

The Rural Contribution to Emigration in 1990s Romania

Katherine Verdery,
The City University of New York (SUA)

Abstract: *The article analyzes the connections between three social phenomena that have shaped life in postsocialist rural communities: land restitution, agricultural policies and migration. The article starts with an overview of land restitution policies, with a broader, comparative coverage, and then discusses direct and indirect effects of these measures on emigration, with a focus on the German minority living in Romanian villages. Agricultural policies have shaped the effects of the new property arrangements, and, in particular, they have influenced migration decisions. The paper concludes with comments on possible future configurations of migration and agriculture work in Romania, after the European integration.*

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Cuvinte-cheie: proprietate, retrocedarea terenurilor, migrație, politici agricole

Human history has been a history of perpetual movement and settlement, with the relations between nomads and settlers providing a central dynamic. Periods of increased movement have come in waves across both time and space: population pressure in China during eras of dynastic growth, for example, pushed other peoples westward into the Eurasian steppes, but when dynasties fell, those movements ceased. The abolition of slavery in the Americas and of serfdom in Eastern Europe set off waves of migration, as freed serfs joined forms of indentured labor moving to the New World, and freed slaves moved northward for wage work in industry.

The late 20th century saw numerous waves of population movements, as the reorganization of the world economy globalized the labor market in new ways. One major migration wave came from the dissolution of Communist Party-states and the lifting of the „Iron

Curtain”. Within the former Soviet Union, Russians began to move into Russia itself from republics in which they had formed a minority; ethnic Germans in Poland, Russia, and Romania headed en masse for Germany; people such as the Crimean Tatars returned to homelands from which they had been deported during Soviet times. Residents of Romania, Poland, Ukraine, and so forth found the rigors of postsocialism in their home countries too stringent and began moving into western Europe or the United States. Western governments, however, soon saw that such movement might overwhelm them and erected barriers to it: the European Union began to prevent member states from employing non-EU citizens as laborers, and the US set up its „green-card lottery”, with strict quotas to control the number of potential immigrants. Nonetheless, large numbers of Albanians, Bulgarians, Romanians, and others traveled west as the new Gastarbeiter, at

first for temporary work and then with thoughts of permanent residence. Their reasons for moving included the privatization of state-owned industry and the closure of unprofitable firms, a lack of opportunities for university graduates, and – especially for the southern tier countries, with their sizable agrarian populations – the destruction of agricultural livelihood for smallholders following the return of land to private ownership.

In this essay¹, I will present the situation in 1990s Romania that predisposed many villagers to migrate elsewhere for work. They hoped in this way to weather joblessness and Romania's weak economy, which might improve in a few years and enable them to return home. (My comments do not treat the situation of other migrants, such as young college graduates moving into the EU or US for skilled work, only the situation of people in the countryside.) In framing this migratory stream, I emphasize the process of land restitution, which made villagers into owners without providing the conditions for them to farm successfully; this part of my discussion is particularly relevant to Transylvania, the area of my research, where higher production costs than in the south and east of the country made agricultural livelihood more precarious than it was elsewhere. That is, my observations are most relevant to rural emigration from Transylvania, not to the country as a whole. I will briefly describe the property restitution process as it occurred across the former socialist bloc, then concentrate on the Romanian land law of 1991 and its effects, concluding with a word about emigration from my Transylvanian research community, Aurel Vlaicu (jud. Hunedoara).

Restoring landownership in Eastern Europe

Among the first items on the agenda of all postsocialist states was property reform. This included 1) restoring to former owners the ownership rights to land and houses that the Communists had taken away, and 2) determining the value of socialist industry and other infrastructure so as to give citizens a share in them. Something like a western private-property blueprint was the assumed end point, with the restoration of pre-communist property relations seen as a necessary start.

By far the most significant obstacle to property transformation was that no one had ever done anything like it on so a massive scale. There were two possible precedents for it: prior land reforms in the region, some of which had distributed large quantities of land while facing tremendous logistical difficulties that resembled those of the 1990s, and the privatizations going on in Western Europe and the US during the last quarter of the 20th century – the model that advisors to postsocialist East European governments had in mind. Yet both precedents were inappropriate models for post-socialist property reform. They took place within systems already dominated by the principle of private ownership, they embarked from totally different initial conditions, and their volume was minuscule by comparison with the privatizations of postsocialism. In short, there was little to guide policy-making for this momentous process.

What engaged the most political energy across the region was the dismantling of state-owned enterprises in industry. In countries that had relatively large populations living in the countryside or employed in agriculture, however, and/or where agriculture

1. This chapter is a modification of chapter 2 in my book *The Vanishing Hectare* (2003), which the interested reader should consult for further details. Most of the footnotes have been removed from this version.

provided a sizable percentage of the gross domestic product (such as in Bulgaria, Romania, and Albania), land privatization had much higher stakes than elsewhere. Rural people constituted an important electoral resource; it was important to gain their gratitude by giving out land, to avoid excessive landlessness and to win them over as a counterweight to the political opposition. Nonetheless, rural residents could never be as important as the more sizable (and potentially organizable) urban population, who wanted their food cheap even as farmers wanted it expensive. The new governments of those countries therefore had to maintain a delicate balance among these groups.

It was not only internal constituencies whom privatization had to satisfy: international ones were at least as important. Organizations such as the International Monetary Fund, World Bank, US Agency for International Development, European Bank for Development, and so on would determine the conditions for giving Eastern Europeans necessary development loans as well as the prospects for accession to the European Union. Conflicting needs and plans among all the various actors ended by compromising the success of decollectivization, from the smallholders' point of view. Ultimately, the government's inability to support newly restored property rights in land with policies enabling its recipients to use the land effectively would severely limit the forms of value they might find in it.

Restitution politics

Throughout the region the justifications for decollectivizing, and for privatization more generally, were numerous and complex, with different arguments emphasizing symbolic and moral, economic, and political dimensions. The symbolic and moral arguments concerned the legitimation of the emerging order: reversing one of socialism's basic traits – socialist property – would announce to all that the new rulers were different from the old and that they meant to repair wrongs

done in the name of socialism. Economic arguments presented privatization as a necessity for growth; their principal advocates were consultants and policy-makers from the US and western Europe, for whom private property was essential both to fixing the problems of these economies and to creating markets – processes that would also integrate the region into the global system to the region's benefit, they assumed. Postsocialist leaders too were persuaded that secure property rights were essential to redressing their countries' economic decline and ending the „inefficiencies” of socialist plans. Here the economic arguments shaded into the political ones. National political elites saw economic growth as a way to develop a broad base of support, as well as new forms of livelihood and political patronage for themselves and their allies. For them, dismantling socialist property would give new shape to the political field, favorable to their maintaining power in new circumstances. All these justifications gave the idea of property transformation special meaning and urgency, pushing governments to act with uncommon (and often damaging) haste.

The logistical problems of restitution were legion and were fought out in protracted political battles among groups in a constantly shifting field of forces, with the balance among contenders in continual flux. Leaders had to chart a course that would win as much political support and as little opposition as possible. The groupings that participated in these battles cannot properly be called political *parties* – certainly not at the time when the laws were being debated and written (1990-1994) – and therefore could not represent specific constituencies. Among those who sought to influence the outcome were all who hoped to attract votes and build political careers; anyone who expected to retrieve sizable landed estates; the managers of collective and state farms (whose interests were not, however, uniform); and members of the state agricultural bureaucracy that ran those farms. Very few participants in the national debates sought to represent the

concerns of prospective smallholders (see, e.g., Maurel, 1994, 157, 162). Add to these factors a high level of state intervention in implementing property reform, and we can see the potential for what Frydman and Rapaczynski concluded about the privatization process: „the activism of the state, attempting to manage the process of the state sector’s decline, prevents the establishment of a private property regime, which is the whole purpose of the transition” (1994, 201).

In each country, there were endless debates concerning the specific procedures to be followed. Should property rights be returned through *restitution* to previous owners, *compensated* in some other form, or *distributed* without respect to prior ownership? Should restitution be *preferential* or *equitable*, privileging some over others on particular grounds (they had owned it, they lived there, they could work it) or treating all in a community equally? Then, if rights to land were restored, should they be returned in full or only in part so as to create a reserve? Should land sales be restricted, to keep people from losing their land to speculators or the old communist elites? Should land rights be returned in *historical* boundaries (that is, in exactly the fragmented parcels that the communists had seized) or in *comparable* boundaries (that is, land of equivalent quality but in a different location, or in fewer and more compact parcels)? Should land in state farms be treated in the same way as land in collective farms, given that the land in each kind was of different status? (See Verdery, 2003, chap. 1). And how about *non-land* assets the collectives and state farms had acquired during the socialist period – the farm buildings and machinery, above all? Such assets were critical to future farming success, so how should they be treated? Should they be *sold* – thus privileging the agrarian elites who had money to buy things – or *given away*,

precisely so as to obstruct accumulation by those elites? If they were sold, how would one set their price in a non-market-driven economy? Each of these questions was heatedly disputed, the resulting compromises often nullifying the prospects for decollectivization’s success. For purposes of this essay I might note that the answers to such questions would target certain villagers as likely migrants. For example, permitting land sales would speed up the process of land concentration, more rapidly producing a new rural proletariat; returning only some, not all, of people’s land would enable distributing land to landless families in each village and might permit them to stay at home, rather than having to migrate for work.

From among the many other logistic dilemmas of decollectivization, I consider one more: *which* pre-communist property order should restitution recreate? This was far from an idle question in a region where before World War II, all the states were multi-national, many of them had contained Jewish populations as well as sizable German minorities, and several had very unequal property structures, having undergone no land reforms since the end of serfdom. Communist governments had then expropriated these minorities (as well as other categories among the majority population) and redistributed their land. The German minorities figured prominently in these reforms, for expropriating them had yielded large surfaces – almost a third of the total land area, in Poland, and a quarter of it, in Czechoslovakia² – which had been given out to war veterans and others. As a result, the restitution of ownership rights after 1989 had ethno-national significance, depending on the *baseline date* selected for restitution: some dates would enhance the percentage of land held by the majority group, others would appropriate minorities at the expense of the majority. In

2. Of the total amounts that the 1945 reforms made available for redistribution, 76% came from Germans in Poland, 71% in Czechoslovakia, 41% in Yugoslavia, and 24% in Romania (see Brus, 1986, 584-591).

Czechoslovakia, for instance, the baseline date for restitution was February 25, 1948, *after* Jews and two million Sudeten Germans had been expropriated. Clearly, the new landed classes would be Czech, and Jews and Germans would receive nothing. Likewise, Hungarian law initially set the date at June 8, 1949, which again excluded Jews and Germans. In the Baltic countries the problem was not pre-1945 minorities so much as the many Russians who had later moved in for industrial work; land laws set the restitution dates to exclude them.

Politicians in all countries, then, tried to select baseline dates that left out significant ethno-national „others”, who could be sacrificed because they had little electoral weight (Heller and Serkin, 1999, 1406). The dates could shape the electorate in other ways as well, such as by impropriating the poor and landless, who would receive nothing if restitution aimed to restore rights as of a date when wealthy landowners had not yet been expropriated. Such decisions would affect the likelihood of migration, as those who received little or no land had few alternatives

to looking for work abroad. In Romania, for instance, the ethno-national implications of the restitution process doubtless contributed to making Germans emigrate permanently to Germany faster than they otherwise might have.

General outcomes

A number of significant variables affected the path each country took in its decollectivization policies. Among them were the size of the agrarian population prior to 1945 (a large percentage meant a much more protracted restitution process in 1991), the proportion of GDP coming from agriculture (a higher percentage would make postsocialist governments go slow with decollectivization so as not to imbalance the economy unduly), and the percentage of land held in state vs. collective farms as well as the average sizes of each (which could affect the decision of whether to privatize state farms). Tables 1 and 2 compare the situation in Romania with that in several other countries, to show something of the variation.

Table 1. *Share of Agriculture in Employment and in State Budgets*

1. Country	2. Population ca. 1990 (mlns)	3. % of population employed in agriculture 3a) Late 1940s 3b) 1989		4. Agriculture as % of GDP 1990/91
Bulgaria	8,989	76	18	18
Czechoslovakia	15,650	38	10	6.2/7.4 ³
East Germany	16,028	29	11	10
Hungary	10,355	53	18	14
Poland	38,183	57	26	8
Romania	23,190	74	28	20

Source: OECD and World Bank reports (columns 2, 3a, and 4); OECD Center for Cooperation with Non-Members (1998) and Commission of the European Communities (1992) (col. 3b).

3. Czech Republic/Slovakia.

Table 2. *Comparison of Collective and State Farms by Average Size and Proportion of Agricultural Land Occupied, as of mid-1980s*

Country	% land farmed privately	% land in collective farms	average size (ha.) ^a	% land in state farms	average size (ha.)
Bulgaria	13	70	4,000	17	1,615
Czechoslovakia	6	64	2,600	30	6,200
East Germany	10	82	1,200	8	1,000
Hungary	14	71	4,400	15	7,400
Poland	78	4	300	18	2,700
Romania	9	61	2,400	30	4,900

Sources: Pryor, 1992, 101, 144-145; Turnock, 1986, 184, for Romania. I have rounded off Pryor's figures, so as not to produce an impression of exactitude that would be inappropriate for the socialist period. The first column is worded so as to include both land that is privately owned and the personal plots of collective farmers.

^a In nearly all cases these figures are larger in the 1980s than they had been 10-15 years earlier, reflecting a uniform trend toward concentration.

Table 1 shows, for example, that Romania had many more people to restore land to – both in percentage terms and in absolute numbers – than did Czechoslovakia, East Germany, Hungary, or Poland and was thus likely to find the process more complex and time-consuming; it more closely resembled the situation in Bulgaria, though with a much larger population. Moreover, Romania's leaders would have to be more concerned about the possible effects of decreased agricultural production on the national budget (see column 4) and were therefore more likely to keep state farms intact. Hungary is intermediate in both respects. Table 2 shows that Romania and Czechoslovakia had a larger state-based agrarian elite than did Hungary or Bulgaria (right-hand two columns), and because state farms in Romania were smaller, that elite would be more numerous. The preponderance of industry in the Czech economy meant that the group of state farm directors would not be very powerful politically, but in Romania they were, particularly those from the southern and eastern parts of the country. They exerted strong pressure against privatizing state farms.

It was not only the nature and complexity of the restitution process itself that would affect the future for each country's new owners; so would economic policies concerning agriculture. It was difficult enough to transform property relations, but far from sufficient for enabling successful farms. In his 1992 book on collectivization, Frederic Pryor indicated the magnitude of the problem, explaining why he thought collectivization would be difficult if not impossible to reverse. Successful individual farming would require numerous institutional prerequisites, such as: a reliable and accessible source of inputs, including machinery; available credit; basic infrastructure (barns and silos that are not too big, a good road network); conditions for marketing farm products; and ways of cushioning the problems of risk that individual farmers would face – for example, by setting up cooperatives (Pryor, 1992, 268-275). In other words, Pryor's conditions include not just re-creating private ownership rights in land but creating conditions in which the owners could actually make use of it. There was little advantage to dismantling the collective

farm if one could not make a meaningful living after that.

Throughout the region, everything Pryor mentioned proved a major obstacle. The infrastructure for delivering inputs to individual farmers, a system for providing credits so people could buy equipment, distribution channels enabling sale – none of these was even remotely adequate to the growth of commercial farming. Governments could do little to create suitable conditions, for they were all facing budgetary crises. If they promised subsidies, their advisors in international finance would object, pressing instead for „free markets” with no subsidies and low tariffs – right next door to an EU agriculture built on subsidies and protection. The results, claims Szélényi (1998, 12), were an economic crisis in the former socialist bloc that between 1988 and 1993 was more profound than the Great Depression of 1929-33. Like that Depression, it entailed a reversion to subsistence farming, but now under circumstances in which the gap between the cost of resources necessary for cultivation (inputs) and the sale prices of agricultural products – that is, a price scissors – cut very deep.

We can see the outcome in greater detail in Swinnen’s (2000) conclusions from a decade of studying Eastern Europe’s agricultural transformation. He notes, first, a sharp decline in gross agricultural output everywhere except Albania for the first half of the 1990s; it then mostly leveled off in Eastern Europe, though not in Russia and Ukraine. Second, he observes, the main causes of this decline were institutional disruption, reduced demand, and the effects of freeing prices and cutting agricultural subsidies. These produced an ever-widening price scissors. In addition, major problems with securing credit in rural areas prevented rural producers from acquiring loans for investment and even for renewing the agricultural production cycle. Despite gains in yields and aggregate labor productivity in some countries, there was a region-wide decline in the use of productivity-boosting inputs such as fertilizer, down to as little as 20% of its 1990 use. This indicated the shortcuts

that cash-poor farmers were having to take. Further evidence is an increased amount of land left uncultivated, especially in southeastern Europe, in part because the owners could not afford to work it.

Because of the difficulties individual farmers faced, in several of these countries large production units (state farms and re-formed collectives) continued to be dominant throughout the decade. Many of these large units rented land from individual owners who could not manage to farm it themselves. In sum, a significant effect of restitution was to separate *ownership* from *control and use* once again, as was true in the socialist period. Indeed, as Szélényi points out (1998, 14), a decade of unmaking socialist agriculture left many similarities with what went before. Large „latifundia” – in many cases the same old collectives in a new guise – persisted alongside small garden plots. The main difference from before was that rural dwellers facing these latifundia were no longer tied in place by the „Iron Curtain” and could emigrate for better chances.

Decollectivization in Romania

From this summary of land restitution region-wide, I can now turn to its particulars in Romania. Because 74% of Romania’s population had worked in agriculture at the time of collectivization (table 1) and because Romania’s population was much larger than that of other countries having a similarly large agricultural sector, much larger numbers of Romanians would be affected by decollectivizing than was true anywhere else outside the Soviet Union. Romania derived a larger percentage of its GDP from agriculture than other East European countries and had a fairly large proportion of its population employed in agriculture – 28% in 1989, rising to 40% over the next two years. Combining these facts helps to explain why state farms were not included in the land restitution law, as they were almost everywhere else. Agrarian interests would therefore count heavily in

leaders' political calculus. The high percentage of land remaining in state farms, together with their relatively large size, gave weight to the lobby of state farm directors even as collective farm presidents lost their jobs.

Political and economic background

The Romanian economy faced greater disaster than anywhere except Albania, indicating how extensive economic reform would have to be (see, e.g., Pop-Elecheș, 1999). Under the government that dominated politics from 1990 to 1996, the reform process was slow. Foreign investment was weak, and internal power struggles often ended by further retarding outside influence. The country's position in the global economy remained more peripheral than that of Hungary, Poland, or the Czech Republic. Because the Ceaușescu regime had brought the economy nearly to ruin, the new government had to obtain loans from the IMF, World Bank, EBRD, and European Investment Bank, and those lenders established conditions that were often not to the liking of Romania's leaders. The result was despite that pressure for privatization, the government was severely limited in what it could do to support private enterprise. That was particularly true for farming, and it constrained the possibilities for realizing value from land ownership. In Romania this outcome mattered more than elsewhere, for a fairly large percentage of people – fully 46%, in 1990 – lived in rural areas, even if many commuted to towns for work.

The disorganization of Romanian politics beginning in January 1990 can scarcely be overstated. The Communist Party's first successor was the „National Salvation Front”, a hodge-podge of second-tier apparatchiks, dissidents, members of the army and secret police factions that had turned against Ceaușescu, and miscellaneous others. Forming in opposition to it were fragile resuscitations of political

parties from before World War II, the so-called historical parties, which eventually formed a loose coalition calling itself the Democratic Convention (DC). Although elections in May 1990 gave political control to the Front under the presidency of Ion Iliescu, the next several years saw perpetual flux in political entities and affiliations. The Front split more than once, its core of ex-apparatchiks becoming the Party of Romanian Social Democracy (PRSD)⁴. I refer to the two main groupings as the postcommunists (PRSD) and the neo-liberals (DC), a simplification that leaves out various nationalists and others and that understates changes in the PRSD over the decade.

To call these groupings „parties” would be to stretch the usual meaning of the term beyond recognition; I have referred to them elsewhere (1995) as „unruly coalitions”. Heir to both the main resources and the integrating networks of the Communist Party, the PRSD was the best organized and financed of them; throughout the 1990s to 2004 it remained the most powerful but by no means stable political force. In my opinion, the pulsating field of opportunity and uncertainty containing the PRSD prevented its achieving the firm hegemony – especially over the countryside – that many commentators attributed to it. When the neo-liberal DC replaced it from 1996 to 2000, the center's political control over lower levels declined even further. This proved crucial to the outcome of decollectivization.

For much of the decade, politics consisted of continual reorganizations and of struggles between central and local authorities, with a marked disjuncture between what was legislated at the center and what happened down below. Romania's chaotic land reform and its aftermath reflected that disjuncture. In part it resulted from disestablishing the Communist Party, which had organized politics from top to bottom, but the Party's central control was always weaker than it had pretended to be.

4. After 2000, the name was changed yet again to the Party of Social Democracy (PSD), but I will use PRSD since it is more suited to the time period I cover.

With the end of the Party's formal monopoly, lower-level authorities became even harder to control than before, particularly given the frenzied scramble for power and resources that was unleashed at the national level. In such a situation, I find it unwise to write as if there were „a state” with a recognizable and enforceable intention. Not just between electoral mandates but within anyone government (and there were many), people were constantly at each other's throats. This was the context in which the law for property restitution was debated, promulgated, and implemented.

Law 18/1991

In 1990, although the Iliescu government was not in favor of undoing socialist agriculture, several things compelled them to do so even before pressure began from foreign governments and international financial organizations. Perhaps most important, action in the countryside dramatized the necessity for change, as villagers destroyed collective farm buildings and took away animals and implements. Widespread destruction and looting of the collectives was so extensive that the leaders were forced to cancel all collective farm debts (in contrast, for example, to Hungary and Czechoslovakia), since there was often nothing left to recover them from. The government had tried to head off such action by a law in early January 1990 that gave all collective farm households the use of a half hectare (rather than the usual .15-.3 ha allotted to farm members), but this did not prevent spontaneous seizures. Another reason for the government to agree to restitution was the symbolic significance of decollectivization, as explained above: decollectivizing would signal that the new government was anti-communist.

In February 1991, then, around the same time as in other formerly socialist countries, the Romanian parliament passed a land reform law known as Law 18/1991 or *Legea Fondului Funciar*, the Law on Land Resources. This law provided for liquidating all collective farms, which occupied 61% of Romania's

agricultural surface, and giving the land in them to the households that had donated it at collectivization. There was a proviso for reserving some land to give to people who had worked in the collective farm without having given it any land, in recognition of the labor they had invested in it. Village land commissions, however, were run by landowning villagers, who did not want to reduce their own share in order to give land to the landless; in some settlements the latter received some land, in others not. Because Law 18 attempted to restore land to all those who had lost it at collectivization, people could receive land even if they did not live in the countryside and/or were incapable of working it. These and other provisions produced a large class of absentee owners living in cities and they further reduced the land available for distribution to people who had not had any.

The timing the law envisioned was exceedingly naive. Claimants had 30 days (later extended to 45) in which to register their claims. If they failed to act within that limit, their rights would automatically become invalid. Registering a claim meant producing proofs of prior ownership, from any of several sources: the official land registry books, documents of sale or inheritance, the petitions of „donation” to the collective farm, the commune agricultural registers of the 1950s, and so on. Claimants also had to submit copies of the relevant birth/death/marriage certificates to prove their eligibility. To marshal such evidence took time, and people who lived far away from their natal places might be unable to do so quickly. Following this, the law set 90 days as the period in which all claims should be ratified. After 90 days, however, the situation was completely chaotic; the 90-day limit was abandoned and no new one was set. Evidence of its sheer lunacy is the number of court cases the law provoked: over one million. In a 1998 interview, the Romanian Minister of Justice stated that Law 18 had produced the largest number of court cases in the history of Romanian jurisprudence. As late

as 2005, there were still many people without property titles (see also Mungiu-Pippidi and Althabe, 2002, 172).

Law 18 was drafted by a committee from the Ministry of Agriculture that solicited extensive input from economic and agricultural research organizations, the Ministry of Education, state and collective farms, lawyers, notaries, politicians, and agricultural specialists. The draft then underwent lengthy debate in parliament and emerged with numerous compromises. Among the points at issue were the following :

1. Should the law create an *agrarian reform*, which would require first nationalizing all land and then distributing it, or should it rather *reconstitute* previously held property rights? If the latter, should there be any limit on the amounts to be recovered? The compromise was part reform, part restitution, with a 10-hectare limit on returned holdings so as to have extra land to distribute to those who had brought none into their collective farms. Although the 10-hectare limit would indeed produce land reserves wherever there had been large estates – particularly in the south and east – it would be harder to find reserves where estates had been smaller and land had gone to the landless in 1945 (the situation more common in Transylvania)⁵.
2. Should land in state farms be given out as well as that in collective farms? Here, as already noted, the Iliescu group's preferences for retaining large-scale agriculture prevailed, as they pressed to leave intact the state farms that worked 30% of Romania's land (this policy contrasted with that in Bulgaria, for example, which dismantled both forms). They argued that since dismantling the collective farms would inevitably cause dislocation and a

drop in output, the state must ensure continued food production on the state farms. Equally plausible is that the state farm lobby was sufficiently powerful to keep state farm privatization off the table, giving state farm directors time to fortify their positions. In consequence, however, many people whose land had been confiscated in the 1950s would not be getting it back, becoming instead shareholders of the state farms' newly declared „commercial companies”. A 1994 land rental law declared that state farms would be broken up in 1999, at which time former owners could claim their land.

3. Should land be allowed to circulate freely? Neo-liberals argued in favor, while the PRSD argued that this would worsen land fragmentation and make smallholders vulnerable to a new bourgeoisie bent on accumulating land. The PRSD added to Law 18 the creation of an Agency for Rural Development, which would organize improvements to the land and infrastructure and also mediate land sales, promoting those that consolidated terrain and exercising the state's right of preemption toward that goal. (This provision proved to be toothless, for the agency was never set up and sales proceeded briskly without it.)

To restore rights to former owners and create some new holdings for the landless, Law 18 set up land restitution commissions. There were three levels of land commission : at the county, the commune, and village levels, with the commune mayor as head of the latter two. All a county's communal land commissions were unified under a single county commission, which (together with the county judiciary) was the final arbiter of conflicts. Of the three levels, the 2,949 commune commissions were by far the most

5. Two effects of the 10-ha. cap were that it obstructed the rapid formation of commercial farms and undermined the potential resources of those in the opposition parties who had previously owned large estates. Therefore, when those parties gained power in 1996, they revised precisely that stipulation.

consequential, for they controlled the implementation of the law. Crucially, these commissions had great autonomy, for the law contained no sanctions compelling commissions to decide fairly and no time limit for their work. The only form of sanction was that the elected mayors who headed the commissions might be thrown out in the next election, as other candidates accused them of shady dealings in the restitution process.

As of June 1994, 6,236,507 claims had been filed, of which 4,897,573 were accepted, for a total returnable surface of 9,168,386 hectares – two-thirds of Romania's entire agricultural surface⁶. Because a „claimant” might consist of more than one person (siblings inheriting a parental farm had to file a single claim), the number of people implicated was far greater than 4.9 million. Once the commission ratified a claim, the new owner received a certificate (*adeverință*) enabling use of the newly restored rights, but final titling proceeded slowly and with many illegalities on the part of local officials (see Verdery, 2003, chapter 3). As of December 2001, according to unpublished government sources, barely 70% of final titles had been completed⁷. In my research area in that year, there were still whole villages in which not a single title had been given out. The delays in titling, the fraudulent dealings of the commissions, and other difficulties with the process led people to begin migrating for labor elsewhere in Europe.

Some effects of Law 18

The application of Law 18 produced a multitude of effects. First, some demographics.

With 46% of the population residing in rural areas in 1992 and 70% agriculturally employed in 1956, decollectivization would immediately touch half or more of all households. If it worked, it might cushion Romania's transformation, contributing to political stability. Its contribution to people's economic prospects, however, was dubious. The average holding restored was 2.2 ha. of arable and up to another hectare of pasture-land, varying by county from a mean of 1.0 ha. to 5.2 ha. Popular insistence on restoring exactly the parcels owned previously resulted in extraordinary fragmentation: the average 2.2 ha. holding was in an average of 4-8 pieces⁸. In addition, the law produced an unprecedented number of owners who lived in towns rather than in the villages where they had received land: 43% of recipients, holding 40% of the agricultural surface area. Many of these (though by no means all) would have difficulties making productive use of their land⁹. It also produced a generational ownership structure: only 9% of those receiving land were under 40 years old, and 57% of new owners were over 65¹⁰. In 1997, pensioner households were 41% of the rural population, had received 65% of the land, and worked 63% of it (Teșliuc, 2000a, 120). At that age, few new owners would be eager to invest in modern means of production or in anything but subsistence agriculture.

This relates to a further effect of Law 18: it returned one vital means of production without any provision for people to acquire the others. A 1991 World Bank survey found that only 9% of owners had some kind of tractor, 28% a horse or buffalo, 12% a plow;

6. Source: Sarris and Gavrilăscu, 1997, 192, for number of claimants; print-outs provided by the Ministry of Agriculture, for the rest.

7. These figures are from print-outs I obtained from Oficiul pentru Cadastru și Organizarea Teritoriului Agricol (for 1997) and the Ministry of Public Administration (for 2001).

8. See *Agra Europa* for June 1997, 34. Sarris and Gavrilăscu (1997, 218), however, report from a 1994 survey that 33% of all private holdings were in three or four parcels, and 28% were in more than five.

9. Figures from *Evenimentul zilei*, March 26, 1998.

10. The first figure is from Mungiu-Pippidi and Althabe, 2002, 138, the second from Sarris and Gavrilăscu, 1997, 193.

nobody had seeds to plant (Jackson, 1997, 312-3). This situation had several consequences : 1. the new agriculture would have to be more „traditional” than that of the communist period ; 2. to prevent this would require heavy subsidies for purchased inputs that cultivators could not otherwise afford ; and 3. the alternative would be to continue agricultural cooperation in a new guise – but this would support the retention of the old-style managers of the former collectives. Indeed, according to Jackson (p. 315), villagers complained of being forced into cooperative associations as a condition for having their land claims recognized (see also Cartwright, 2001, 111).

A third set of effects came from the peculiarity that Law 18 implicitly reconstituted a social landscape – the village and its households – as of the year of collectivization (between 1949 and 1962, depending on the place). But that landscape no longer existed. Household heads had died – without dividing the land, since it was not then inheritable. Offspring had grown up and moved away, implicitly but not formally renouncing their interest in village properties. Now, however, they might reconsider, making unexpected claims on locally resident siblings (see also Berdahl, 1999, 165-66, for eastern Germany). Law 18 was not designed to resolve inheritance disputes : it restored the precollectivization status quo and left heirs to fight it out among themselves. Quarrels over division often ended in court. There, joining with the multiple lawsuits against land commissions, usurpers, neighbors, and other villagers, they further delayed the implementation process. Many villagers spent more time in court than in their fields and wasted all their savings on court costs. Thus, Law 18 produced ongoing conflicts among kin, among members of different ethnic groups, between villagers who had land before and those who did not, and between village residents who had remained in the village and those who had migrated to an easier life in town.

Government policy toward agriculture

Receiving title to land was no guarantee that new owners could make effective use of it : that would depend on the environment in which they tried to cultivate, specifically the government’s agricultural policies. These were powerfully affected by international lenders, who objected to agricultural subsidies, and by Romania’s agrarian lobby. Caught between these actors and the conflicting needs of villagers, urban consumers, and industrial workers in industry, the government issued policies that were highly inconsistent ; this added to the already-enormous uncertainty the new landowners faced. The balance of political forces thus prevented the creation of favorable conditions for village smallholders that would have enabled their using of land profitably.

Prices, credits, and subsidies

Romania’s agricultural policy during the 1990s is a topic much too large to cover here. I limit myself to a few observations on prices and the problem of subsidies and credits, indicating the groups that influenced policy and its effects on cultivators’ ability to combine production factors so as to farm.

Concerning prices : the first Iliescu government (PRSD) continued Ceaușescu’s policy of keeping prices of agricultural commodities and (therefore) of the urban food supply very low. It imposed price controls on a number of essential food items – grains, dairy products. These controls applied to any transactions through state procurement centers (see below), but producers who wanted to find their own buyers could charge whatever they could get. The result was a dual pricing system in which the state price initially exerted downward pressure on the market price, though inflation tended to obscure this fact. Inflation was a serious problem throughout the decade, worst in 1991-93 and 1997. Between 1990 and 1996 the Consumer Price Index rose 17,000

percent ; over the next 20 months alone, it increased to 53,000 percent¹¹. Among its principal causes were continued subsidies – despite the pressure of international lenders against these – to state enterprises in both agriculture and, especially, industry, which was being subsidized in hopes of reducing unemployment and popular discontent.

When the neo-liberal DC government came to power in December 1996, it first modified and then abandoned the price controls, as a condition of the structural adjustment loan it negotiated with the World Bank. For the next three years the economy experienced negative growth and a rise in unemployment (officially, from 6.3% in late 1996 to 11.5% in 1999). The government failed to reduce inflation below 45% : between December 1996 and June 1997 the consumer price index doubled. Unfortunately, the prices of agricultural goods rose more slowly than those of industrial inputs, such as equipment rental, fertilizers, and pesticides. Adding to the effects of this price scissors was a huge drop in world wheat prices (around 1997).

Keeping food prices down for urban consumers would require credits, loans, and subsidies for farmers ; moreover, because almost no one owned the necessary equipment, they would need state assistance to buy it. The postcommunists allocated subsidized loans for both equipment purchases and production costs, channeling the funds through the (state-owned) Agricultural Bank. For a variety of reasons, however, the overwhelming majority of these credits never made it into the hands of smallholders but went rather to state farm managers. Agricultural Bank directors were likely to have long-standing friendships and „old-boy” connections with these people. Moreover, any intelligent loan officer would lend to the borrowers with the most secure collateral, and these were the state farms, with their large inventories of

fixed capital. (Because land could not be used for collateral and few small cultivators had substantial fixed investments, banks required them to put up their houses as collateral on loans – something almost none were willing to do.) Huge sums were therefore transferred to the former agricultural elite, sums amounting to 11 trillion lei by fall 1998 (double the entire budget of the Ministry of Agriculture for that year)¹². These and other conditions on the acquisition of credits left out the bulk of the smallholding population, who had difficulty mobilizing enough cash to start the production cycle each year. For them, temporary labor migration was one of a very few ways of saving enough money to buy capital equipment.

How about agricultural subsidies of other kinds? These too fluctuated throughout the decade, as budgetary support for agriculture ranged from 9% to 18% of the gross value-added in agriculture (Teșliuc, 2000b, 52). The principal form of subsidies was through a state monopoly organization called Romcereal, formed in 1991 from the state grain procurement centers of before. Romcereal controlled all Romania’s state storage capacity ; it now became the main supplier of inputs, distributed subsidized credits for them, purchased grain from small and large producers alike, and served as a storage and marketing agent. For a time it provided fertilizer free of charge, though only to its clients. It would contract with state farms, new producers’ cooperatives, or individual farmers to organize mechanical services and deliver subsidized inputs, in exchange for a portion of the harvest. It enabled producers of all types to start their production cycle without having to take out bank loans, and to sell their product without having to search for buyers. Whatever was delivered to Romcereal, however, was paid at the state-controlled rather than the higher market price. In the opinion of the World

11. Figures from International Monetary Fund Staff Country Report no. 98/123 (November 1998), „Romania : Statistical Appendix”, table 18, 23.

12. The debt figure is given in a news report in *Curentul* for November 29, 1998, the budgetary figure in *Adevărul economic* for April 12-19, 1999.

Bank, EU advisors, and the IMF, Romcereal prevented the growth of markets for inputs, services, and sales; in consequence, these organizations applied pressure to dismantle Romcereal, a process the neo-liberal DC completed in 1997.

The DC government substantially reorganized the system of agricultural subsidies to eliminate the „corruption” that had given the PRSD’s credits to the state farm mafia rather than to individual farmers. Hoping to lure the PRSD’s rural constituency, they distributed coupons that farmers could use to subsidize part of the cost of inputs; the subsidies also benefited input suppliers. The value of these coupons in 1997 was 1.4 trillion lei. To avoid their reaching the hands of the rural elite, the coupons were to be delivered not through banks but through the post office, which would have lists of legal owners. Nonetheless, the subsidies proved insufficient to help smallholders substantially, given the ability of the agrarian elite to skim off what was available, the demands of international lenders, and the government’s relative poverty owing to the economy and standard of living it had inherited from the communist period¹³.

In short, despite policies on pricing, credit, and subsidies, Romania’s leaders were either unwilling or unable to shape an agricultural environment in which new property owners could make a living. By the year 2000, most villagers in the area of my research (and not only there) could no longer afford to work their land. It had become a negative asset, one that cost more to cultivate than they could earn from its fruits, given the technological level at which they had to function.

Migration from the villages

Villagers faced with this situation had few alternatives. In my research community, Aurel

Vlaicu, a handful of households (mostly of former leaders in collective and state farms) managed to create viable farms, based in the social and cultural capital they acquired during the socialist period. Most villagers withdrew from all but subsistence cultivation on small plots, just as in the socialist period; they turned their land over to the larger farmers, who worked it in ways resembling the state or collective farms of before. Some people were thrown onto the support of urban kin, if they had any able to help them. And an increasing number began leaving the village for work abroad, especially in Italy and Spain (they claimed to feel more at home in these „sister Latin countries” than among „cold” Germans or Austrians). In 1992, a local villager whose family had received too little land to support them arranged a short-term work contract in Germany. From there he went to Spain with two friends. In classic fashion, this started a chain migration that gradually picked up speed, until by autumn of 2000, 12% of all Vlaicu households had at least one family member working or married either in Spain or, more rarely, in some other western European country. All of them could see no other way to get ahead; land had become something to escape from. It was not only their failure in agriculture that pushed them out but the closure of nearby factories in which at least one member of most households worked.

Who were these migrants? First, the village’s population of ethnic Germans departed en masse to Germany, having been deprived of their land in the restitution process (see above comments about the baseline date for restitution). Second, more of the Romanians who left were from local families with land than from among the landless – as of the year 2000, 14% of landed local households had migrants, and only 10% of households lacking land. The reason may be that migrating

13. Romanian economist Emil Teșliuc argues that a higher level of subsidy was impossible and that in the existing conditions, Romania’s agricultural supports through 1997 were in fact surprisingly high (Teșliuc, 2000a, 112-13). He concluded that in the 1990s Romania subsidized its agriculture as much as it could.

cost money, and landless households generally had less of it. In summer 2000, the price for black-market visas was \$1,000 and rising steadily. Targets of police raids and border controls, the would-be migrants also had to be ready with extra cash for bribes, especially at the border crossings into Hungary, Austria, and Spain itself. As to their intentions: some of the migrants used their earnings to buy land in Vlaicu or to rebuild their houses and courtyards, with the plan of returning and setting up modern farms; others planned some sort of commercial venture, such as opening yet another village store. Still others, however, planned to settle in Spain permanently, asking, „What is there to return to?” Summarizing the entire situation that had produced this migrant stream, one villager said, „The only way to help your kids these days is to help them *leave*”.

Emigration reveals villagers' sense of constricting local horizons. They were striving to work their land in conditions that turned some of them into an international proletariat, where they often performed the same kind of labor they had left behind – unskilled work in agriculture, such as picking olives – but earned enough to help their families at home. The larger process in which these villagers were participating was a change in the international pool of migrant labor, newly augmented by refugees from the transformation of East European socialism.

How extensive was emigration from Romania? For my purposes here I will offer only a few indications. According to official statistics in the Romanian Statistical Yearbook (2006), the total number of Romanians who settled abroad (the wording suggests permanently) between 1990 and 2004 was 361,692 in a population of 21.7 million. This would seem to exclude, however, the much larger circuit of temporary migration „la negru” (on the black market), described by Bogdan Nicolai (2005), who cites official Spanish estimates that in 2003, 85,000 Romanians were working there legally and another 215,000 illegally. Nicolai's sources suggest that about 2.5 million Romanians – about

10% of the country's population – were living in western Europe temporarily or permanently. In 2004, according to him, a record 1,698,772 people were turned back at the border for not fulfilling the conditions for legal exit from Romania; most of them were leaving for temporary labor abroad. Finally, a report by Romanian sociologist Dumitru Sandu claims that 27% of rural inhabitants and 19% of urbanites had traveled abroad (2000, 28). I believe that this figure, in particular, indicates the processes I have described above.

These population movements continued right up to Romania's entry into the EU in January of 2007. It is uncertain what effect EU membership will have over the long term, but over the short term I believe one consequence will be the further erosion of the possibilities for making a living in agriculture in Romania, particularly in Transylvania. Because the conditions of EU membership specified that the new Eastern European members would not be included in the Common Agricultural Policy (which subsidizes agriculture), they would be unable to raise protective tariffs in favor of their own production and would be flooded with cheaper agricultural commodities from the EU. In Romania, industrial restructuring and the development of an advanced service economy are insufficient, so far, to absorb the population from the countryside. At the same time, Romanians will now have greater access to the labor market in the EU and may find it easier to migrate for income, although investing in agriculture at home seems an unpromising option. Perhaps we will see here, as in other parts of the EU periphery, the development of rural tourism that will bring streams of west Europeans eastward to complement the circulatory flow of Romanians west.

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