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Germany with the Collapse of the Socialist Regime

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LEIBNIZ INSTITUTE OF AGRICULTURAL DEVELOPMENT IN CENTRAL AND EASTERN EUROPE

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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
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