Lessons of the Transformation of the Agricultural Administration and Associations in East Germany with the Collapse of the Socialist Regime

Axel Wolz

Leibniz Institute of Agricultural Development in Central and Eastern Europe (IAMO)
Theodor-Lieser-Str. 2
06 120 Halle (Saale)
Germany
wolz@iamo.de

Selected Poster prepared for presentation at the International Association of Agricultural Economists (IAAE) Triennial Conference, Foz do Iguaçu, Brazil, 18-24 August, 2012.

Copyright 2012 by Axel Wolz. All rights reserved. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.
Initial task in all transition countries:
Restructuring of the agricultural administration from a central planning to a market-economic and pluralistic democratic system which implies new functions and new tasks
Formation of organizations representing the farming population

General situation in Germany in 1989/90:
- rapid adoption of West German monetary, economic and social system including integration in the EU (CAP) ➔ no adjustment period
- early collapse of agricultural production sector ➔ emergency support measures
- imminent collapse of East German economy during summer 1990 ➔ shortening of time horizon, copy of West German model: “institutional transfer”

Administration: Dismantling the socialist one while setting up a new one
- territorial reorganisation (national – regional districts – districts ➔ federal state – (intermediary level) – districts)
- new role, tasks and functions (e.g. recruitment of new staff, restructuring of agricultural production cooperatives; implementation of CAP; support to parliaments and ministers)

Associations: Set-up of an organisation representing the farming population
- both sides represented a complete different farming model:
  - East: collective farmers; West: family farmers
- merger on a federated basis; gradually in 1991
- “ideological compromise”: private ownership on production factors and “multi-family” farming
- result: almost one voice of the farmers; only organization where East Germans got into decision-making positions

Conclusions:
- restructuring accomplished in a very short period (new tasks, new structure)
- institutional transfer from West to East successful (“twinning model”), dedicated staff from the East and the West, training component
- restructured agricultural administration still oversized: plan more conservatively
- Farmers’ Union: very effective in shaping the future agrarian structure
- ➔ no model for other transition countries, but may-be for the Korean Peninsular