

**Moral dispossession of the
(already) morally dispossessed?
A commentary on Chris Hann's contribution**

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There is no doubt that the feeling of being morally dispossessed is widespread among people of the older age cohort living in the countryside of the former socialist states. Many of them yearn for the time under communist rule. Noting such a feeling, however, does not mean that the observation is correct for the understanding of the present situation. Anybody who is used to working with interviews is aware of the extent to which the answers are influenced by ignoring important facts unpleasant for the respondent. People construct their past as they would like it to have been. This is a special problem with people living under a dictatorship surrounded by everyday repression. Unconsciously, in order to live a »normal life«, people tend to misrecognize what they do not want to see. We are confronted with these problems when doing field studies in the former socialist countries. Thus we must be very careful when constructing a theoretical and analytical framework for our research. Having worked on the socialist regimes for the last forty years and understanding their real way of functioning, I am aware of the extent of moral dispossession connected with implementing the socialist social order. My comment is from a historical perspective. I will focus on what seems to be necessary to get sufficient contextualisation for the interpretation of the lives of people living in the countryside of the former socialist states. As transition to socialism meant a process of »moral dispossession« as well, I chose as title for my commentary: »Moral dispossession of the (already) morally dispossessed?«

My comparison also starts with the transition process of the nineteenth century. However, in my approach I analyse both cases as a transfer to a market economy from a pre-modern economy, connected with low standards of living and an inefficient organisation of labour. This transition led to a significant improvement of living conditions for the broad masses of the people. However, normally only the younger generation profits from it, while the older generation often perceives transition as dispossession, forgetting about the negative features of the previous social order. Only a purely theoretical approach may describe this process as a fight between »socialism« and »capitalism«. In reality under both, »socialism« and »capitalism«, there are many attempts to manipulate market mechanisms. This manipulation was brought to perfection in the socialist countries with the implementation of the command economy. It protected monopolist structures against the interests of the consumer, whether people or enterprises, in our case agricultural enterprises. Monopolist structures of production made wasteful use of the production resources, labour and capital. Manipulating the market, however, is a problem in capitalist states as well. The post-communist states are good examples of this. The political-economical elite, formed under socialism, is still influential and co-opting new actors. The harm comes from manipulation of the market by this political framework. We should not start our analysis from a promised utopia like »communism«. We have to ask how the system functions in reality. Every social order keeps silent about basic facts of its functioning. Only because nearly everybody broke the official rules was socialism able to function. Informal networks and the use of corruptive practices were widespread. In spite of the official rhetoric, the regimes tolerated breaking of their official rules (Merl 2010). Life under socialism thus was marked by a strong discrepancy between words and real actions.

Hann claims that the causes of today's moral dispossession in the countryside of the former socialist countries arose from the new order. This is not correct. He is speaking of »brutal methods« of decollectivization while collectivization in his eyes was much less destructive (Hann: 21-22). »What is striking to me after two decades of »postsocialism« is the

abundant evidence that vast numbers of ordinary people, citizens usually perceived in Western countries as the victims of socialist power, consider the *ancien régime* to have been more just (ethically defensible) than any of the successor regimes« (Hann: 18-19). The real causes of the moral dispossession, however, are very different from those perceived by many people today. This is basically due to strategies of misrecognition of basic facts of life under socialism. For example, it was not possible to continue paying the huge subsidies necessary to keep socialist agriculture running. The socialist dictatorships were successful in hiding the fact of their bankruptcy from the people at the turn of the 1980s. This is the reason why the people connected the hardships they felt during transformation to »market capitalism«, although they were the legacy of the failure of socialism to rise its economic efficiency (Merl 1997). When Hann explains the causes that lead some postsocialist citizens back to religion or to a virulent populist nationalism by moral dispossession under capitalism, he is basically wrong. Both trends have been evident since the 1970s and are strongly connected with the socialist order. The archives reveal the strong mood of nationalism. The regimes kept this secret from the public (Kozlov & Mironenko 2005). The search for religion was connected to the failure of socialism to fulfil the spiritual needs of the people.¹ Hann's idea that the pursuit of self-interest was alien to people under socialism stands in contradiction to the widespread use made of corrupt practices for personal gain. The communication found between people and the regimes in letters and denunciations revealed the extent of selfish interest; not only tolerated, but even encouraged by the regimes in order to strengthen their grip on power (Merl 2012, forthcoming). There is ample information on the extent to which people used corrupt practices to manage their private lives. Since many goods necessary for life could not be bought in state trade, people had no alternative to making use of corrupt practices (Merl 2010: 267-279).

1 Victoria Smolkin-Rothrock, The meaning of life. The making of the Soviet ritual cosmos. Paper, ASEEES 43rd Annual Convention, 17.-20. November 2011, Washington, D.C.

The best model for understanding the basic principles of how the socialist economy functioned has been proposed by a Hungarian, János Kornai. In his *Economics of shortages* Kornai argues that the basic problem of socialist economy was the lack of strict budget constraints. Working under weak budget constraints, all enterprises made wasteful use of production forces, capital and labour, leading in the end to an extremely low labour productivity in comparison to market economies (Kornai 1980 & 1992). The main reason for the moral dispossession felt should be seen in just this waste and in the weak budget constraints. While in the market economies of Western Europe only about one or two percent of the workforce was still occupied in agriculture at the turn of the 1990s, in the socialist countries the share was ten to twenty percent. Jobs were retained artificially in the countryside by huge state subsidies, a high demand for labour due to the bad quality of agricultural machinery and the labour intensive production on private plots. This resulted in very low labour productivity in socialist agriculture.

In the market economies the transfer of labour from agriculture to industry and services took place over decades, thus avoiding the social harm visible today in the former socialist countries. As incentives, better working conditions and higher salaries outside agriculture played a decisive role. The outmigration in market economies contributed to a significant increase in labour productivity and in agricultural production as a result of replacing labour by capital. Agricultural production costs were kept stable in this process. Agricultural machinery in the market economies was constructed in accordance with the demands of the peasant farms, while agricultural machinery constructed in the socialist countries only fulfilled the interest of the producers, often doing harm to agricultural production (heavy tractors spoiled the socialist soil, mechanized implements for private plot production were generally missing). In this way, in market economies the machinery optimally replaced labour, in socialist countries a labour-saving effect was hardly existent. In these countries, capital investment thus only contributed to the rise of the costs of agricultural production. At the turn of the 1990s, in the former socialist countries nobody could afford to pay these huge subsidies any longer. A

solution to the problem of setting free the majority of the people previously occupied in agriculture during the transition period was made even more difficult due to the lack of demand for labour outside agriculture. While young persons in general had better chances of transferring to cities, the bulk of the elderly people suffered.

Hann is right to state that Hungarian agriculture in the 1970s worked under market conditions. However, market conditions only influenced the internal relations in agriculture. The overall economic conditions in Hungary did not change. Thus the effects described by Kornai, waste of production forces due to weak budget constraints, were characteristic for the Hungarian economy in the 1970s as well. No significant outmigration of labour from agriculture took place. Small-scale production on private plots with extremely low labour productivity was even supported. Thus, free market conditions restricted to agriculture showed positive effects only for agricultural production. They did not solve the structural problems of agriculture.

The positive effect of market conditions in Hungarian agriculture is visible in the strong contrast to the development of production in other socialist countries. In Hungary in the 1970s, a strong increase in agricultural production and productivity took place, agricultural production doubled over that decade. Only the dissolving of the land communes in China had similar positive effects on production. Agricultural production in all other socialist countries grew very slowly, while the increase of production and productivity was significant in market economies. Characteristics of socialist agriculture were an enormous waste of capital and labour and exploding costs of production, causing a need for ever more state subsidies. Under Brezhnev, the Soviet Union invested huge sums of capital in irrigation and in equipment in the non-black earth territory. This resulted in an annual growth rate of production of only one percent, but it doubled the cost of production per unit. The German Democratic Republic (GDR) even reduced its agricultural productivity during the 1970s by implementing Gruenberg's ideological concept of dividing plant and animal production. Its main effect was to increase aliena-

tion from work. Hungary's agriculture in the 1970s is thus an impressive example of the positive effect of the free market (Vaga 1984; Merl 1988).

What contributed to the strong increase of agricultural production in Hungary? Under market conditions, it became possible to organize production units, working in competition with each other and using machinery and seeds imported from Canada. This contributed to more than double the corn yields in less than one decade. In addition, the agricultural enterprises were allowed to introduce market relations between private small-scale producers and the state enterprise, buying the production from the private producers and selling it to the state. They organized the service of private plot production with state machinery. This experiment was judged to be a failure at the end of the 1970s, due in fact to its success: State subsidies to agriculture remained high. The increase in production thus was costly for the state. As production surpassed internal demand, it would have been necessary to export surpluses. Western Europe, however, was not willing to open its agricultural market to Hungary, and Hungary did not want to export its surpluses to the Soviet Union at prices way below the state subsidized producer prices. Thus Hungary had no alternative but to end the experiment by reducing agricultural production! This is the story behind what Hann is telling us about Hungarian agriculture in the 1970s.

I disagree with Hann's argument on collectivisation. Unlike his claims, forced collectivisation was an act of moral dispossession, a repressive act of breaking the will of the former peasantry. It showed lasting effects on agricultural production in all socialist countries by alienating the workforce from production. Even if far fewer persons lost their lives during forced collectivisation in Eastern Europe, it was a process of mass repression and expropriation of the peasantry in each country, causing severe moral dispossession. The proceedings of the meeting of the Hungarian Party boss Rakoši with the new Soviet leadership in early June 1953 provide first-hand detailed information on the crucial facts and disastrous economic results of collectivization from the responsible Com-

munist leadership itself.² The final stage of collectivisation in Hungary and the GDR at the turn of the 1960s was a mass campaign of psychological pressure to force the unwilling peasants into the state-run Agricultural Producer Cooperatives. The outcome of collectivisation was connected to severe moral dispossession. Former independent peasants were turned into agricultural workers and had to follow crazy orders from party officials. In all socialist countries many peasants left the countryside, while the new workforce was dominated by labourers with little interest in agriculture (Merl 2011). Although the records of socialist agriculture are different in each country, everywhere the loss of independent decision-making resulted in alienation from work. This was even revealed by social research under socialism. The results of these studies were kept top secret in all socialist countries.³ The extent to which life in the socialist countryside was perceived as moral dispossession becomes evident in the total lack of work incentives. It can also be seen in the fact that in spite of the huge share of the workforce still occupied in agriculture, most socialist states forced their students to help one month in the fall to bring in the harvest.

In my understanding, »moral dispossession« is a feasible concept for understanding what is going on in the countryside of the former socialist countries only if we take into account that the implementation of the socialist order meant moral dispossession as well.

2 Transcript of the conversations between the Soviet leadership and a Hungarian United Worker's Party delegation in Moscow, 13.6.1953, cited in *Cold War International History Project Bulletin* 10 (March 1998): 81-86.

3 Interview with the GDR agricultural socialist Jürgen Krumbach in Gießen, 1990; Gabriele Eckart, *So sehe ick die Sache. Protokolle aus der DDR. Leben im Havelländischen Obstanbaugebiet*, Köln 1984.

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