Agricultural Restructuring in Transylvania in the Post-Communist Period

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Introduction

This chapter considers the challenge of agricultural transition in Romania since 1989. It first sets the national scene with the help of key legal measures and statistics, and then illustrates the impact that these measures had on the ground by reference to individual villages in Transylvania. Agricultural restructuring in Romania has reflected many of the paradoxes of Romania’s post-Communist transition. On the one hand, like the events which overthrew Ceauşescu, developments were initially amongst the most radical in the region: cooperatives were broken up and there was a massive return to small-scale peasant farming.¹ But after this cathartic destruction of a system which everybody hated and which had brought few benefits to cooperative members, the momentum for reform was lost. Further legal reforms were delayed, the real privatization of Agromec (Machine and Tractor Stations) and the state sector in agriculture was much postponed, and even the radical promises of the 1996 government faltered. At the local level, most agricultural workers retreated into almost subsistence farming, while a few struggled to build viable commercial farms from the ruins of socialist agriculture.

Agricultural restructuring in post-Communist Romania

Agricultural restructuring in the Romanian countryside was structured by six key legal measures. These were: Law Decrees no. 42 and 75 of 1990, Laws no. 1, 18 and 36 of 1991, and Law no. 16 of 1994.² The first reforms in the immediate aftermath of the revolution merely introduced to Romania features that had been common in the rest of
eastern Europe for decades. Law Decree 75/1990 abolished measures which had prescribed compulsory deliveries for auxiliary family plots and also permitted the free market sale of their produce, while Law Decree 42/1990 increased the permitted size of plots from 0.15 hectares to 0.5 hectares, and extended the right to a plot (of 0.25 hectares) to villagers (and some town dwellers) who were not cooperative members.

Law 18/1991 on the land stock, however, was much more radical, and forms the cornerstone of Romanian agricultural reform. It established the legal framework for liquidating existing cooperatives and distributing their assets to entitled persons and successor units, and permitted the restoration of a maximum of ten hectares of land per family as partial restitution for the moral injustices of collectivization. Two features of the law were particularly significant. First, land was restored in kind to all entitled persons or their heirs irrespective of whether they were employed in agriculture. Second, land was restored according to its ‘historic boundaries’ (i.e. the actual land lost was returned, not its equivalent). In the mountains this principle was followed everywhere, and even in the lowlands there were few exceptions. The result was the creation, nationally, of approximately 40 million small plots.

A further dimension to this return to small-scale farming was added by Law no. 1 of 1991, which regulated support for the unemployed. Its relevance to agricultural restructuring lay in the fact that it ruled that people whose family had two hectares of productive land in lowland areas, or four hectares in the mountains, should be considered agricultural producers and ineligible for unemployment benefit, so turning unemployment into an agricultural problem and increasing the number of small-scale farmers. Despite this, because city-bound heirs and elderly villagers alike were unable to work the land, in many places the actual work had to be taken on by others, either corporate or individual renters. This necessitated the creation of legal frameworks to regulate both the operation of agricultural companies and other entities active in agriculture (Law 36/1991), and the rental of land (Law 16/1994).

The process of cooperative restructuring was as follows. Liquidation committees were established to oversee the distribution of cooperative property which, because Romanian cooperative farms had not generally owned machinery (mechanical services having been performed by Machine and Tractor Stations), related primarily to animals, stables and other farm buildings. Once outstanding debts had been taken into account, the remaining property was distributed to members and those who had contributed to the foundation of the farm. Sixty per cent of