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## The Soviet Precedent in Czechoslovak and Yugoslav Agriculture: Two Case Studies of Communist Economic Imitation

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ECONOMIC GROWTH CENTER

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Center Discussion Paper No. 122

THE SOVIET PRECEDENT IN CZECHOSLOVAK AND YUGOSLAV AGRICULTURE:

TWO CASE STUDIES OF COMMUNIST ECONOMIC IMITATION

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THE SOVIET PRECEDENT IN CZECHOSLOVAK AND YUGOSLAV AGRICULTURE:  
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The subject of this paper is economic imitation as practiced in Eastern Europe after World War II. By "economic imitation" we mean simply the borrowing of economic policies and institutions from the experience of other countries. The postwar Communist governments of the East European countries borrowed heavily from Soviet experience in setting economic goals and devising the means of achieving them. However, initial economic conditions in those countries differed, in some cases widely, from those of the U.S.S.R. Moreover, conditions varied substantially from country to country in Eastern Europe, from the modern industry of the Czech lands to the backward mountain economies of Albania and southern Yugoslavia.

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There is, therefore, some question as to the suitability of the Soviet experience for imitation in Eastern Europe. The common Western view is that it was highly unsuitable, but that nevertheless the East European Communists imitated it closely. One writer has characterized the results as "pure roast-pig" imitations of the U.S.S.R.: the East European countries simple-mindedly adopted the Soviet precedent, thereby burning down whole cottages just to roast piglets.<sup>1</sup>

In this paper we explore the roast-pig hypothesis in detailed case studies of a single sector, agriculture, in two countries, Czechoslovakia and Yugoslavia.<sup>2</sup> To what extent were Soviet agricultural policies and institutions lifted wholesale and set in place in these two countries, regardless of the cost? What attempts, if any, were made to tailor the borrowings to local conditions -- i.e., "to discover what parts of the process to imitate without having to burn down a whole cottage?"<sup>3</sup> If the imitations prove to have been "roast-pig," what were the possible rationales and the attendant costs? Finally, were there any differences between the Czechoslovak and Yugoslav imitations of the Soviet Union in agriculture, and if so, why did they arise, and was one imitation more roast-pig than the other? Our findings suggest that, while the roast-pig hypothesis may be valid at a general level of discussion, it can be overly simple for specific sectors and countries.

The first step in what follows is to develop a framework for analyzing Communist economic imitation (section I). Next, the Soviet precedent in agriculture is briefly reviewed (section II). We then combine the first two sections with a discussion of initial conditions

in Czechoslovakia and Yugoslavia to deduce some hypotheses about the two cases as imitations of the Soviet agricultural precedent (section III). These hypotheses form the basis of the case studies proper: the postwar redistributive land reforms in both countries (section IV); the Yugoslav collectivization and its successor policy (section V); and the Czechoslovak collectivization (section VI). Finally, section VII contains a summary and the conclusions.

I. A Framework for Studying Communist Economic Imitation in Eastern Europe

A given case of economic imitation can be viewed as the outcome of two sets of variables: (1) the previous experience (or precedent) imitated; and (2) the initial conditions (or antecedents) of the imitating country, into which the precedent must be introduced. The influence of the imitating country's antecedents is likely to cause the imitation to depart in some degree from an exact replica of the precedent. Similarly, different antecedents are likely to give rise to differences between two imitations of the same precedent. In fact, substantial differences may be necessary if economic imitations are to make economic sense; slavish replication of policies and institutions without regard to local conditions could prove economically costly.

We shall employ a "rationalist" paradigm of Communist decision making in developing hypotheses about Czechoslovak and Yugoslav imitations of Soviet agricultural policy.<sup>4</sup> In this paradigm, Communist leaders make economic decisions on the basis of costs and returns, defined to include political as well as economic variables. In setting goals, the leaders articulate values or preferences -- for example, by choosing the variables to go into an "objective function" and assigning relative weights to them. The leaders perceive the attainment of goals as constrained by the antecedents (for instance, the existing factor endowments, economic institutions, political traditions, and so on). Their task is to choose policies and institutions that will best achieve the goals, i.e., maximize the objective function subject to the constraints.

In carrying out this task, the leaders can choose original programs, imitative programs, or a blend of the two. Their choice will depend on the expected relative efficiency of the alternatives, measured in terms of the degree of achievement of goals within the constraints. Decision makers will tend to perceive imitation as more efficient than an original program, the more similar are their goals and antecedents to those which prevailed in the prospective precedent; and conversely.<sup>5</sup> Recall that "efficiency" here has two dimensions, economic and political, which may be either complementary or competitive; i.e., the pursuit of political goals may either further economic ends or detract from them.

Once imitation is chosen, decisions must be made on when to begin introducing the precedent, how rapidly to set it up, in what sequence to introduce the various components, and what modifications if any to make as time passes. Plausible hypotheses about these decisions might include the following.

Imitation will tend to begin sooner and proceed faster, the more urgently the imitating leaders view the attainment of their goals; the advantages of hindsight will tend to work in the same direction. On the other hand, differences in antecedents will raise the returns to careful preparation and execution of the imitation, thus tending to cause the imitation to begin later and proceed more slowly.

The sequence of an imitation will depend on the relative priorities of the various goals, subject to constraints such as the supply of decision making and managerial skills, the existing interindustry structure of the economy, and foreign exchange earning capacity. For

example, a poor agrarian country may want to concentrate on industry first, neglecting agriculture, but such a country will have less freedom to adopt this strategy than a wealthier, more industrial country because of the greater dependence of the economy on agriculture.

An imitation may be modified in course of time for several reasons. First, the precedent itself may have included changes over time. Second, the imitation may turn out to be less efficient than expected; in the extreme case, the imitation will be abandoned. Finally, if an imitation is successful, the initial antecedents will gradually be replaced by new conditions -- and not necessarily in the same manner as in the precedent. If so, continued success of the policy will call for departures from the original precedent at that point.

Within the above framework, it is possible to define "roast-pig" explicitly as follows:

1. An imitation would be "roast-pig" if an original program or an alternative precedent would have produced better results in terms of the decision makers' effective goals.

2. If there is a tradeoff between one set of goals and another -- for example, if political goals conflict with economic goals -- making decisions in favor of one set of goals would imply relative "roast-piggery" in terms of the other set.<sup>6</sup>

3. Whether goals are complementary or conflicting, a judgment of "roast-pig" would apply to beginning an imitation too soon, before proper preparations had been completed; to introducing the precedent too rapidly; to introducing the components of the precedent in the wrong order (given the imitator's antecedents); and to not making the appropriate changes at the proper time(s).



## II. The Soviet Agricultural Precedent<sup>7</sup>

The basis of the Soviet precedent in agriculture was the "collectivization" of production. Collectivization was begun in 1929, simultaneously with the beginnings of the rapid build-up of heavy industry that became the hallmark of Soviet growth strategy. The year 1929 was an important turning point for Soviet leaders, marking the end of more than a decade of struggle for political survival under "War Communism" and tactical consolidation under the "New Economic Policy" (N.E.P.).<sup>8</sup>

The dominant goal in the Soviets' choice of an agricultural program was the rapid growth of heavy industry, to be financed internally (under the slogan of "socialism-in-one-country"). Another important goal was the establishment of a centrally planned economy and a socialist society: the Soviet state would own virtually all non-labor factor inputs and closely supervise the production and distribution of goods and services. Governing all policy choices, of course, was the goal of maintaining and enhancing the political power of the Soviet government.

The predominant antecedent of Soviet agricultural policies -- and an important factor in overall economic and social policy -- was the high proportion of national resources employed in agricultural production on private peasant smallholds at low factor productivities. This meant that the achievement of rapid, internally financed industrial growth depended crucially on a sizeable contribution from agriculture to industry.<sup>9</sup> The specific form of this contribution and the institutional means of obtaining it were conditioned in the Soviet case by the government's decision to develop industry first and only later worry about agricultural growth;<sup>10</sup> and by the perception in Moscow that private-peasant agriculture

could not be relied on either to increase output substantially or to market any increases on terms which the regime, given its ambitions for industry, could afford.<sup>11</sup> Thus the Soviet leaders sought both to extract a "tribute" from agriculture -- in the form of expanded deliveries of food and raw materials on terms highly favorable to industry, concurrently with a large net outflow of labor from rural to urban areas -- and to "modernize" agricultural production methods in order to improve the productivity of the remaining inputs.

In devising their agricultural policies, Soviet leaders could look to the precedent of their tsarist forbears: forced procurements of grain for export, and Stolypin's program of favoring the market-oriented peasants and shunting the rest into the industrial labor force.<sup>12</sup> There were, however, no proven socialist precedents from which they could borrow. During the N.E.P. period, several socialist forms had been tried: two variants of producers' co-operative (the TOZ, or "Association for the Joint Cultivation of Land," with co-operative cultivation but individual input ownership, and the artel', with common ownership of inputs as well as joint cultivation); the full-fledged agricultural commune; and the state farm, which relied on hired labor. By 1929, however, none of these forms had progressed beyond the experimental stage.

Compulsory mass collectivization, supplemented by a small number of "state farms," was finally chosen as the institutional basis of the Soviet agricultural program. The "collective farm" (kolkhoz), a producer co-operative patterned after the earlier artel', was to be the main instrument of extracting the "tribute" from agriculture and the main vehicle for transforming peasant smallhold production with mechanized,

large-scale techniques; in addition, the kolkhoz would serve as a means for establishing socialist institutions among the peasants. The modern agricultural techniques were to be introduced under the supervision of "machine-tractor stations" (MTS), which owned or controlled virtually all agricultural machinery and supplies of fertilizers and other inputs. The state farms (sovkhozy) were intended to be large "grain factories" for bringing marginal "new lands" into modern, large-scale grain production.

In order to extract the tribute from agriculture, the Soviet leaders thought it necessary to reduce the peasants' discretion over sowing, harvesting and marketing decisions. Collectivization, together with the state agricultural procurement network, served this end as follows: (1) Most privately-owned productive assets were expropriated without compensation at the time a kolkhoz was formed. (2) The collectives were held legally responsible for meeting delivery quotas to state procurement agencies.<sup>13</sup> (3) The prices paid by the state for quota deliveries were confiscatory; the somewhat higher prices for above-quota deliveries were not generous and in many cases were still below average (explicit) cost. (4) The MTS played important supplementary roles in procurement (through stiff charges in kind for machinery services) and in establishing central control over crop patterns (through the terms of machine-service contracts). (5) Work for the collective was compensated according to standardized "labor-days," the value of which was determined as a residuum after all obligations in kind were met and all cash outlays, taxes, mandatory reserves, and "civic-cultural" expenditures were covered by collective farm revenues.<sup>14</sup>

The labor-day method of remunerating collective work, together with the fixed quotas and procurement prices, made collectivized peasants residual claimants to agricultural income. Hence the peasantry, not the state, was the main bearer of risk in collective agriculture. Under these circumstances, it was not difficult to convince peasants -- particularly the younger, more productive ones -- to leave the farm for jobs in industry and transport. As a result, the Soviet agricultural labor force declined steadily in numbers (except during World War II) after 1930.<sup>15</sup>

Collectivization per se was a drastic set of measures, but yet more drastic was the manner in which it was implemented. The First Five-Year Plan (1928-1932) envisioned a gradual, deliberate process, calling for 13 percent of peasant households to be in collectives by the end of 1932.<sup>16</sup> In contrast, the actual pace of collectivization was frantic: That same proportion reportedly rose from 8 percent on October 1, 1929, to nearly 60 percent by March 10, 1930 -- a headlong plunge even if the reports exaggerated the true figures. Following a retrenchment to 22 percent in October 1930, the proportion rose again to 53 percent on July 1, 1931, and to 78 percent by the end of 1932. In 1940 the figure reached nearly 97 percent of all peasant families, accounting for 99.9 percent of sown area (within pre-1939 borders).<sup>17</sup>

The frantic speed at which collectivization was implemented conclusively ended the conciliatory "peasant-worker alliance" of the N.E.P. period. Combined with the lack of compensation for peasants' land and capital and the still weak administrative capacity of Moscow in the countryside, it produced chaos in Soviet agriculture. Several million

peasants died and many more were deported to Siberia; in addition, there were huge losses of livestock.<sup>18</sup> Not surprisingly, both output and marketings of agricultural products declined severely during the early 1930's.

The drastic shift in the tactics of collectivization was part of a broader chain of events in which an awareness of the hard realities of actual production possibilities gradually replaced the euphoria of the opening stages of the First Five-Year Plan. In the resulting reassessment of priorities, agriculture and certain other sectors were downgraded. The reflection of this in agricultural policy was a de-emphasis of modernizing agricultural technique and increased stress on extracting a tribute for industrial growth.<sup>19</sup>

Soviet collectivized agriculture recovered from its inauspicious beginnings to the extent of regaining prior output levels and exceeding prior marketings levels by the eve of World War II; and by 1952 recovery from the wartime decline had been achieved.<sup>20</sup> Thus the collective farm and its supporting institutions were a viable basis of Soviet agricultural policy at least until the early 1950's. Since then, although the collective farms have remained an important feature of Soviet agriculture, their role has both diminished and altered in emphasis. Following Stalin's death in 1953, the state farms (sovkhozy) grew rapidly while the collectives declined -- in number, total sown area, and shares of output and factor inputs.<sup>21</sup> At the same time, the emphasis of collective farm policy was shifted away from extracting a "tribute" towards raising output and productivity. For example, collective farmers' incomes have risen, compensation for collective work is now specified ex ante, the

rate of labor migration out of agriculture has slowed considerably, and increasing amounts of investment have flowed into agriculture.<sup>22</sup> By 1958, the collective farm sector was judged financially strong enough -- and the procurement and political problems sufficiently under control -- to permit the dissolution of the machine-tractor stations and the sale of their equipment to the collectives. The implied shift in the role of agriculture in Soviet economic policy is not surprising in view of the dramatic increase in the share of national income originating in industry and other non-agricultural sectors since 1930.

Western assessments of the contribution of collectivized agriculture to Soviet growth vary from substantial to only modest at best. Those in the former category tend to emphasize the success of Soviet leaders in extracting a tribute from agriculture, while in the latter category the emphasis tends to be on the poor performance of Soviet agriculture in raising output and productivity.<sup>23</sup> Of more concern to us here is how East European Communist leaders perceived the Soviet precedent and its implications in the 1940's. They were no doubt aware of the impressive strides made by Soviet industry during the 1930's, and of the staying capacity of the economy evidenced during the war. They must also have been aware of the important non-economic achievement of establishing a base of socialist institutions among the peasants in the vast Soviet countryside. However, these attractions of the Soviet agricultural precedent were tempered by the high costs which accompanied it, particularly the economic disruption caused by the way collectivization was introduced, and the political hostility toward the regime aroused in the peasantry. On balance, therefore, the Soviet socialist precedent --

the only one operational at the time -- must have been appealing to the new Communist rulers of Eastern Europe at the end of World War II, provided that its worst excesses were avoided.

### III. Some Hypotheses about Economic Imitation in Czechoslovak and Yugoslav Agriculture

In this section, we first outline the goals and antecedents which provided the settings for Czechoslovak and Yugoslav agricultural policies. With this background, we then advance some hypotheses about imitations of the Soviet precedent in agriculture in the two countries.

#### A. Goals and Antecedents

A number of common goals, borrowed in large part from the Soviet Communists, shaped the main postwar economic and social policies of both Czechoslovakia and Yugoslavia. The leaders of both countries gave top priority to industry: in Czechoslovakia, this meant more emphasis on heavy industry and a reorientation of exports towards Eastern Europe and the U.S.S.R.; in Yugoslavia, it meant rapid industrialization with an emphasis on heavy industry. Both groups preferred state ownership of the means of production and central, command planning. Their common social goal was to destroy the old "bourgeois-capitalist" order and replace it with "socialism," in the countryside as well as in the cities. Finally, both groups sought to maintain and enhance the power of their governments and hence also of the Communist Party.

These general goals, along with other, more specific ones, were shaped by a number of political antecedents. First, the Communist Party had a strong political base in both countries. Although the Yugoslav party was much stronger in the countryside than the Czechoslovak party,<sup>24</sup> the latter made a determined and not unsuccessful effort to attract rural support in the early postwar years when the party was still operating within a parliamentary framework.<sup>25</sup>



Second, at the end of World War II the Soviet Union held a commanding position throughout Eastern Europe, a position which Moscow used to become closely involved in the internal politics of the various countries in the region. In economic affairs, the Soviet involvement meant pressure on the postwar governments of Eastern Europe to espouse Soviet-style socialism and central planning. In addition, the goal of rapid industrial growth assumed the specific forms of emphasis on heavy industry and (at least initially) greater autarky, after the Soviet pattern.<sup>26</sup>

The Soviet political presence in Eastern Europe was reflected internationally in the "Cold War," which crystallized into its basic forms in 1948. In that year the United States began Marshall Plan aid to Western Europe;<sup>27</sup> the "Big Three" Western powers united their portions of the German Occupation Zone, and moved to integrate the area by introducing a common currency and delegating considerable political authority to German representatives; and the Russians imposed the Berlin blockade. Further events of 1948 directly involved the two countries under study here: in February the Communist Party assumed full control in Prague, at Moscow's direction; and in June Yugoslavia was expelled from the Cominform, the international association of Communist parties, in an attempt to topple Marshal Tito from power.<sup>28</sup> While the exiling of the Yugoslavs from the socialist brotherhood did not accomplish its major objective, the removal of Tito, it nevertheless had a substantial impact on both Yugoslav and Czechoslovak policy choices, as we show below.

Turning to economic antecedents, the two countries had a number in common. First, at the end of the war agricultural production in

both countries was largely organized in private peasant smallholds; the proportion of agricultural land remaining in holdings larger than 20 hectares was approximately a quarter in both countries.<sup>29</sup> Second, agricultural marketing co-operatives were widespread in both countries prior to World War II; in Czechoslovakia, these co-ops were important channels of government influence over agriculture in the interwar period and during the war.<sup>30</sup> Third, both countries suffered heavy losses of population and material inputs during the war; in addition, in both cases postwar expulsions of enemy nationals resulted in the depopulation of large agricultural land areas.<sup>31</sup>

The major differences in economic antecedents between Czechoslovakia and Yugoslavia were the degree of industrialization and the prospects for further industrial growth. On the one hand, Czechoslovakia had<sup>a</sup> sizeable modern industrial sector, a relatively advanced agricultural sector, and the highest per capita income in Eastern Europe -- potentially a good base from which to achieve further industrialization.<sup>32</sup> A potential obstacle to industrial growth was the labor force: Given the wartime manpower losses, realization of the ambitious plans for industry rested on achieving substantial increases in agricultural productivity.

The Yugoslav economy, on the other hand, consisted mainly of a backward agricultural sector, with only a modest industrial base (concentrated in Slovenia and Croatia); as a result, per capita income was among the lowest in Eastern Europe. Hence, given the "small" size of the Yugoslav economy, the possibility of generating sufficient savings to support rapid industrialization turned on achieving substantial

productivity increases in agriculture and/or obtaining substantial outside aid. While rural overpopulation made it possible to transfer workers out of agriculture with little loss of output, it presented potentially serious social problems until industrial expansion could provide adequate off-farm jobs.<sup>33</sup>

Thus, while Czechoslovakia and Yugoslavia shared most political and several economic antecedents, they differed widely in the degree of industrialization and the outlook for achieving further industrial growth. This difference placed Yugoslav antecedents much closer than Czechoslovak to the conditions which faced Soviet leaders in 1929.

B. Hypotheses about Imitations of the Soviet Agricultural Precedent under Czechoslovak and Yugoslav Conditions

The questions before us are these: (1) Given the above goals and antecedents, what agricultural programs would we expect, on a priori grounds, to have been adopted in postwar Czechoslovakia and Yugoslavia? (2) If we predict an imitative program, which precedent would we expect to have been imitated? (3) In what manner would the imitation have been implemented? Particularly, how would we expect the precedent to have been adapted to local conditions? Alternatively, what departures from the precedent would have been necessary to avoid "roast-pig" consequences?

In answer to the first two questions, both Czechoslovakia and Yugoslavia would have favored an imitation of Soviet collectivization as the long-range agricultural program, following recovery from the war and political consolidation of the new regimes. Three main factors

support this expectation: (a) the Soviet presence in Eastern Europe, together with the Soviet insistence on institutional forms as an index of political reliability; (b) the ideologies and goals of the Communist leaders of the two countries; and (c) the lack of any other operational, planned, socialist economy to serve as an alternative precedent.<sup>34</sup> As regards the third question, however, there are grounds for expecting the Czechoslovak and Yugoslav imitations to have departed in certain respects from the Soviet precedent, and in addition to have differed from each other.

Under Yugoslav conditions, most aspects of the Soviet collectivization -- excluding of course the excesses of its implementation -- would have appealed to policy makers. Because the success of the industrialization program depended so heavily on agriculture, and because collectivization dovetailed with the goal of establishing "all-embracing administrative control over the economy,"<sup>35</sup> we would expect the Yugoslav Communists to have begun the imitation soon after securing political control (which they did very shortly after the war's end) and to have attempted a speedy (though not frantic) implementation. In other words, the sooner Belgrade could begin extracting a "tribute" from and modernizing production techniques in agriculture, the better. As for the form of the tribute, we would expect Yugoslavia to have stressed transfers of outputs -- at prices advantageous to the industrial sector -- over the release of factor inputs, since the availability of cheap but industrially unskilled labor was not a constraint on Yugoslav industrialization. The hurdle of generating a "critical mass" of investment could have been surmounted with outside (Soviet) aid.<sup>36</sup>

In Yugoslav circumstances, then, the political and economic incentives to imitate Soviet experience were complementary. If, with time, those circumstances changed so as to encourage (and permit) alterations in the agricultural program, we would expect the replacement to have retained much of the essence if not the form of the Soviet precedent; that is, any replacement of Soviet-style forms in agriculture would still have **tended** to serve the joint purposes of obtaining an agricultural tribute to support industrial growth and modernizing agricultural technique. In short, a Yugoslav imitation of the Soviet agricultural model would appear, on a priori grounds, to have been an unlikely candidate for "roast-piggery."

In Czechoslovakia, the economic attraction of Soviet-style collectivization would have been substantially less than in Yugoslavia. The main economic arguments for collectivizing Czechoslovak agriculture would have been to assist in establishing central control as part of overall central planning, and to provide a vehicle for upgrading agricultural technique and obtaining the alleged benefits (beloved by Marxists in the Soviet tradition) of farms with very large land areas.<sup>37</sup> However, the already large size of the industrial sector in relation to agriculture would have weakened both the need for and the possibility of extracting a significant tribute from agriculture. The more important component of any Czechoslovak agricultural tribute would have been labor inputs rather than (as in Yugoslavia) outputs; however, the absence of rural overpopulation would have tended to raise the cost of compensating for the labor outflow with industrially made inputs.

On economic grounds, therefore, we would expect to find a selective imitation by the Czechoslovaks of the Soviet precedent in agriculture. There would have been less economic pressure than in Yugoslavia for an early beginning or a rapid implementation of the imitation; in fact, the pressures in the opposite direction, in order to avoid the implementation costs incurred in the Soviet Union, would have been greater in Czechoslovakia. Similarly, we would expect to find less reliance on the instruments used by the Soviets to make peasants the major risk bearers in agricultural production; rather, the use of positive incentives and rewards to stimulate productivity would seem better suited to Czechoslovak conditions than coercion and penalties. Finally, any imitation of the Soviet agricultural model in Czechoslovakia, to be economically successful, would have required substantial deviations from the model as time passed.

If the Czechoslovak imitation failed to exhibit the above characteristics, we would have to turn for an explanation to political considerations (systematic error being ruled out by our paradigm). In contrast to the Yugoslav case, in Czechoslovakia political factors -- which were, if anything, a stronger inducement to imitate the Soviet Union than in Yugoslavia -- were competitive with economic factors. Thus, to the extent Czechoslovak agricultural policy closely replicated Soviet experience, it would have run the risk of being "roast-pig." Whether it in fact merits the label would depend on the size of the economic costs, if any, incurred in pursuing the political ends. Note that the very antecedents which we have argued would have reduced the economic appeal to Czechoslovak leaders of copying the Soviet agricultural program, would also have

reduced the economic costs of politically inspired imitation. In other words, to the extent that over all Czechoslovak economic performance was relatively insensitive to what happened in agriculture, the prospects for roast-piggery were reduced.

#### IV. The Postwar Land Reforms, 1945-1948

In the period immediately following World War II, both the Czechoslovak and Yugoslav governments worked to consolidate their power, repair war damage, and lay the groundwork for the future. In broad terms, then, this period resembled the era of the "New Economic Policy" in the Soviet Union. A primary difference from the N.E.P. was the greater ability of the new regimes to orient temporary, tactical measures to longer range, strategic goals. This flexibility derived in part from greater certainty about what those goals were, in part from advance knowledge of the Soviet precedent. In addition, both the Czechoslovak and Yugoslav governments had much firmer administrative grips on the countryside than had the early Bolshevik government. They were therefore able to implement their agrarian programs in a more orderly and deliberate manner, and sooner after taking power.

The main thrust of both the Czechoslovak and Yugoslav agricultural programs in the years 1945-1948 was land reform. Under the slogan, "The land belongs to those who till it," both governments enacted land reform laws in the summer of 1945. These laws expropriated and reassigned land funds from two sources: the entire holdings of nationals of the wartime enemy countries, collaborators, and other "enemies of the people;" and land from the holdings of private citizens and institutions in excess of certain limits. Although the amounts of land affected and the reassignment patterns differed, in essence the two countries' agricultural policies in the 1945-1948 period were quite similar. Moreover, ingredients of longer-term agricultural programs were clearly discernible in both cases.<sup>38</sup>



#### A. The Yugoslav Land Reform

The results of the 1945 Yugoslav Law on Agrarian Reform and Colonization are shown in Table 1.<sup>39</sup> Of the approximately 1.6 million hectares appropriated, some 1 million were agricultural land (about 7.5 percent of total agricultural land), and the rest was forest.<sup>40</sup> Most of the land fund lay in the Pannonian Plain (Slavonia and the Vojvodina), where the most fertile soils in Yugoslavia are located.<sup>41</sup> The small amount of land affected by restricting the maximum size of holding (lines 4-6 in Table 1) reflects the effectiveness of the inter-war land reform in breaking up the large estates inherited from Greater Hungary after World War I. Still, the later reform completed the work of the earlier one, and in addition it helped establish the authority of the new, Communist government over all land rights. It also served the ideological goal of making hired labor unprofitable because of the small maximum size of individual plots; however, pursuit of this goal was not without economic cost, as we discuss below.

About half of the land fund created by the 1945 land reform was distributed to private peasants (see Table 2). As shown in Table 3, however, an individual acquisition was on the average very small, barely in the subsistence range.<sup>42</sup> Thus one result of the 1945 Yugoslav reform was to continue the process of fragmentation of private farm holdings which had been going on since the 1920's.<sup>43</sup> The possible motives behind this result merit further attention.

In the short run, the 1945 reform probably eased the poverty of some Yugoslav families (over 300,000 of whom received some land -- see Table 3) and helped to build support for the Communist government

TABLE 1

## POSTWAR YUGOSLAV LAND REFORM:

AREAS EXPROPRIATED UNDER THE "LAW ON AGRARIAN REFORM AND COLONIZATION,"

AUGUST 23, 1945

<u>Holdings of ex-enemy nationals, collaborators and "enemies of the people":</u>	<u>Thousands of Hectares affected</u>	<u>Percentage of total expropriations</u>
1. German nationals	637	40.7
2. Other foreigners	15	0.9
3. Collaborators and "enemies of the people"	92	5.8
<u>Private Holdings of Yugoslavs:</u>		
4. Large estates (> 45 ha.)	235	15.0
5. Peasant holdings over the legal maxima <u>a/</u>	122	7.8
6. Non-cultivators (> 3-5 ha.)	109	7.0
<u>Institutional Holdings (&gt; 10 ha.):</u>		
7. Banks and corporations	78	5.0
8. Churches, monasteries, etc.	164	10.5
<u>Other holdings:</u>		
9. Missing persons, settlers' abandoned holdings	78	5.0
10. State lands, "Land Communi- ties", and confiscations under the "Law on Revision of Land Apportionment" <u>b/</u>	36	2.3
	TOTALS 1,566	100.0

Source: Statistički godišnjak FNRJ 1955 (Statistical Annual of the Federal People's Republic of Yugoslavia) (Beograd: Savezni zavod za statistiku, 1955), p. 109; hereafter cited as Stat. god. + title year.

a/ -- > 25-35 ha. of arable land, or 45 ha. of agricultural land, depending upon soil fertility and the proportion of pasture land. (Hamilton, p. 172).

b/ -- The last item was a reallocation of land allotted for colonization in Macedonia and the Kosmet prior to April 6, 1941.

TABLE 2

REASSIGNMENT OF THE LAND FUND CREATED BY THE  
1945 YUGOSLAV LAND REFORM

<u>Recipients of Land</u>	<u>Thousands of hectares</u>	<u>Percentage of the total land fund a/</u>
State Institutions:		
1. State farms	288	18.3
2. Other state enterprises and institutions	60	3.8
3. Forestry programs	380	24.3
General Agricultural Cooperatives	41	2.6
Individual Peasant Holdings	797	51.0
<hr/>		
TOTALS	1,566	100.0

Source: See Table 1.

a/ -- The total of 1,566 thousand hectares includes roughly half a million hectares of forests.

TABLE 3

## DISTRIBUTION OF LAND TO INDIVIDUAL PEASANT FAMILIES

## UNDER THE 1945 YUGOSLAV LAND REFORM

Category of Peasant Family	(1) Average Acquisition, ha./ family	(2) Families (000)	(3) Approximate Total ha. (000) <u>d/</u>
Local (non-colonists):			
Landless	2.04	70.7	144
"Land-poor" <u>a/</u>	1.50	180.0	270
Colonists from the same Republic:	4.32	23.2	100
Colonists from other Republics:	5.65	42.6	240
<u>TOTALS</u>	2.4 <u>b/</u>	316.4 <u>c/</u>	754

Sources: Bombelles, p. 22; Jugoslaviya 1945-1964: statistički pregled (Yugoslavia 1945-1964: Statistical Survey) (Beograd: Savezni Zavod za Statistiku, 1965), p. 109 (hereafter cited as Jugoslaviya 1945-1964).

a/ -- Presumably peasants with "dwarf" holdings (< 2 ha.).

b/ -- Average.

c/ -- Column elements do not sum to total because of rounding.

d/ -- Column (3) was derived by the authors; the total does not account for all land distributed to peasants (see Table 2). If we use Spulber's figure of 2.5 ha. for the average acquisition, the total is 791 thousand hectares, only 6 thousand off the actual figure (Spulber 1957, p. 239.)

in the countryside while more urgent measures (e.g., the nationalization of industry) were being implemented. Further, the re-settling of depopulated areas (some of the richest farm land in the country) with colonists from other areas was undoubtedly aimed at the quick restoration of output on those lands, since Yugoslavia faced a severe threat of mass starvation in 1945 and 1946. Fulfillment of this aim was hampered, however, by the small size of the allotments and a dearth of equipment and livestock.<sup>44</sup> The difficulties were compounded by the unsuitable backgrounds of the colonists, most of whom came from the poorer regions of Bosna-Hercegovina, Southern Serbia, Macedonia, the Croatian Karst and Montenegro, and lacked experience with, knew only backward techniques for, or positively disliked crop cultivation.<sup>45</sup>

Beyond serving short run goals, however, the 1945 Yugoslav land reform looked to the future in several important respects. First, since poorer peasants would have both less to lose and more to gain from joining collectives, the continued fragmentation of holdings can be viewed as at least consistent with if not a deliberate part of preparations for eventual collectivization. Thus reducing the number of "kulaks" -- even though they were the peasants most likely to produce for market -- made sense, because the long run goal was to achieve marketings by means of collective farming, as the Soviet Union had done.<sup>46</sup> Consistent with this interpretation, the Yugoslav leaders continued to limit private peasant holdings to subsistence size during and after the collectivization campaign.

A second forward-looking measure associated with the 1945 land reform was the distribution of half of the land fund to "socialist" -- state or

co-operative -- groups (see Table 2). The Yugoslav "agricultural estates," which received slightly more than a quarter of the agricultural land in the fund, were modelled after the Soviet sovkhoz, and were intended to provide models of modern cultivation and husbandry techniques and to be a spearhead of socialism in rural areas.<sup>47</sup> To induce the peasants to form collectives and other types of co-operatives, simultaneously with the land reform the government introduced discriminatory prices, compulsory delivery quotas, and taxes, along with a network of machine-tractor stations which controlled the use of all farm machinery.<sup>48</sup> The collectives, called "Peasant Work Co-operatives" (PWC) (Seljačke Radne Zadruge) and patterned after the traditional zadruga of the upland regions,<sup>49</sup> eventually served as the model for the collectivization drive which began in 1949. The other co-ops, grouped under the title of "General Agricultural Co-operatives" (GAC) (Opšte Zemljoradni Zadruge), replaced the marketing and purchasing co-ops left over from the interwar period. The GAC's, which (with the aid of the persuasions mentioned above) grew rapidly in membership up to 1948,<sup>50</sup> eventually assumed a central role in Yugoslav agricultural policy when the collectivization was dismantled. We examine the PWC's and GAC's further in section V.

#### B. The Czechoslovak Land Reforms

As shown in Table 4, the Czechoslovak land reforms of 1945-1948 occurred in three stages, two prior and one subsequent to the Communist takeover in February 1948. Of these three stages, only the first two -- which were redistributive reforms in the usual sense of the term -- will concern us here. The third stage is more appropriately

TABLE 4

THE CZECHOSLOVAK LAND REFORMS OF 1945-1948: ACQUISITION AND REASSIGNMENT OF LAND

	Land Fund Acquired (thousands of hectares)	Percentage of the Total Land Fund	Reassignment of the Land Fund (thousands of hectares)			
			Individual Peasants	State Forest Admin.	Other	State Farms
"Land Transfer Decree," June 21, 1945 (ex-enemy, collaborators)						
a. Agricultural Land	1,772 (1,651)	38	1,525 <sup>a/</sup> (1,200)	50 (6.6)	197 (258)	-- (186.5)
b. Forest	1,251 (1,295)	27	--	1,115 (1,102)	136 (199)	--
c. Total	3,023 (2,946)	65	1,525 <sup>a/</sup> (1,200)	1,165 (1,108.6)	333 (457)	(186.5)
"Revision Bill," 1947 (Completion of interwar land reform)						
	940	20	140	--	--	800
"New Land Reform Act," 1948						
	700 <sup>b/</sup>	15	-- <sup>b/</sup>	--	--	--
<b>TOTAL</b>	<b>4,663</b>	<b>100</b>				

Sources: Top figure: Koenig in Busek and Spulber, pp. 248-250;  
bottom figure (in parenthesis): Menclová and Stožes,  
p. 58.

a/ -- Top figure, to private peasants and co-operatives;  
bottom figure (in parenthesis), to private peasants  
only.

b/ -- Koenig (see Sources), p. 250, gives only 130,000 ha.  
actually appropriated; this lower figure is also  
given by Spulber 1971, p. 84. Whatever the figure,  
none of the land was distributed to private peasants.  
Instead, the third stage of the reforms blended into the  
collectivization program, begun later in 1948.



treated in section VI on the Czechoslovak collectivization.

The first stage of the Czechoslovak land reforms, enacted into law as the "Land Transfer Decree" of June 1945 and billed as the liberation of the Czech and Slovak lands from the "national enemies," was backed by all parties in the postwar Beneš coalition government, including the Communists. Approximately 80 percent of the total land fund created in this first stage came from the holdings of Sudeten Germans in Bohemia and Moravia. All but about 15 percent of the agricultural land expropriated was distributed to private peasant settlers. The largest grants -- 8-13 hectares -- were in the former Sudeten German areas; elsewhere, however, the grants were so small that overall the average size of a grant was only 4 hectares.<sup>51</sup>

For tactical reasons, the Czechoslovak Communist Party supported the distribution of most of the 1945 land fund to private peasants.<sup>52</sup> But at the same time the Party was not ignoring strategic considerations. As in the Yugoslav case, the further fragmentation of agricultural holdings was not inconsistent with the long-range goal of collectivization, and part of the land fund was retained by the state. More importantly, even before the land fund of the first stage of the reforms had been completely distributed, the Party was able to push through the second stage, embodied in the "Revision-of-the-Land-Reform Bill" of 1947. The Party was also able to prod the coalition government into adopting supplementary policies aimed at further weakening the influence of the large landholders and paving the way for eventual socialist forms in the countryside.

In contrast to the 1945 Decree, which dealt with landholdings of "enemies of the people," the 1947 Revision Bill struck at the large Czechoslovak holdings which had escaped the interwar agrarian reform.<sup>53</sup> On its face the Revision Bill was not severe: The maximum holding was set at 150 hectares of agricultural land and a total of 250 hectares.<sup>54</sup> As finally passed, however, the Bill contained a provision permitting confiscation of holdings in excess of 50 hectares "in cases of urgent local need or if the public interest demands it" -- a provision, administered by a Communist Minister of Agriculture, clearly designed to intimidate middle and large peasants and to break down their political opposition.<sup>55</sup> Only about one-sixth of the land expropriated under the Revision Bill -- some 140,000 hectares -- was reassigned to 100,000 private peasant families, giving a very small average grant of 1.4 hectares. Most of the Revision Bill land fund was reserved for government use.

Supplementing the Revision Bill were policies dealing with procurement, co-operatives, and input allocation.<sup>56</sup> A modified form of the wartime agricultural procurement system, which included compulsory quotas, was instituted after the war. Under this system, the Ministry of Agriculture (headed by a Communist) established a price structure differentiated according to the amount of arable land in individual holdings: Products from the smallest holdings (under 20 hectares) were assigned the highest prices, those from the largest (over 50 hectares) the lowest. In addition, the relative prices of livestock products and rye -- produced mainly by small and middle farmers -- were increased.

In the agricultural marketing and purchasing co-operatives held over from before the war, the coalition government passed regulations restricting the leadership role of the "bourgeoisie," i.e., farmers whose landholdings exceeded 20 hectares, and enhancing the role of the "laboring farmers." The government also placed considerable emphasis on setting up machinery co-operatives led by smaller peasants; some 5,600 such co-ops were reportedly established between 1945 and 1948.

Finally, the Communist-controlled Ministry of Agriculture exercised strict control over allocations of fertilizer and new machinery; much of the latter was allocated to state-owned machine-tractor stations. A "Two-Year Plan" adopted early in 1947 called for substantial increases in such non-labor inputs to compensate for the exodus of labor from agriculture required by the ambitious targets for industry. In spite of some success in meeting the non-labor input goals, however, the government periodically had to send squads of industrial workers to rural areas to help with sowing and harvesting and with machinery maintenance and repair.

Hence the agricultural program of the Czechoslovak Communists (and of the national government in Prague) during the 1945-1948 period, like that of their Yugoslav counterparts, was a combination of tactical conciliation towards private peasants and strategic preparations for the future. Their support of redistributive land reform helped gain rural support for the Party and also weakened potential opposition to socialist institutions in the countryside. The cost of persecuting the large landowners and the "kulak" peasants -- chiefly, reductions in marketings -- would decline sharply, it was felt, once the Party had the opportunity to implement its long range strategy of collectivization.

V. Yugoslav Collectivization and Its Aftermath

A. The Yugoslav Collectivization, 1949-1953

In July 1948, the Fifth Congress of the Yugoslav Communist Party endorsed a decision to proceed with collectivization as soon as possible. This decision was part of the Yugoslav response to their expulsion, one month earlier, from the Cominform. Collectivization was intended to help refute the Cominform charges that the Yugoslav Communists were guilty of "revisionism."<sup>57</sup> In addition, it also provided the Tito government with a dramatic domestic program around which to rally Party members -- including the ruling hierarchy as well as the rank-and-file -- who were stunned by the expulsion and confused by the open invitation from Moscow to depose Marshal Tito.

The Cominform expulsion had other implications which directly affected the role of the Yugoslav collectivization. The government responded to this external threat with ambitious plans to expand industry and military strength. As a result, planned investments were reallocated to industry and defense activities, at the expense of other sectors of the economy; agriculture suffered a cut from 10.5 to 4.2 percent in its share of total gross investment between 1949 and 1952.<sup>58</sup> The trade boycott by the Cominform countries which accompanied the expulsion dealt a heavy blow to Yugoslav export possibilities and hence to her foreign exchange earning capacity.<sup>59</sup> The combination of the investment reallocations and the trade boycott confronted Yugoslav agricultural policy with a difficult set of circumstances. De facto, collectivization became mainly an instrument for extracting a "tribute" of resources from agriculture; the modernization of production techniques would have to wait. At the same time, the rest of the economy became more dependent on agriculture for increased food and raw material supplies because of

the trade boycott. Thus a premium was placed on good production results in agriculture, precisely at a time when its production capacity was placed in jeopardy.

The final program for collectivization, approved by the Party Central Committee in January 1949, was embodied in the "Basic Law on Agricultural Co-operatives, passed in June 1949.<sup>60</sup> The Basic Law provided for four types of "Peasant Work Co-operatives" (PWC) (named after the collectives of the 1945-1948 period), representing ascending degrees of socialist perfection. As can be seen from the description in the Appendix, the "highest" type (IV) was basically the Soviet kolkhoz. The other three types, especially I and II with their wage, rental and interest payments, were regarded as preliminary and transitional forms, mere stepping stones to the ultimate "socialist transformation of the village." Under the basic law, peasants who joined collectives contracted to stay at least three years<sup>61</sup> -- a mechanical feature which nevertheless was to help precipitate the decision to abandon collectivization, as we show below.

The Tito government, having learned the bitter lessons of the early years of the Soviet drive, avoided massive physical coercion in implementing collectivization. The proclamations from Belgrade emphasized positive persuasion: educate the peasants on the virtues of socialism, and demonstrate its advantages in practice; the peasants will then join the PWC's and move to the higher types of their own volition.<sup>62</sup> However, strong economic and social pressures were brought to bear on the Yugoslav peasantry. The practical advantages of joining a PWC were greatly enhanced by discriminatory taxes, delivery quotas, and prices (for inputs, outputs, and consumer goods) similar to those applied against private

peasants before 1949.<sup>63</sup> The machine-tractor stations continued to give preference to socialist farms, in the form of lower rates and better availability of services when needed. Finally, where the economic advantages of the collectives proved to be an inadequate incentive, local party cadres -- well acquainted with the preferences of the party leadership for rapid collectivization and the higher types of PWC -- did not shrink from intimidation.<sup>64</sup>

The course of the Yugoslav collectivization is shown in Table 5. Parallel to Soviet experience, during the first year of the campaign, 1949, the PWC's grew rapidly: the number of collectives and the number of member peasant households quintupled, while total membership and collective area<sup>65</sup> increased even faster. Unlike the Soviet case, however, the second year, 1950, saw only minor additional gains, and in 1951 there were slight declines. Thus the momentum of the vigorous first year of collectivization was entirely dissipated by the end of the third year.

Moreover, the degree of the "socialist transformation of the village" attained under the collectivization program was modest at best: In the peak year of 1950, the collectives accounted for only one-sixth of peasant households and about one-fifth of Yugoslav landholdings. Even when state farm landholdings are added in, the combined socialist shares came to only one-third of agricultural land and one-quarter of cultivable and arable land.<sup>66</sup> Also, only 4.7 percent of the total number of collectives in 1950 (328 of 6,964) were of the highest form, Type IV; the lowest forms, Types I and II, accounted for 47 percent, and Type III for the remainder.<sup>67</sup>

TABLE 5

"PEASANT WORK CO-OPERATIVES" (PWC) <sup>a/</sup> IN YUGOSLAVIA, 1945-1960

YEAR	(1) NUMBER OF PWC'S (ALL TYPES) <sup>b/</sup>	(2) PEASANT HOUSE- HOLDS IN PWC'S 000	(3) % of Total <sup>c/</sup>	(4) MEMBERS OF PWC'S 000	(5) TOTAL COLLECTIVE AREA <sup>d/</sup> 000 ha.	(6) LANDHOLDINGS OF PWC'S (Agricultural Land) <sup>e/</sup> 000 ha.	(7) % of Total
1945	14	n.a.	n.a.	n.a.	96	n.a.	n.a.
1946	280	25	n.a.	75	122	n.a.	n.a.
1947	638	41	n.a.	175	211	n.a.	n.a.
1948	1,217	68	n.a.	286	324	187 <sup>f/</sup>	2.6 <sup>f/</sup>
1949	6,238	342	13.1	1,708	1,839	1,269	9.1
1950	6,913	419	16.1	2,129	2,190	2,472	17.8
1951	6,804	418	16.1	2,004	2,074	2,595	18.5
1952	4,225	323	12.6	1,505	1,665	2,503	17.8
1953	1,165	62	n.a.	194	329	315	2.2
1954	896	48	1.1	116	281	278	1.9
1956	561	36	1.5	87	213	213	1.4
1958	384	n.a.	n.a.	n.a.	206	199	1.3
1960	147	n.a.	n.a.	n.a.	132	128	0.9

Sources: Jugoslavija 1945-1964, pp. 97, 99, 111, 113.

Stat. god. 1955, pp. 110, 131.

Ibid., 1956, pp. 99, 123.

Ibid., 1958, pp. 111, 132.

"Zemljoradničko zadrugarstvo, 31. XII. 1952" (Land-tilling Co-operative System, as of Dec. 31, 1952), Statistički Bulletin), broj 37, mart 1955, p. 40.

"Ratarstvo 1952" (Crop Farming 1952), Statistički bilten, broj 21, septembar 1958, pp. 6-7.

"Poljoprivreda" (Agriculture), Statistički bilten, broj 3, november 1950, p. 30.

Tomasevich in Sanders, pp. 170, 173.

Hoffman and Neal, pp. 270-271.

Footnotes:

a/ Seljačke Radne Zadruge (SRZ).

b/ Collectives "covered" (obuhvaćene) in the various censuses, some of which relied on self-registration (e.g., see Stat. god. 1955, p. 107). The proportion of coverage increases with time:

"covered"/total PWC's

1945	14/31
1946	280/454
1947	638/779
1948	1,217/1,318
1949	6,238/6,626
1950	6,913/6,964

(See Tomasevich in Sanders, p. 173).

c/ PWC households divided by the quantity, (total private agricultural households + PWC households).

d/ Excludes members' private plots and "so-called unorganized lands" (mostly pasture, wetlands, and forest); see Jugoslavija 1945-1964, p. 110.

e/ "Agricultural" land (poljoprivredna površina) = Cultivable land + pastures and wetlands. "Cultivable" land (obradiva površina) = arable land + orchards, vineyards and meadows.



"Arable" land (oranična površina) = plowland or cropland (cereal grains, industrial crops, truck gardens, etc.). Data for cultivable and arable landholdings of PWC's show smaller totals (as we would expect) and slightly higher proportions than for agricultural land; over time, the movements are broadly similar to those for agricultural land. See footnote 65 for a discussion of the discrepancies between collective and agricultural area (columns 5 and 6).

f/ Arable land.

The early curtailment of the collectivization drive was not intended by the Yugoslav government. However, the government's positive enticements and negative pressures could not offset either the peasants' resistance to joining and to progressing to the higher types of PWC, or their desire (once in a PWC) to leave as soon as possible. Peasant resistance was fed by numerous deficiencies in the organization and management of the PWC's:<sup>68</sup> (a) the "labor day" system of remunerating co-op labor was not adequately tied to the quantity and quality of work done; (b) the government was unable to deliver the originally promised machinery, fertilizer, improved seeds and livestock which would have enhanced the attraction of collective farming;<sup>69</sup> (c) excessive central control made the organization of production insensitive to variations in growing conditions; (d) the collectives followed only the most rudimentary accounting procedures; and (e) many farm managers were unskilled in the techniques necessary for successful large-scale farming. Not surprisingly, such deficiencies led collectivized peasants to shun collective work and concentrate instead on their private plots -- which they could have done better, with more land and other inputs, outside the PWC's.<sup>70</sup> Moreover, the expiration in 1951 of the three-year contracts of peasants who had joined collectives in 1949, at the outset of the drive, brought a rush of applications to leave the PWC's and, in spite of deterrents (including arrest), many actual departures.

On top of the sputtering collectivization program, the Yugoslav leaders in 1951 faced a growing food problem. A severe drought made the 1950 harvest a disaster. As a result, foreign exchange reserves (already imperiled by the Cominform boycott) were drawn down to pay for food

imports. Unfortunately, the 1951 harvest also fell below expectations, because of continuing difficulties on the collective farms.<sup>71</sup>

The confluence of the food problem and the collective farm troubles forced the Yugoslav government to rethink its agricultural program toward the end of 1951. In a directive issued in November of that year, the government announced plans to reorganize and strengthen the PWC's.<sup>72</sup> The "labor day" system was to be replaced by a money-wage scheme based more directly on contribution to total collective product. "Profitability" accounting procedures were ordered for all collectives. Management was to be turned over to collective members, paralleling the shift to "workers' councils" in industry. Finally, state subsidies to financially weak collectives were to be reduced and eventually ended; thereafter, PWC's making losses were to be disbanded.<sup>73</sup>

In addition to announcing the measures to improve PWC performance, however, the November 1951 directive sounded a note of ambivalence towards the PWC's. Reflecting the continued concentration of investment on industry and defense, no mention was made of measures to ease the crucial shortage of machinery and other inputs required to strengthen large-scale collective farming. Moreover, the directive stipulated that henceforth greater emphasis would be placed on the "General Agricultural Co-operatives" (GAC). Thus, the PWC's would no longer be the exclusive instruments of the "socialist transformation of the village." This shift of emphasis, along with new regulations governing private peasants,<sup>74</sup> augured the eventual course of Yugoslav agricultural policy after 1953, as we show below.

The main result of the November 1951 directive and the related measures was the dissolution during 1952 of some 2,600 PWC's, most of them in mountainous regions of Bosna-Hercegovina and Slovenia rather than in the more fertile areas like the Vojvodina and Slavonia.<sup>75</sup> On the surviving PWC's and elsewhere in Yugoslav agriculture, the situation continued to deteriorate. The deterioration was aggravated by delays in implementing the measures in the directive designed to strengthen the PWC's, and by a recurrence of drought during the 1952 growing season.

By early 1953, then, with foreign exchange reserves nearly exhausted and severe food shortages still in prospect in spite of American aid,<sup>76</sup> it was apparent that further, more basic changes in the Yugoslav agricultural program were necessary. The leadership faced two options: to make a major effort to reverse the direction of the collectivization drive and regain the momentum of 1949, as the Soviet leaders had done under analogous circumstances in the early 1930's,<sup>77</sup> or further to curtail collectivization and embrace an alternative program. Constraining the choice between these options was a continuing commitment to rapid industrialization, supported by a tribute from agriculture, and to the modernization of agricultural technique.<sup>78</sup> The policy choice came down, then, to whether a revitalized collectivization effort would be more effective, given existing and prospective conditions, than some alternative program.

The first option, renewing the effort to imitate the Soviet precedent, was not attractive to the Yugoslav government for several reasons. First, to get the collectivization campaign back in motion in 1953 would have required considerable coercion. In addition to adding

to administrative burdens, coercion would have disrupted the countryside, certainly to the detriment of the already desperate food situation, and perhaps to the point of civil war and possible Soviet intervention. Moreover, attempting to revitalize the collectivization campaign would have risked the important political gains achieved since 1948. Internally, the Communist Party -- and Marshall Tito -- had not only weathered the expulsion from the Cominform but further consolidated their power as well.<sup>79</sup> Externally, the political climate was becoming less hostile to Yugoslavia, and several Cominform countries were themselves undergoing or about to undergo pauses in collectivization, as part of the "New Course" which followed the death of Stalin in March 1953. Thus by 1953 the political opportunity costs of departing from the imitation of Soviet-style collectivization were much lower than in 1948.

In the spring of 1953, the Yugoslav leaders chose the second option -- further curtailment of collectivization and substitution of an alternative scheme -- and moved swiftly to carry it out. The directive of November 1951 was superseded by the "Regulation on Property Relations and the Reorganization of Peasant Work Co-operatives" of March 30, 1953. Moving beyond the "consolidation" of the earlier directive, this regulation permitted peasants to resign from PWC's at any time, taking with them whatever land and equipment they had contributed. By vote of the members, entire collectives could disband, with the land and other contributed assets reassigned to the original owners. Land given to the PWC's by the state was turned over to neighboring GAC's or to the local authorities. Dissolution was mandatory for all collectives making losses.<sup>80</sup>

A second official step in the retrenchment from collectivization was a second postwar land reform, codified in the "Law on the National Land Pool and the Allotment of Land to Agricultural Organizations" of May 22, 1953. Under this law, the state acquired (for nominal compensation) all privately held, cultivable land in excess of 10 hectares per holding for individuals, and 15 hectares for families and individuals in "poor land" districts.<sup>81</sup> As shown in Table 6, the land fund created by this reform came to only 276 thousand hectares, as compared with the 1,566 thousand hectares of the 1945 reform (Table 1). The 1953 reform was, however, more broadly felt among the private peasantry, since it affected over 66 thousand peasant holdings in contrast to only 25.4 thousand (of which 2,650 were large estates, a category that disappeared after 1945) in the 1945 reform.<sup>82</sup>

The 1953 land reform was billed as a move to suppress "capitalist forces" in agriculture. Indeed, the new size limitations were aimed at the total elimination of hired labor on private holdings.<sup>82</sup> However, the small amount of land involved and the timing of the law suggest that the primary goals of the reform -- as with earlier changes in the official stance towards private landholdings -- were to strengthen Party morale and to symbolize central control over land rights at a time when the government was undertaking a shift away from the "respectable" Soviet-type collective farm, to a substitute socialist form of its own devising.

Predictably, during 1953 the number of collectives, and with it the other dimensions of the collective farm sector, declined even more sharply than in 1952 (see Table 5).<sup>84</sup> In spite of a lingering commitment to the PWC's on the part of the Yugoslav leadership beyond 1953,<sup>85</sup>

TABLE 6

ACQUISITION AND REASSIGNMENT OF THE LAND FUND CREATED UNDER THE 1953 YUGOSLAV LAND REFORM<sup>a/</sup>

	Affected Holdings		Land Acquired		Total	Reassignment of the Land Fund (000 ha.)		
	No.	%	000 ha.	%		State Farms	PWC's	GAC's
Yugoslavia (entire)	66,459	100	275.9	100	226.9 <sup>b/</sup>	103.5	80.8	42.6
Serbia	44,076	66.3	193.7	70.2	169.7	66.6	70.9	32.2
Vojvodina	19,843	29.8	100.6	36.4	100.3	42.2	51.9	6.2

Source: Jugoslavija 1945-1964, p. 109.

<sup>a/</sup> -- "Law on the National Land Pool and the Allotment of Land to Agricultural Organizations" (May 22, 1953)

<sup>b/</sup> -- Approximately 50,000 hectares had not been distributed by 1955. Presumably this was land of poorer quality.

the role of collective farming steadily dwindled with time, reaching the point of insignificance by 1960.

B. The Yugoslav Agricultural Program after 1953

Thus the era of collectivization was effectively over in Yugoslavia by 1953. Four years of imitating Soviet agricultural institutions had revealed, not so much that they were inappropriate per se to Yugoslav economic conditions, but that the costs of implementing them fully -- particularly of coercing the peasants to join collective farms -- turned out to be higher than was warranted by the expected results.

In devising the successor program to collectivization, however, the Yugoslavs did not entirely abandon the Soviet precedent. In particular, they retained the basic Soviet strategy of industrialization, along with its implied role of agriculture. The premier goal of Yugoslav economic policy remained the rapid growth of industry, although, paralleling Soviet experience in the 1930's, Yugoslav expectations of achievable industrial growth rates had by 1953 become more realistic than they were in 1948, at the outset of industrialization and collectivization.<sup>86</sup> Agriculture still had to provide a "tribute" of cheap food and raw materials and of manpower gradually released to the industrial sector; and agricultural technique was still in need of modernization. At the same time, the 1953 decision not to settle the "agrarian question" in a few short years with a sweeping collectivization campaign left delicate social and political problems in the countryside -- problems with which any new agricultural program had to deal.



The major premise of the Yugoslav agricultural program after 1953 was the deliberate creation of a "dualism" within the agricultural sector.<sup>86a</sup> In contrast to the earlier goal of collectivizing most of agricultural production, attention was concentrated after 1953 on a reduced number of socialist farms working a relatively small proportion of total agricultural land. While the conciliatory gestures made towards private peasants in 1951 and 1952 were continued, and while no direct penalties were imposed on those peasants who chose to shift for themselves rather than affiliate with socialist farms, such peasants were denied access to the main opportunities for self-improvement. A determined effort was made, especially after 1955, to enhance those opportunities, in order to convince private peasants of the advantages of co-operating with the socialist segment of agriculture.

The main pillars of the post-1953 Yugoslav agricultural program were increased agricultural investment and two socialist agricultural institutions, the "agricultural estate" (the Yugoslav analogue of the Soviet state farm) and an expanded version of the earlier "General Agricultural Co-operative."

Agriculture's share of total gross investment rose steadily after 1953, reattaining the 1948 level of about 10 percent by 1956. The Second Five-Year Plan (1957-1961), which was prepared in 1955 and 1956, called for a further doubling of this share, out of a rising total investment figure, by the early 1960's.<sup>87</sup> Most of the investment funds supplied by the federal government (under the less centralized political organization adopted in 1952) went to the agricultural estates; republican and communal (local) government funds went mainly to the GAC's.<sup>88</sup>

After 1953, the agricultural estates finally became the models of large-scale, technically modern agriculture that the government had initially hoped they would be. Through increased investments and a reorganization of management, yields on the estates rose rapidly, both absolutely and relatively; superior techniques gave the estates far greater resistance to bad weather than other farms, socialist as well as private.<sup>89</sup> The élite, qualitative role of the Yugoslav agricultural estates is illustrated by their small proportion of agricultural land in comparison with that of the Soviet state farms.<sup>90</sup> Also, the average land area of the Yugoslav agricultural estates has never approached the mammoth acreages of their Soviet counterparts, reflecting (in addition to the absence among Yugoslav leaders of a fetish of "giantism") the basic differences in the two countries' agricultural conditions.<sup>91</sup>

As foreshadowed in the November 1951 directive, after 1953 the General Agricultural Co-operatives (GAC) became the main vehicle of socialization, not only of agricultural production but of the whole of Yugoslav rural society. The notable feature of the post-1953 GAC's was their diversity. To the purchasing, procurement and limited extension services performed by the earlier variant were added the provision of machinery services, maintenance and repair; livestock breeding and raising; provision of fertilizers and new varieties of seed; fruit-tree and crop spraying; and -- perhaps most important to long-range goals for rural socialization -- the organization of co-operative crop production on co-operatively owned or leased land. The expanded GAC's were also charged with promoting the consolidation and joint cropping of individual peasant plots, and with establishing

"branch" enterprises for food and material processing.<sup>92</sup>

The expansion of the GAC's, particularly after 1955, can be seen in Tables 7 and 8. Note that this expansion included a rapid rise in the average land area of a GAC, from both increases in co-operative landholdings and reductions in the number of individual GAC's through consolidation (columns 1 and 2, Table 7). In other dimensions, the share of total private peasant marketings procured through the GAC's rose from 25 percent in 1954 to almost 70 percent by 1958; and by the latter year, according to Kardelj, the GAC's were supplying an important part of bulk shipments for large orders and the "bulk of agricultural exports."<sup>93</sup> Supporting the expansion of the GAC's was a five-fold increase in total GAC investments between 1954 and 1958, accompanied by a decided shift in the structure of the investments in favor of modern equipment. The resulting growth in GAC productive assets is illustrated for selected types of machinery in columns 6-9 of Table 7.

The social role of the GAC's in the Yugoslav countryside grew directly out of their expanded economic role. The 1953 decision not to force collectivization did not imply that the Yugoslav leaders had abandoned the goal of building socialism in rural areas and given in to private peasant interests. In the words of Edvard Kardelj, "...If socialist society does not intend to drive the peasant off his land by force,... neither does it intend to keep and support his small-property illusions artificially with subsidies."<sup>94</sup> Rather, the new policy was one of gradual socialization of private agriculture, using persuasion augmented by firm pressures against private farmers.

TABLE 7

'GENERAL AGRICULTURAL CO-OPERATIVES' (GAC)<sup>a/</sup> IN YUGOSLAVIA, 1950-1965

End of Year	(1)	(2)	(3)	(4)	(5)
	Number of GAC's	Landholdings		Livestock Owned by GAC's	
		Agricultural Land Owned by GAC's	Total Land Tilled Co-operatively (incl. Leased)	Cattle	Swine
		000 ha.	000 ha.	000	000
1950	8,004	33.0	63.4	4.1	3.8
1951	7,581	40.1	28.8	3.4	3.3
1952	6,973	n.a.	75.5	6.2	8.0
1953	7,114	116.0	131.7	9.5	13.2
1954	6,538	128.1	145.0	10.5	21.8
1955	6,066	134.6	148.8	13.4	31.8
1956	5,576	n.a.	181.2	12.4	20.8
1957	5,472	183.1	202.6	15.4	21.2
1958	5,242	267.7	289.6	26.9	56.5
1959	4,817	399.3	429.0	70.0	102.1
1960	4,086	605.3	652.6	123.0	169.4
1961	3,228	625.1	691.4	99.6	167.7
1962	2,816	701.1	751.9	107.1	193.3
1963	2,438	829.2	899.4	107.8	229.6
1964	2,096	896.7	961.7	119.3	214.8
1965	1,937	903.3	n.a.	128.0	210.2

TABLE 7 (cont.)

"GENERAL AGRICULTURAL CO-OPERATIVES"<sup>a/</sup> (GAC) IN YUGOSLAVIA, 1950-1965

(6)	(7)	(8)	(9)	(10)
Agricultural Machinery Owned by GAC's				Artificial Fertilizers
Tractors	Seed Drills for Cereals	Mowing Machines	Motorized Threshers	Kg/ha. on Land Tilled by GAC's
000	000	000	000	
0.05	n.a.	n.a.	n.a.	n.a.
0.03	n.a.	n.a.	n.a.	n.a.
0.5	0.1	0.4	0.8	n.a.
2.0	0.2	0.9	2.2	n.a.
n.a.	n.a.	n.a.	n.a.	58
2.7	0.3	1.0	3.0	140
4.1	0.4	1.3	3.7	n.a.
6.3	0.8	1.5	4.5	732
10.0	1.9	2.0	5.8	603
15.0	2.9	2.6	6.6	695
16.4	3.3	2.8	6.6	560
16.7	3.5	2.9	5.6	506
18.1	4.1	2.9	5.0	747
19.1	4.2	2.7	4.6	826
19.0	3.9	2.4	4.5	776
18.7	3.8	2.1	4.2	795

Sources: Jugoslavija 1945-1964, pp. 111<sup>c/</sup>, 115; Stat. god. 1955, p. 130; 1956, pp. 121-122; 1958, pp. 111, 130, 478; 1960, pp. 116, 139; 1962, pp. 130, 363; 1964, pp. 162, 412-413, 414-415; 1968, pp. 145, 148, 150, 151, 387-388.

a/ -- Opšte Zemljoradničke Zadruge (OZZ).

b/ -- Including inputs used on land of private peasants co-operating with GAC's.

c/ -- Data shown are corrected for a typographical error (1953 data are omitted, and 1947-1952 data are reported as 1948-1953, for numbers of cattle, swine, sheep, and horses). See Stat. god. 1956, p. 121, and 1958, p. 130.

TABLE 8

## CO-OPERATION OF PRIVATE PEASANTS WITH GAC'S AND AGRICULTURAL ESTATES IN YUGOSLAVIA, 1955-1967

YEAR	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Number of Co-op Members <u>a/</u>	No. of Co-operators <u>a/</u>	CO-OPERATION IN CROPS				Inputs Supplied to Co-operators	
			Work Performed on Private Farms by GAC Machinery				Wheat Seed 000 metric tons	Artificial Fertilizers 000 metric tons
			Plowing (including "Deep" Plowing)	Sowing	Harvesting	Threshing		
000	000	000 ha.	000 ha.	000 ha.	000 metric tons	000 metric tons	000 metric tons	
1955	1,443	n.a.	n.a.	n.a.	n.a.	n.a.	11.1	139.0
1956	1,286	389 <sup>b/</sup>	131 <sup>c/</sup>	24	20	384	30.1	230.0
1957	1,405	534 <sup>b/</sup>	302	29	64	1,011	31.8	377.7
1958	1,371	n.a.	397	56	68	861	48.9	477.5
1959	1,507	548	560	137	213	1,356	63.6	546.8
1960	1,463	578	627	116	194	1,425	64.1	321.3
1961	1,425	590	674	129	130	784	85.9	458.7
1962	1,397	730	937	222	150	859	169.3	588.1
1963	1,437	900	1,154	251	379	1,455	118.5	796.6
1964	1,520	925	969	211	303	1,301	76.6	831.9
1965	1,421	914	1,036	226	230	1,538	77.2	825.9
1966	1,345	952	1,041	256	294	1,632	94.4	995.9
1967	n.a.	872	931	281	305	1,690	86.1	988.7

[Continued]