 19th century. For instance, cooperatives could help family farms: although there were cooperatives in the new countries before collectivization, after decades of inactivity and due to the lack of qualified personnel they cannot be reestablished easily. This became evident, when in 1989/1990 cooperative unions from the neighboring West German countries started to revive agricultural cooperation in the form of local unions and associations. However, the large-scale agricultural enterprises were not interested in their services even if formally they were named "cooperatives" — they preferred partners from the bank system, wholesale companies and private consulting firms. The family farm sector is much smaller than in

West Germany, and many of them, medium-sized or part-time, often lack the perspective to invest and, therefore, are not interested in cooperative credit and advice. Large family farms do not need cooperative structures either for they get better conditions from the banks working with large enterprises. Just one example: a new farmer (previously a university employee in West Germany) in 1990 decided to establish a new farm in Saxony and took a credit from his local (West German) cooperative bank; he successfully developed his farm as a partnership and is today involved in significant investments with other, not cooperative banks.

Rost (1997) studied the effects of agrarian transformations in different regions — the sparsely populated Northeast near the Polish border and a densely populated region in Thuringia. In Fahrenwalde in the northeast, already before 1945 the large-scale production (estates and manors) was dominant. Burgstädt in Saxony is a strong economic region with dominant small and middle-sized farms before 1945. Rost claims that there is an inter-connection between rural and industrial spheres: changes in the structure of agriculture are usually perceived as a crisis of the rural area based on the dichotomy of not interrelated urban and rural areas. In the new countries, the peripheral rural areas could not compensate the decline of agriculture by other activities, while in the regions with strong rural-urban relationship (Thuringia and Saxony) such compensation took place. The decline of agriculture is a general process encompassing all parts of Germany; however, in West Germany it is evident in the last decades, while in the German New Countries it is much faster under the agricultural transformations, therefore its negative consequences for rural areas are more evident. Rost underlines that due to the transformations, the former agricultural structures dominant before the collectivization of 1952, or in the northeast before the 1945 land reform plays an important role today. Reestablished full- or part-time farms are more typical for the south than for the north due to the previous agricultural structure (Rost 1997: 55-57): before 1945, the small-scale farms were widespread there and were revived. Thus, the job cuts in agriculture were compensated by traditional non-agricultural activities. In the northern regions lacking a family farm tradition, on the contrary, the level of unemployment was high and determined the outmigration of the youth.

After reunification, there is also a strong suburbanization around cities in East Germany. Instead of developing the inner urban areas, where it was harder to find heirs of proprietors, name shopping and other service centers were built in green areas around the cities stopping the agricultural use of these lands. As a result, land prices soared determining speculations with the previously agricultural land. For instance, Fahrenwalde in Mecklenburg-Pomerania near the Polish border is sparsely populated, peripheral, without new economic structures and, thus, with high unemployment. People lack

the perspective of a permanent job in this rural region, which led to outmigration already before 1989, and it has intensified. This village consists of four settlements, and more than half of the population is already retired. The 1945 land reform only for a short time broke the tradition of large-scale enterprises in this region, and many peasants left the region under the collectivization started. In 1973, the division of animal and plant production created the APC plant production of 5200 hectares and the APC animal production in five settlements not based on the peasant farms. At the start of the GDR, here was a lack of labor force, new settlers from the cities without agricultural experience were sent here ("Industriearbeiter aufs Land"). Under the agrarian transformations, new large-scale enterprises were established, all run by the managers of the former APCs. Resettled and new farmers created five full-time family farms with 100 to 400 hectares each. One of them gave up after a short time, two decided to form a partnership (one of them is the grandson of a farmer who fled to West Germany under the political pressure of the collectivization campaign).

The situation in Burgstädt is different. Most people here worked in Chemnitz industry. Although part of the local production was closed, in general there is an evident increase in economic activity in the region: Burgstädt produces machinery for the textile industry, and the suburban areas are also developing. Many local peasants opposed the collectivization until the early 1960s; however, finally the APC occupied 6500 hectares, while its members continued to keep cattle. Many women worked under collectivization as "wageworkers" with the cattle on their former private farms, which preserved the tradition of family farms and benefited the revival of family farms after the liquidation of the APC in 1991. Some of its stables and cowsheds are still used today by 30 resettled farmers; among them 11 part-time workers on the average own 7 hectares, while the full-time farmers — 62 hectares (Rost 1997).

Rost made an attempt to categorize the new farms (1997). Often several enterprises were established by the same shareholders from the former APC with its assets — these are successor enterprises that play a central role in the regional economy for even private and resettled farmers use their agricultural techniques and consult them. The former APC in Barnstädt decreased from 5200 to 4160 hectares of 15 shareholders, and 7 of them are from West Germany. There are also new large-scale enterprises founded after the liquidation of the former APC, for instance, a plant-growing enterprise with 1100 hectares established by a Bavarian supplier of agricultural machinery who wanted to invest in the new countries. There are four shareholders from West Germany, but the managers-partners are from the former APC. Among the family farms, Rost distinguishes those with the prospects of development and the ones run by the farmers of the pre-retirement age who started the private farm only as alternative to becoming job-

less. They had no incentives for investments, using the available agricultural machinery. There are also family farms "in transition": they avoid credits and have no long-term plans: if they get investments in the future, they can become real full-time farms; without investments, they will be liquidated by the decision of the proprietor's children. According to Rost, some part-time farms have good perspectives without turning into full-time farms. These part-time farms are registered in the statistical reports only if they are above 1 hectare (from 2007 — 5 hectares), or if they are agricultural enterprises. 6 private farms in Fahrenwalde, and 30 farms in Burgstädt are registered as agricultural enterprises.

Rost doubts the existence of a special "peasant mentality" in the new countries based on the results of his field study. Peasants living close to urban areas prefer speculative calculations, keep their land property only waiting for the increase in land prices or the right to use it constructing. Rost states that family farmers complain about the lack of connections, while the managers of large-scale enterprises in general benefit from their networks. This raises the question of forming an association of family farmers that usually do not get much support from the existing peasant associations pursuing the interests of large-scale farmers.

Would local holdings have been a better way to preserve the rural communities?

Looking back at the agrarian transformations, there is a question whether a widely neglected large-scale holdings would have been a preferable form compared to the registered APCs and Ltds founded in 1990-1991. The direct transformation of the GDR APCs into holdings might have had better results in preserving the rural sphere as some rare cases suggest. Political decisions of 1990-1991 focused only on the agricultural production of former APCs, and their branches division in the course of privatization often had far-reaching negative consequences for rural communities. Many social structures broke down and were not replaced by new ones; such a uncoordinated destruction led to social lethargy and the loss of the capital shares by the APC's members (Koch/Moll/Thiele 1992: 114-117). Koch et al. describe a different model of the successor enterprise: the direct transfer of the APC into a new local holding keeping together all former branches (plant and animal production, technical services, distribution, stores, transport) though each enterprise is independent in decision-making and responsible for losses. New heads of the enterprises are managers of the former APC with good technical knowledge and leadership qualities (Koch/Moll/Thiele 1992: 118-119).

The holding allows to keep the non-agricultural units of the former APC, so the sharp staff reduction in agricultural production is

partly compensated by new jobs in services and distribution, which keeps more people employed in the rural region. The companies were formed directly in the course of restructuring and work together in the holding network. The new large-scale enterprise are engaged only in agricultural production, so many former APC employees are forced to leave rural areas or lose their jobs, while the holding (as the one we visited in Thuringia) can offer training and jobs for young people close to their places of living (Koch/Moll/Thiele 1992: 141). This has additional positive consequences: keeping up the youth's connections with the rural area, and developing of the local rural tourism. For instance, Koch et al. describe a holding consisting of 15 Ltds, among them: specialized crop farms, horticulture, cattle breeding, pig farms, two technical services companies, construction and house administration, trade and food industry units. The three crop farms and technical services are very profitable. The animal production at the beginning required large investments for new technologies, which reduced the staff from 530 to 160 people; however, one year later 205 were employed again.

Another convincing example of a directly formed local holding under the agrarian transformations is ADIB (Agricultural-, Services-, Industrial- und Construction Company Ltd &Co KG) based on the former APC Aschara in Thuringia. In 1997, the ADIB had 4500 hectares, 1800 head of cattle and 600 pigs. The director and main shareholder is at the same time the president of the Thuringia peasant union and member of the German peasant union board. Until 1989, he was the chairman of the APC plant production Aschara. In 2001, the holding turned to a stock corporation with the legal status of Ltd. Today the holding has 16 subsidiaries engaged in plant and animal production, processing of agricultural products, distribution, handicraft and logistic, technical services and even production of agricultural machinery. 7 subsidiaries are agricultural: plant production with more than 4000 hectares, cattle breeding with the fodder produced in an own subsidiary, and pig production. In the food branch, there are three subsidiaries: meat market, distribution of meat products, and a butchery with its own shops all over Thuringia. One subsidiary is an agricultural machinery plant. In the branch of handicraft and logistics, there are three subsidiaries including a biogas plant, electric services and a transport and trade company. About 1200 people lease out their small land property (0.2 to 2 hectares) to this holding by the long-term contract, obviously trusting the main shareholder[2].

2. Only 700 from 4300 hectares are the property of the holding's subsidiary. Two other plant production enterprises cooperate with the holding: one with 2170 hectares, from which 350 are the property, the rest are leased from 812 small land property holders; and the other outside Thuringia (Realerbteilung was responsible for dividing land holdings) with 1650 hectares: 120 are the property, the rest are leased from 214 land property holders.

This holding proves the central role of trust in forming large-scale successor enterprises.

In the 1990s, there was a political campaign and a trial against this holding. The German journal "Der Spiegel" (1997) called its managing director a "red baron" that cashed in on the transformations and cheated his fellow members in the privatization[3]. The director lost this trial by a formal mistake: the APC had been divided a few days before the legislation came into force. Thus, in 1997 the APC was revived "under the liquidation", but none of the allegedly cheated claimed their shares back, probably, being convinced of the director's ability to manage the holding. The defeat in the trial turned into a triumph: in 1999, the successor company ADIB got all the assets including the debts of the APC Aschara and continued its successful business. Such a success was partly determined by creating the local brand — "meat from Thuringia". Thus, the holding succeeded due to both trust of the people leasing out their land property to the ADIB and trust of the consumers in the quality of meat products of the new brand. Therefore, holdings were the most promising but rare form in 1990-1991, as private consulting agencies suggested other forms they were more familiar with.

Conclusion: if there is a history of success, in what sense?

The agrarian transformations were a success in the economic sense: there was privatization prescribed by the government; the new agricultural structure was competitive at the 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 workforce 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 proprietors. The GDR agricultural workforce showed little interest in private farms and risky economic activities. Unlike the Russian "farmerization" at the turn to the 1990s, 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.

Somehow, people understood that under the scarcity of capital and entrepreneurship only large structures such as full-time family farms

3. The "Spiegel" claimed that he frightened 931 partners to force them sell their shares to him. Finally, only 74 limited partners were left with 1.7 million DM. Three of them — the director with 609,000 DM, the manager with 180,000 DM and the former local secretary of the Party with 51,000 DM — became the main shareholders.

with more than 100 hectares or large-scale successor enterprises of the APCs would survive. Quite unexpected feature of the transformations was the development of trust between the majority of new assets proprietors and former APCs' managers. In the former GDR, almost all successor large-scale enterprises were local and run by well-trained managers of the former APCs, who built strong ties with landholders leasing out their land. Some of the full-time family farms were established under land restitution with additional land leasing, others were newly founded and often run by the former FRG or EU citizens. While in German old countries, there is an ongoing ousting of smaller farms, the new countries since the early 2000s have kept a quite stable agricultural structure (Table 3).

Considering other than economic criteria, for example, keeping up rural communities, ensuring sustainable agricultural production or ecological food industry, the transformations' results are less successful for none was considered a political priority and achieved in either parts of Germany. Today we understand that it was wrong to carry on privatization of the former APCs by dividing the agricultural production, services and processing. The same mistake was made in Russia with even more fatal consequences. It would have been more reasonable to keep all APCs spheres of economic activity together in local holdings that would have high labor productivity in agriculture and, thus, create new jobs in services, processing and distribution.

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Аграрные трансформации в бывшей ГДР в 1989–2017 годы: история успеха?

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Изменения в сельском хозяйстве (приватизация и адаптация к рынку) начались в Восточной Европе и Советском Союзе в конце 1980-х годов. С позиций сегодняшнего дня мы понимаем сложность этого экономического перехода под влиянием неустойчивых цен и спроса на сельскохозяйственную продукцию. В большинстве стран производительность в сельском хозяйстве выросла, однако проблемы и неопределенность остались, особенно когда речь идет о структурных изменениях предприятий и их последствиях для сельских территорий. Статья посвящена ГДР — стране, где аграрные трансформации считаются успешными, поскольку выросла производительность и новые сельскохозяйственные предприятия конкурентоспособны на мировом рынке. Автор не проводит прямые сравнения бывшей ГДР и России, но упоминает причины неоднозначных результатов переходного периода

в России. Автор обозначает общие проблемы аграрных трансформаций (например, неопределенность их структурных целей) и задает следующие вопросы: можно ли считать ГДР примером успеха в результате продуманного политического курса или же иные факторы объясняют экономический рост Германии; был ли успех результатом экономических решений или наоборот неожиданное следствие отсутствия контроля; каковы критерии оценки переходного периода в ГДР как успеха в политическом, экономическом, социальном, экологическом и сельскохозяйственном смыслах (рост производительности, сохранение сельских сообществ и т. д.).
В поисках ответов на эти вопросы автор опирается на статистические данные последних двух десятилетий, мониторинги результатов аграрных трансформаций (приватизации и регистрации новых предприятий), а также на собственные исследования сельскохозяйственных предприятий совместно с российскими коллегами (в 1992, 1997, 2002 и 2016 годы), которые позволили понять оценки и реакции населения на сложности переходного периода.

Ключевые слова: аграрные трансформации; бывшая ГДР; экономический переход; сельскохозяйственное производство; сельские сообщества