The Transformation of the Agricultural Administration in East Germany Before and After Unification

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Abstract

With the collapse of the socialist regime in East Germany in late 1989 and the rising political call for unification in early 1990, a deep change of the institutional structure became necessary. The (agricultural) administration had to be totally restructured. This referred not only to substance, functions and tasks which had to be adjusted – similar to all other transition economies - to the market-economic and pluralistic democratic system, but also the whole administrative set-up had to be re-established in line with the West German system. Hence, a new administrative system had to be built up from scratch in the East, while the socialist one had to be dismantled in a short period. Overall, this institutional change seems to have been accomplished successfully as billions of Deutsch Mark could be processed by the agricultural administration in 1990 in order to avoid an imminent collapse of the agricultural sector. This administrative transformation was characterised by few rules, but a “pioneer spirit” among the staff involved which allowed a large degree of liberty in decision-making. The staff had to improvise and act pragmatically in order to get the tasks accomplished.

Key words: transition, agricultural administration, unification, Germany

1 Introduction

The collapse of the socialist regime in East Germany in late 1989 happened almost overnight and nobody in the East and the West including politicians and administration had been prepared for the transformation process leading to unification. This process required a deep change of the institutional structure compatible to the pluralistic democratic and market-economic system. It quickly resulted in a complete transfer of the West German system to the East (Lehmbruch 2000: 1). In this contribution, we will focus on the transformation of the agricultural administration in East Germany. This transformation has to be analysed in light of the introduction of the economic, monetary and social union between the two German states and the adoption of the Common Agricultural Policy (CAP) in the middle of 1990 leading to an almost complete bankruptcy of the agricultural sector overnight. The whole agricultural and food sector had been in a very critical stage. Already before unification, the West German government provided emergency funds to the rescue of the sector. These funds amounted to 4.9 bn DM in 1990 and 4.2 bn DM in 1991, respectively (Warbeck: 219). The smooth transfer of the financial support had to be handled by the administration which itself had to be re-organised. The legal basis was laid by the Agreement on the Economic, Monetary and Social Union (signed 18 May 1990; effective 1 July 1990) and the Unification Treaty (signed 31 August 1990; effective 3 October 1990).

In this contribution, we want to discuss the case of the East German transformation of the agricultural administration, particularly in light of those countries which are still undergoing a similar process or might be doing so in the future. When looking at the literature, it is surprising that not many analyses about the institutional transformation concerning the agricultural sector are available. In an analysis of the topics of articles of the major German weekly dealing with the agricultural sector (“Agra-Europe”) during the first phase of transformation, i.e. 1990 – 1995, just three percent focused on agricultural administration and associations (Thiele 1997: 32). The major topics were the CAP, privatisation and decollectivisation. There seemed to be almost no complaints and the
management of public tasks seemed to have been handled smoothly. Whether this is correct, we will discuss in this contribution. Due to the lack of detailed analyses, the major sources will be personal reports of actors who actively participated in the transformation process themselves.

This paper is structured as follows. In the following chapter a brief overview of the administrative set-up in East and West Germany will be given. In Chapter 3 the build-up of the new agricultural administration with respect to the administrative organisation will be discussed. In Chapter 4 its new tasks, role sand functions will be presented. This is followed by a discussion of the major problems in the transformation process of the agricultural administration in East Germany. In a final chapter conclusions will be discussed.

2 Transformation of public administration

Before discussing the transformation of the agricultural administration in detail, a brief overview of the administrative set-up in West and East Germany, respectively, at the eve of regime change will be given. The administration in East Germany had been set up after World War II under the Soviet occupation. Like in West Germany, i.e. in the American, British and French Occupational Zones, federal states were established which had – depending on the respective state – quite strong or relatively loose historical roots. Within the Soviet occupation zone five federal states were set up in 1945/46, i.e. Mecklenburg-Pomerania, Brandenburg, Saxony-Anhalt, Thuringia and Saxony. At 7 October 1949 the German Democratic Republic (GDR) was declared as an independent state. In 1952 the federal state system had been abolished and 14 regional districts (plus East Berlin as a special unit) became the highest administrative level under the national one. Below the regional districts came the districts. Hence, there had been three levels of administrative decision-making, i.e. the national, regional district and district level. However, as a highly centralised state the decision-making power of the last two levels was rather limited. Under the district level there had been the communes, but with respect to agricultural administration this level had been of minor relevance. Actually, since collectivisation during the 1950s not the communes and their mayors were the highest decision-making unit in the rural areas, but the agricultural production cooperatives and their chairmen (Wilson and Wilson 2001: 235). They were the main employers in the rural areas, the main source of investment and the main provider of social and cultural services to the rural population. This administrative structure had been valid up to the eve of unification in 1990.

The administrative set-up in West Germany looked a bit different. There had been four layers of administration above the commune level, i.e. one more than in the East. In West Germany there had been 10 federal states plus West Berlin which had a special status. Like the national parliament the parliaments at federal state level were elected by the respective population. Due to the federal system, the decision-making power of the federal states is quite high. Below the federal state level there were regional districts comprising a certain number of districts. Only the small federal states and the State of Schleswig-Holstein did not have this type of administrative level. The heads of the regional districts are appointed by the governments of the respective state. They are highly dependent on them as there are no elections at this level which might give them a separate power base by the people. At district level people elect their deputies in the
respective parliaments or councils which used to elect the respective district chief executives.

In East Germany people had the right to vote for the national, regional district and district parliaments. But under the GDR system, these were no free, equal and secret ballots but voters just had the option to endorse the general lists of the “National Front” approved by the dominant Socialist Unity Party (SED). In general, 99% of the eligible population voted and, again, 99% of the voters voted for the general list.

One interesting point to be mentioned is the fact that the GDR, although about half of the size of West Germany and about one fourth of the population, had a relatively large number of districts and communes. In West Germany there had been various administrative reforms during the 1960s and 1970s. Hence, the number of districts and communes declined rapidly. In the GDR, there had been no such reforms. Actually the number of districts increased during the 1950s. Hence, the number of communes had been relatively large, but about half of them had less than 500 inhabitants which means that, at least, on paper the administration had been closer to the population than in the West.

Right after the fall of the Berlin Wall, there had been extensive exchange of visits; at the beginning more from the East to the West, but starting from early 1990 also from the West to the East. Once it became evident, i.e. after the first free elections to the East German Parliament (18 March 1990) that the former federal states will be re-established several (larger) West German federal states took up the role of a twinning partner (lead sponsorship) to a certain East German state. The legal basis for re-establishing the federal states was laid by the Re-establishment of Federal States Act adopted by the East German Parliament at 22 July 1990 (Gaude 1996: 70). The respective twinning partners gave their support in building up the new federal states in form of training courses, practical training in West German administrations, secondment of staff to the East, etc.

The re-establishment of the federal state structure, however, implied that the 15 regional districts had to be dismantled. At the district level, no large-scale adjustments were required.

3 Agricultural administration in East Germany

3.1 Set-up during the socialist period

The agricultural administration was based on three levels (see Figure 1). At the national level there had been the Ministry of Agriculture, Forestry and Food (MLFN). The main tasks had been to ensure a high output of agricultural products in line with the central planning system. At the regional district level there had been the Office of Agriculture, Food and Forestry led by the deputy head of the respective regional council. This office comprised the departments of agriculture, food, forestry and veterinary services. In addition, it was closely linked to the subordinate offices responsible for agritechnology and input supply, including extension (WTZ), cereal cultivation (i.e. cereal purchase) as well as the purchase and processing of other food products, crop protection and state farms. In addition, this office had been responsible for basic and advanced vocational training. At the district level, there had been an Office of Agriculture and Food which
was mainly responsible for the agricultural and horticultural production cooperatives. In addition, it had close links to the district veterinary and the district offices of the respective regional subordinate agencies. During the socialist period there had been about 230 district offices. They reported through the respective regional district offices to the national ministry about the state of the agricultural production every week (Wegge 1999: 358).

**Figure 1** Administration of the Agricultural Sector, GDR, 1989

![Diagram of the Administration of the Agricultural Sector, GDR, 1989]

Source: Roeloffs 1999: 286

In addition to this administrative structure of the state there had been – like in all socialist countries following the Soviet model - a parallel structure of the Socialist Unity Party (SED). Within the politbureau of the SED one member (“secretary”) was responsible for food and agriculture. In addition, there was a department of food and agriculture under the Central Committee. Both, the secretary and the head of the department had more power than the minister himself. At the regional district and district levels the same power structure applied. The Party personal used to focus on more strategic issues. In general, party and government officials worked hand in hand, but in case of disagreement it was the Party which had the upper hand.

Already by late 1989 and early 1990, this parallel structure became obsolete. In late 1989 following the Polish experience from early 1989, “Round Tables” were formed at the national, regional district and district levels which discussed first ideas about re-organising the political system in the GDR. At these round tables not only the representatives of the socialist regime, but also newly formed opposition groups representing people pushing for a regime change were presented (Breitschuh et al. 2005: 70). The major function of “Round Tables” had been to guide the transition process until the parliaments at various administrative levels had been elected in a democratic manner. The members of the regional district and district councils who represented the socialist regime retired in late 1989 and already in December 1989 many “Round Tables” elected provisional members to ensure their operation (Hoffmann 1999: 126).
3.2 Build-up of a new set-up before unification

Early 1990 it became evident that the administration had to be reorganised not only with respect to the new administrative set-up due to the re-establishment of the federal states, but more important due to the new tasks the administration had to fulfil in order to support agricultural producers in managing their farms effectively in a market economy and in line with the CAP. In Germany, agricultural administration comes under the responsibility of the individual federal states (Großkopf 2000: 172), but these had to be established themselves as well. After the first free election to the East German Parliament an overwhelming majority of MPs were in favour of the new set-up. This meant that the GDR structure focusing on regional districts had to be dismantled while at the same time the new structure had to be built up.

The local and district elections at 6 May 1990 ensured a democratically legitimised political structure at local levels. In the following weeks working groups for drafting the role and functions of the new federal administration in all five (to be established) federal states had been convened. All those parties could send representatives who had been legitimised by the state and/or district elections. One sub-group dealt with ‘food, agriculture and forestry’ which later on became the nucleus of the ministry (Ernst 1999: 65). By the end of September 1990 these working groups finalised their work (Breitschuh et al. 2005: 70). From the West German side, in general, one or two civil servants had been seconded in order to support these working groups.

In general, these groups made proposals about the major tasks and functions of the new ministries, although that might have been revised once the ministries became operational. One main decision refers to the question whether the federal agricultural administration should be based on two levels, i.e. federal state and district level, or on three levels, i.e. federal state – intermediary level – district level. Since Germany is a federal republic, all federal states were free to choose a model according to their own wishes. A certain influence by the respective twinning partner could be observed. Hence, the agricultural administration in the various federal states is not uniform, e.g. Mecklenburg-Pomerania adopted a two level system (Muus 1999: 226), Thuringia a three level system with an agricultural branch in the Federal Administration Office as the intermediary level (Breitschuh et al. 2005: 75) or Saxony-Anhalt a three level system with the three regional district offices (Aeikens 1999: 10). Figure 2 reflects the situation with respect to Mecklenburg-Pomerania in 1991.

In general, the federal ministries of agriculture were planned to be made up by 4-5 departments and about 20 divisions. Each federal state was free to put the focus on specific issues. E.g. in Figure 2, rural development is not specifically emphasized while in Thuringia there had been a separate department of rural development which comprised, amongst others, village renewal, land consolidation and environmental issues (Breitschuh et al. 2005: 72). The intermediary offices, if any, and the district offices were directly under the supervision of the respective federal ministry. Similarly, the ministries had supervisory functions over the subordinate offices. Concerning the focus of the various departments, it has to be emphasized that this shifted over time and many departments were renamed and divisions restructured since 1990.
In parallel, the former regional district offices were gradually downgraded. Starting in June 1990 their (provisionally appointed) heads had been replaced – again on a provisional basis - by persons representing those parties which had been elected in the free elections. Some of their staff had been recruited as the secretariat of the working groups ‘food, agriculture and forestry’. But, in general, most of them could only apply for a new job once the new ministries became operational at federal level. The regional district offices of the GDR were finally closed down by the end of 1990 (Breitschuh et al. 2005: 71). Similarly, the head of the agricultural offices at district level had been appointed (in some cases re-appointed) by the newly elected district chiefs (Breitschuh et al. 2005: 69).

While the district offices were kept as the lowest administrative level in all new federal states, not all of them could stay on. Actually, their number was downsized significantly in the following years, e.g. in Mecklenburg-Pomerania from 34 to 10 (Muus 1999: 226), in Saxony-Anhalt from 40 to 8 (Aeikens 1999: 10) or in Thuringia from 36 to 12 (Breitschuh et al. 2005: 83). In general, the staff from the district offices was re-recruited for the new ones, although their number declined and many became unemployed. Those district offices which were no more needed were closed down during 1991. Nevertheless,
these offices had an important task in 1990 in processing and distributing the national
emergency funds in support of agricultural producers (Sönnichsen 1999: 325).

The unification could be relatively easily handled at national level. All ministries of the
GDR-government, including the Ministry of Agriculture, were closed down. In general,
some staff was taken over by the national ministries. In addition, the former GDR-
ministry became the liaison office of the respective ministry located in Bonn. Only with
the decision of National Parliament in June 1991 to shift the capital from Bonn to Berlin,
the government fostered the process of re-locating ministries to Berlin. In Summer 1999
Parliament and government moved to Berlin. Some ministries, like the Ministry of
Agriculture, still have their main offices in Bonn (based on the Bonn-Berlin Act, 1994),
but a second office in the capital.

4 New tasks of the administration

The establishment of the new agricultural administration its role, tasks and function had
to change. During the socialist period, the administration had an important task in making
sure that agricultural and food production was in line with the central plans (see Figure
1). It could directly influence the production plans of the agricultural production
cooperatives and state farms. From 1990 agricultural producers were totally free in their
decision-making while the administration had the role to give them the best support
possible.

Right after unification (3 October 1990), the most immediate tasks referred to the need of
drafting a budget for 1991 and the organisational charts of the new ministries as well as
of the new district offices reflecting their new roles and duties. However, everything had
to be done on a provisional basis since the final decision rested with the newly elected
federal state parliaments which were elected at 14 October 1990. In general, the seconded
staff relied on the organisational set up of their respective home ministries (Brandt 1999:
36). In addition, the daily tasks of the offices had to be fulfilled (as listed below). Since
there was not that much staff available and there was still no hierarchical order,
everybody had to do anything; mostly just on short notice (Ernst 1999: 66; Roeloffs
1999: 276). All this work had to be done under heavy time pressure. It short, the task had
been to set up an efficient agricultural administration as soon as possible. The new
administrations were now fully accepted partners by the national ministry and the West
German state ministries. This meant that starting from 3 October 1990 the still
preliminary offices were “flooded” with all type of information about any new changes
concerning the national and EU policies (Brandt 1999: 38). Similarly, the new federal
states had to bring in their own priorities when it came to setting priorities of national
agricultural policy, like e.g. the negotiations at 22 October 1990 about the future focus of
the Common Task for Improving Agricultural Structures and Coastal Protection (GAK),
one of the basic documents of national agricultural support policy (Kolt 1999: 180-182).

At least, up to the official adoption of the administrative system by the newly elected
federal parliaments all work had to be done on a provisional basis, i.e. the staff had to
work in a not yet legislated area. Once the federal ministries had been officially approved
by the parliaments of the respective states, the major tasks can be summarised as follows
(Breitschuh et al. 2005: 72-73):
recruitment of staff at the various administrative levels in order to fulfil the necessary tasks,
review of all subordinate agencies and, if necessary, dismantling them,
restructuring of the subordinate agencies in line with the constitutional administrative structures,
implementation of the Agricultural Adjustment Act adopted at 29 June 1990 by East German Parliament with all the problems concerning the restructuring of the agricultural production cooperatives, conflict settlements with respect to privatisation of farm assets and the consolidation of separate ownership titles of land and buildings on it,
implementation of the national agricultural policy as well as CAP (as there were short or no transition periods at all),
drafting laws concerning the agricultural and food sector for federal state parliaments as well as preparing recommendations for the state ministers in influencing national agricultural policy.

In this respect, the tasks can be divided into short-term ones related to the (re-) organisation of the agricultural administration and its subordinate agencies, short to medium ones related to decollectivisation and restructuring and long-term (i.e. permanently on going) ones related to the implementation and supervision of national and EU agricultural policies and to the participation in the national political process.

5 Major problems in setting-up the new administration

Although - as stated in the introduction - the transition of the agricultural administration was not a big issue to be discussed, it had been a tremendous task. At that time nobody had any experience in such an undertaking. Once it became evident that the GDR will open up to the market economic system and become a pluralistic democracy, it was understood that this could not be achieved with the existing (agricultural) administration. As shown above, the West German governments at national and federal state level provided strong support in accomplishing this transition process. In the following, we will focus on two major problems with respect to the set-up of the five federal ministries of agriculture, viz. (1) logistical problems and (2) problems in recruiting appropriate staff.

Logistical problems

The new ministries had to start from scratch. On a provisional basis they took up their work in August/ September 1990 but all had to be officially legitimised by the respective federal state parliaments whose elections took place at 14 October 1990. Hence, they were operating in a preliminary legal environment. When the West German advisors who had experienced as civil servants all the advantages of a smoothly running administration took up their (temporary) assignments in the East, they had to meet a number of logistical problems first. In summary, the most important ones looked as follows (Brandt 1999: 37-38; Boehnke 1999: 20; Muus 1999: 227; Roeloffs 1999: 274):

- poor working conditions: Offices might be still used by other organisations and the equipment used to be quite simple,
lack of technical equipment: At the beginning there had been no telephones, copy or fax machines, etc. As one seconded staff recalled “We had to walk when we wanted to communicate” (Brandt: 38),
lack of service infrastructure: There had been no writing pools, janitors or messengers,
lack of a proper system for financial transfers although high volumes of funds had to be transferred to the agricultural producers,
lack of proper job descriptions for drawing up employment contracts for thousand of staff at federal state and district levels; which had a direct influence on the tasks and duties as well as salaries of the respective persons. Right after unification the federal pay scale for public employees as well as the civil servant payment schemes could not yet be applied, and
no legal foundation at federal state level with respect to administrative and financial rights and obligations in public administrations.

In this respect, the staff had quite a lot of liberty in executing its activities which was particularly appreciated by the seconded staff. Since housing conditions had been simple for the seconded staff, only those volunteered to “go East” who had a strong dedication. They received a topping-up of their salaries, but, in general, working time came up to 12-14 hours per day.

Staffing

As shown above, all the ministries but also the offices at lower level had to recruit their staff from scratch. Anybody could apply, particularly those persons who used to work in the predecessor offices during the socialist period (Boehnke 1999: 17). But, in principle, anybody with the necessary background could apply, i.e. people from the upstream and downstream sectors and also West Germans. However, most of the new staff had been recruited from the predecessor offices, but there had been two major problems: (1) professional background, and (2) personal record during the socialist period.

With the set-up of the new administration, it was understood that the new administration will only work efficiently if there has been enough qualified personnel who was familiar with the German agricultural policy programmes and the CAP. However, East Germans were not familiar at all with the focus and implementation of the national (West German) agricultural policy and the CAP. The ideas of e.g. “principle of subsidiarity”, “support threshold” or “promotion of individual farming” were totally unknown to them (Kolt 1999: 180). Particularly, with respect to the economic side and administrative handling of programmes many training programmes either on-the-job in the new offices or in practical training in the twinning ministries in West Germany had to be executed (Boehnke 1999: 21).

The other staffing problem referred to the special East German history. The revolution in the GDR was pushed by anti-socialist groups who did not like to see a return of the most exposed supporters of the socialist system after regime change. Particularly two groups of persons were no more allowed to return to the civil service: (1) former high level cadres of the Socialist Unity Party and (2) former staff including informal collaborators of the dissolved secret service. During the GDR-times the secret service had established a dense network of informal collaborators in order to know all and everything what was going on...
among the people. With the change of the political regime, the secret service had been abolished. However, everybody who applied for a job with the government had to be checked by the Federal Commission for Registration of the Files of the former East German Secret Service and must receive a clearance for not having been a former informal agent. This had been a severe problem when setting-up agricultural administrations since quite a number of newly recruited and qualified staff had to be dismissed overnight due to the reports from that commission (Boehnke 1999: 18-19; Brandt 1999: 40; Ernst 1999: 68).

Hence, due to the examination of the questions of who was qualified for the new tasks and who was not troubled by his/her personal past, the recruitment of staff could only be executed on a slow pace (Muus 1999: 227). Nevertheless, starting late 1990 or early 1991 the various agricultural administrations expanded in size. For example, the personnel at the Ministry of Agriculture in Mecklenburg-Pomerania expanded on a step by step basis. While in early November 1990 the whole staff comprised 20 persons next to the Minister, it had been joined by 13 seconded staff from Schleswig-Holstein. By the end of 1990, the staff comprised already 60 persons (including the seconded staff) and by the end of March 1991 already 142 persons (Boehnke 1999: 18). In general, larger groups of staff had been seconded to the newly set-up ministries of agriculture after unification when the formal approval by the respective state parliaments could be foreseen. While 13 persons were seconded from Schleswig-Holstein to Mecklenburg-Pomerania, the number from Rhineland-Palatinate and Hessen to Thuringia stood at 12 first, but rapidly increased to 40 by the end of the year (Brack 1999: 31). During 1991 all ministries started to run smoothly and gradually the seconded staff returned to their home ministries. However, some preferred to stay on with the new ministry and asked for a transfer. In other words, they became civil servants of the newly established ministries. By about 1992 all ministries of agriculture did not recruit new staff anymore. Just retired staff had been replaced.

6 Conclusion and major lessons

When looking back at the transformation of the agricultural administration in East Germany, it can be stated that it had been a complete success. It had been an “institutional transfer” (Lehmbruch 2000: 1) from the West to the East, i.e. the East fully adopted the Western system. In 1990 the East Germans not only had to dismantle their socialist type of (agricultural) administration, but also build up a new system within a very short period. Two aspects were relevant: On the one side, the administrative structure had been revised with the re-establishment of the five federal states as a new decision-making level; i.e. a revised structure of administration hierarchy. On the other side, agricultural administrations had to fulfil new tasks in order to ensure, first, the survival and, then, the competitiveness of the agricultural sector. During this period billions of DM had to be distributed as emergency aid to agricultural producers, the decollectivisation process had to be administratively assisted and policy outlines for agricultural and rural development had to be drafted and negotiated at federal and national levels. But to do that, staff had to be recruited. The major lessons can be summarised as follows:
• Staff from former East German institutions could be recruited who showed a high level of dedication, work spirit, was open for new tasks and understood that this had been historical opportunity for themselves and their country. Although it was said that East Germans became lethargic since the Socialist Party used to decide all and everything for them, dedicated personnel was available showing a high level of decision-making, it could improvise and work under difficult logistical conditions.

• The recruitment of East German staff was quite often interrupted by the fact that capable persons had worked as informal collaborators for the former secret service. The new decision-makers categorically refused to accept anyone of these persons to be recruited for the new administration. This common will had to be accepted.

• An “institutional transfer” had not been possible without the secondment of dedicated staff from the West. While also trained in a highly hierarchical system, these people had to show the same qualifications as their new East German colleagues. The twinning model proved to be very effective.

• Similarly, this transfer had not been possible without an intensive training programme for the East German staff. This included training-on-the-job in the new ministries and district offices, practical training in the West (for several weeks) and special training courses (from one day up to a week).

However, when planning the set up of the new administration structure, decision-makers at that time were too optimistic in financing it. Although the number of agricultural district offices had been trimmed down compared to the socialist period so that each agricultural office was responsible for several districts, the following years showed that this system had to be downsized even further. Hence, already some years later the density of agricultural district offices had to be revised and quite an additional number had to be closed down. In this respect, the lesson is to plan very conservatively at the beginning.

References


