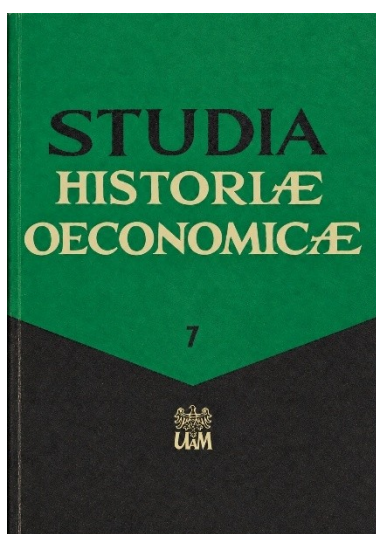




Jędruszczak, H. (1973) 'Land Reform and Economic Development in the People's Democracies of Europe', *Studia Historiae Oeconomicae*, 7, pp. 199–212.

<https://doi.org/10.14746/sho.1973.07.1.013>

Text of article:

<https://pressto.amu.edu.pl/index.php/sho/article/view/57629>

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Total value of the project: PLN 247,236.00. Amount of co-financing: PLN 220,836.00.



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Spółeczna
Odpowiedzialność
Nauki II

Hanna Jędruszczak (Warszawa)

LAND REFORM AND ECONOMIC DEVELOPMENT IN THE PEOPLE'S DEMOCRACIES OF EUROPE

The aim of this paper is to present the basic relationships between the land reform and the economic development of the people's democracies after World War II. Pointing out this aspect of the land reform, to its most elementary setting in the historical process of social and economic changes is fully justified — not to mention the crucial character of this problem — by the fact that in the contemporary Polish literature of this field the problem is hardly mentioned.

The problems of the land reform in Poland and other people's democracies were often discussed, but the authors were interested mainly in the comparative analysis of the assumptions and the progress of the land reform in the second part of the forties¹. The role, however, played by the land reform in the process of structural changes of the economy — discussing both the profile of particular countries and the profile of the whole Central Eastern Europe — requires more thorough investigation. It is impossible to give a very detailed description of the facts, not to mention the analysis, in such a short paper. We can only mark the problem and present some of the most important processes.

The problems concerning the agriculture and economic reforms together with the totality of the economic increase have a very rich bibliography: sociological, demographic and economic. This refers, first of all, to the underdeveloped countries of Africa and Asia, and partly to Latin America². The land

¹ The problem is mentioned sporadically by W. Góra in his book: *PPR w walce o podział ziemi obszarniczej 1944 - 45* (The Fight of Polish Workers' Party for the Parcelling out of the Big Estates 1944 - 1945). Warszawa 1962, pp. 18 - 19. For more details see W. Góra, *Niektóre zagadnienia reform agrarnych w europejskich krajach demokracji ludowej* (Some Problems of the Land Reforms in the European People's Democracies). *Materiały i Studia z Najnowszej Historii Polski* 1963, vol. 1. Specific features of the progress of the land reforms in the European countries of people's democracy are described by H. Ślabeek in *Polityka Agrarna PPR. Geneza i realizacja* (The Agrarian Policy of Polish Workers' Party. Genesis and Realization). Warszawa 1967, pp. 525 - 49.

² Out of the books on the subject the following should be mentioned in the first place: *Land Reform. Defects in Agrarian Structure as Obstacles to Economic Development*, UN., New York 1951; S. Kutznets, *Underdevelopment Countries and the Pre-industrial Phase in the Advanced Countries, an Attempt at Comparison*, *Proceedings of the World*

reforms of the people's democracies are subjects for investigation, but they are of interest mainly to lawyers and historians³.

We may speak about the land reform when, as a result of authoritative decisions, certain features characteristic for the agrarian structure are changed. This refers to the existing in agriculture and alternating arrangements: economic, social and juridical, concerning the property of land.

The term "land reform" does not cover such partial changes as the right of tenancy, the change of the tax system, the change in the legal situation of farm-hands, etc.

In the historical perspectives various aspects of the changes performed by the land reforms became prominent, causing changes in other arrangements. In the second half of the 19th century, the land reforms accompanying the so-called Prussian way of the development of capitalism in agriculture caused changes mainly in the arrangements of property situation: tenure of land — possession, which affected the rate and the direction of the economic, social and political changes. After the first World War the economic and political aims begin to dominate in the land reforms.

The demand for the land reform was especially crucial in those countries where the husbandry was very important as a means of employment of the majority of the population and as the basic source of the national income,

Population Conference, UN, 1954, vol. 5; R. F. Behrendt, *Die wirtschaftliche und soziale Revolution in den unentwickelten Ländern*, Bern 1955; E. H. Jacoby, *La réforme agraire et le développement agricole*. FAO, Rome 1955; *Progress in Land Reform*. UN., New York 1954. The last one contains also data concerning the progress of the land reform in some of the people's democracies. The exemplary quotations from these books are justified by the fact that many of the general economic regularities concerning the changes of the agrarian structure and industrialization, which were formulated in reference to the underdeveloped countries of other parts of the world — in spite of some crucial differences — are reflected also in the development of the people's democracies although these changes took place in the conditions which differed demographically, civilizationwise and politically.

* H. Пухлов: *Переустройство сельского хозяйства в странах народной демократии*. „Вопросы Экономики” 1949 No 10; М. Казанцев: *Земельные реформы в Странах Народной Демократии Юговосточной Европы*. Вестник Академии Наук СССР, 1949 No 11; N. Spulber: *Eastern Europe: the Changes in Agriculture from Land Reform to Collectivization*. The American Slavic and East European Review, 1954 No 3; А. Петрушов: *Сельское хозяйство Европы Стран Народной демократии на социалистическом пути*. Москва 1959; V. Gsowski and K. Grzybowski, eds. *Government, Law and Courts in the Soviet Union and Eastern Europe*. London 1959, vol. 2, part 2, *Agriculture*; T. Szymczak, *Ustrój państw socjalistycznych Europy środkowej i południowo-wschodniej* (The Régime of the Socialist Countries of Central and South-Eastern Europe). Łódź 1963, p. 26; A. Ajnenkiel, *O reformie rolnej w Polsce i innych krajach demokracji ludowej* (On the Land Reform in Poland and in Other Countries of People's Democracy). Polskie Studia Slawistyczne, 1963, Series 2.

where, at the same time, the existing agrarian structure limited the possibilities of the productive utilization of man power in agriculture. In Europe these were mainly the eastern and south-eastern countries⁴.

The land reforms of the between the Wars period did not radically solve the problem of suppression of the large estates. They were, however, a step forward in the social and economic development and in spite of their numerous imperfection they should be appreciated⁵.

The radical realization of the land reforms in the countries of east and south-east Europe came about only after the second World War. One of the basic manifestations of the influence of land reforms on the economic development is the decrease of the percentage of peasants in the totality of the population. This decrease was the condition under which the people's democracies entered the phase of the extensive industrialization and the condition for changing the structure of the national income, which means the increase of its part produced by the industry. These two symptoms i.e. the change of the structure of the employment and the change in the structure of national

⁴ Also Spain, Portugal and Italy. Only in Italy efforts were made to solve, by means of the land reform introduced after World War II the agrarian problems, which were specially drastic in the southern parts of the country. The expropriation and the parcelling out of the great estates took place there, and also the program of amelioration was made. See C. von Dietze, *Agrarreformen und Agrarrevolutionen*. Staatslexikon. — Recht, Wirtschaft und Gesellschaft. vol. 1, p. 143.

⁵ It is difficult to accept the statement that land reforms after World War I in fact gave nothing to peasantry (W. Góra, op. cit. p. 18) especially that there were no arguments supporting this statement. In Albania the land reform of 1930 included the statement about the utter expropriation of 1/3 of the lands undergoing the parcelling out, and it apportioned part of the grounds to the peasants living in the sub-montane regions. (G. Lorenzoni, *La questione agraria albanese*. Bari 1930). In Hungary, on the basis of the regulations in the land reform of the years 1918 - 20 1,210,000 of holds of land were distributed (by long lasting repayments) which was over 1/3 of the land distributed after World War II (V. Gsowski, K. Grzybowski, op. cit., p. 1786). In Rumania, by virtue of the alegal acts of December 15, 1918 and July 17, 1921, about six million hectares were distributed among smallholders. (Enciclopedia Romaniei, 1939 - 48, vol. 3, p. 99) which is nearly five times more than the area parcelled out after World War II, i.e., 1,111,000 ha (A. Ajnenkiel, op. cit.). In face of the lack of possibilities of verifying the figures quoted, which only come from different works and are sort of "second hand" data we give them in the notes. If, however, we adopt the data as a basis for orientation in the situation of the total region in question it will become clear that the balance of the land reform in the between-the-wars Poland was very poor (see Cz. Madajczyk, *Burżuazyjno-obszarnicza reforma rolna w Polsce 1918 - 1939* (The bourgeois-squire land reform in Poland 1918 - 1939). Warszawa 1956, pp. 320 ff.). Here perhaps we may look for explanation of the less drastic progress of the last phase of the great crisis of the thirties in the South and East of Europe than in Poland. This problem, however, should be investigated more thoroughly and the above generalizing description cannot be satisfying.

income are the basic features of the economic development, since they make possible the increase of the national income per capita⁶.

After the second World War as well as before it in particular countries of this region the percentage of people living on agriculture was higher than the average percentage for the whole of Europe where it reached 36% in 1937 and 33% in 1949⁷. The process of the decrease of the percentage of the peasants in the totality of the population was, in the period under discussion, the most characteristic feature of the changes in the social structure of the people's democracies (see table 1). The realization of these changes was the more difficult (if we take into consideration the situation of the economics and the degree of mobility of the community), the more numerous — absolutely and relatively — was the peasantry⁸. The decrease of the percentage of agricultural population in the discussed above group of countries was greater than in the countries of western Europe⁹.

In the sociological and economic literature concerning the changes of the social structure, and of the employment in particular, various reasons for the migration from the country to towns are formulated. Factors such as the difference between the incomes reached in agriculture and those in industry¹⁰, the low income flexibility of the demand for food¹¹, the law of concentrating grounds in the capitalistic system, the development of the collective farm movement in the socialist agriculture, the attractiveness of living and working in towns and the agrarian overpopulation¹², were pointed out. The latter was particularly important in the European people's democracies. The notion of agrarian overpopulation is very seldom defined, since evaluations wanting precise criteria cannot be done. The agrarian overpopulation in central and south-eastern Europe evaluated accepting as a criterion the average level of the agrarian production per person employed in agriculture in whole Europe — was from 10% in the western part of Poland, through

⁶ See J. Rosen, *L'industrialisation des régions arriérées. L'exemple de l'Europe du sud-est*. Zürich 1948.

⁷ GDR was the only exception. See *Yearbook of Food and Agricultural Statistics*. FAO, Washington 1951. vol. IV, part I, p. 16.

⁸ F. Dovering, *Tendencje zmian w proporcji ludności rolniczej i nierolniczej* (The tendencies of changes in the proportions of agricultural and non-agricultural population). *Zagadnienia Ekonomiki Rolnej* 1960, No 3.

⁹ *Yearbook...*, pp. 15 ff.

¹⁰ T. Schultz, *Production and Welfare of Agriculture*. New York 1959; J. R. Bellerby, *Agriculture and Industry Relative Income*. London 1956.

¹¹ R. G. D. Allen, A. Bowley, *Family Expenditures*. London 1935.

¹² See W. E. Moore: *Agricultural Population and Rural Economy in Eastern and Southern Europe*. Offprint from: *Demographic Studies of Areas of Rapid Growth*. 1945 and in Polish bibliography: K. Sokołowski, *Odptyw ludności ze wsi* (Migration from the Country). Warszawa 1961.

20% - 30% in Czechoslovakia, Rumania and Hungary, 50% in central and eastern Poland, up to 70% in Albania¹³.

The land reforms after World War II made it possible to suppress the overpopulation by changes in the structure of the land estates. The extreme limits of the estates permitted by the land reforms were the following¹⁴:

Table I

Agricultural population in the European People's Democracies

Country	The period of 1930 - - 1939 (A)			The period of 1948 - - 1950 (B)			Agricultural population as related to total population (in percentage)	
	Year	Population in thousands		Year	Population in thousands		Period A	Period B
		total	agri-cultural		total	agri-cultural		
Albania	1930	1,003	800	1950	1,219	969	80.0	79.5
Bulgaria	1934 ^a	6,397	4,906	1950	7,253	5,273	76.7	72.5
Czechoslovakia	1930	13,998	7,363	1950	12,338	6,017	52.6	48.8
Yugoslavia	1931	13,934	10,629	1948	15,772	11,115	76.0	71.0
GDR	1939	16,745	4,653	1950	18,388	5,348	27.8	29.1
Poland	1931 ^b	31,915	23,184	1949	24,160	15,414	72.0	63.8
Rumania ^c	1930	14,281	11,229	1950	16,301	12,276	78.6	75.3
Hungary	1930	8,685	5,542	1949	9,205	5,845	63.8	63.5
Total		106,958	68,306		104,636	62,257	63.8	59.4

^a) Including South Dobrudja; ^b) Within 1939 borders; ^c) Within present borders;

Sources: *Polska w liczbach 1944 - 1958* (Poland in figures 1944 - 1958). GUS, Warszawa 1959; *Rocznik Statystyczny 1950* (Statistical Yearbook 1950) p. 17.

Maly rocznik statystyczny 1939 (Small Statistical Yearbook 1939) p. 29.

Yearbook of Food Agricultural Statistics 1950. FAO, Washington 1951, p. 15.

Die Europäischen sozialistischen Länder in Zahlen. Regierung der DDR, 1961, p. 31.

Statistiken zur Wirtschaft Ost- und Südeuropas, part IV, *Gebiet und Bevölkerung*. Deutsches Institut für Wirtschaftsforschung, Berlin 1958, p. 14.

¹³ W. E. Moore, op. cit., p. 64. The evaluations are most probably overcalculated because they assume that the standard of efficiency in agriculture in these countries is similar to the whole of Europe, where it was conditioned by the high standard of the western and Scandinavian countries. This standard is to be reached in southern and eastern Europe only during the process of industrialization and development of productivity forces in agriculture. We quote these data because they show the reserves of manpower in agriculture in the regions of Europe under discussion.

¹⁴ See V. Gsowski and K. Grzybowski, op. cit., pp. 1725 ff., and A. Ajnenkiel, op. cit.

Albania — the first phase of the land reform (August 1945) — 20 ha for the farms using old methods and 40 ha for those using modern methods in husbandry

second stage of the land reform, after the elections on December 2, 1945 — 5 ha plus additional 2 ha per each member of the family and expropriation of the land not cultivated by the owner himself.

Bulgaria — 20 ha in Bulgaria and 30 ha in Dobrudja.

Czechoslovakia — 25 - 50 ha.

Yugoslavia — 20 - 35 ha.

GDR — 100 ha

Poland — 100 - 50 ha arable land.

Rumania — 50 ha.

Hungary — 57 ha (100 holds).

The lower limit of the proportions of the estates undergoing expropriation in people's democracy countries varied from country to country. The analysis of the distribution of the total area of arable lands in the estates of various proportions show that the smaller was the share of whole land owners in the big area of the estates, the stronger was the tendency to diminish the quota of the area of farms not undergoing the parcelling out. Different proportions of the parcelled out estates were in connection with the antifeudal or anticapitalistic character of the land reforms. This determined the social and political aspects of the land reforms. In Yugoslavia, Albania and Bulgaria the land reform had more radical form already in its first phase. In the majority of people's democracies, however, the expropriation was not to concern the larger farms. The differentiation in the proportions of estates undergoing the parcelling out had also the economic aspect. Namely, it permitted to enlarge the total area of the land ready for the parcelling out.

This area in all countries under discussion reached 13.5 hundred to 15.2 hundred ha¹⁵. The parcelling out and colonization of this area made the change in the agrarian structure and, what follows, the suppression of the agrarian overpopulation possible. The most characteristic feature of the change in the agrarian structure in the people's democracies was the diminishing of the share of big estates in the total area of arable land. Assuming that in Poland the number of the farms of the area from 20 to 50 ha equals 100% in 1939, in 1947 it diminishes to 64.6%¹⁶. In Rumania the number of the farms of the area of 50 ha diminished to about one third in relation to the period

¹⁵ Н. Пухлов: *Переустройство ...*, „Вопросы Экономики.” 1949 No 9; A. Ajnenkiel, op, cit., p. 197; W. Góra, *PPR w walce ...*, p. 310.

¹⁶ M. Mieszczankowski: *Struktura agrarna Polski międzywojennej* (The Agrarian Structure of the Between-the-Wars Poland.) Warszawa 1960, p. 407.

before the war¹⁷. In GDR the area occupied by the big estates (over 100 ha) diminished by 32% in relation to the pre-war period¹⁸. In Bulgaria and Hungary the share of the big estates in the totality of the arable land diminished to about one fourth of the area¹⁹.

The specific „flattening” of the agrarian structure which was the result of the land reform was a factor of the utmost importance in the suppression of the agrarian overpopulation. This made the economic stabilization of the greater part of the agricultural population possible through giving them their own farms. On the other hand, the process of stabilization was accompanied by the migration from the country to towns, from employment in agriculture to employment in industry. It was indispensable for the economic development and industrialization of the country and fulfilment of this factor was directly connected with the land reforms. The process of industrialization in people's democracies in its first phase was carried out mainly on the base of the new proportions in the division of manpower between agricultural and non-agricultural branches of economy²⁰.

Certainly, such basic changes in the situation of employment, in the system of political, organizational and possessional relationships taking place in the period of enormous war damages and of lowering of the state of technology in agriculture²¹ had to have an impact on the level of the agrarian production.

¹⁷ A. Golopentia and P. Onica, *Recensământul agricol di Republica Populara Română*. Institut Central de Statistica. Bucarest 1948, p. 59.

¹⁸ *Statistische Angaben über die Bodenreform*. in: *Zehn Jahre Volkswirtschaft der DDR*, Berlin 1959, p. 138.

¹⁹ N. Spulber, op. cit.

²⁰ The process is more thoroughly described in our article: *Problemy struktury społeczno-ekonomicznej ludności krajów Europy środkowej i ZSRR w latach 1930 - 1960* (Problems of the Social and Economic Structure of the peoples in the countries of Central Europe and the USSR in the Years 1930 - 1960). *Studia z dziejów ZSRR i Europy środkowej* 1967, vol. III.

²¹ The decrease in the standard of technology in agriculture of the people's democracies is illustrated by the table below:

Calculations of the traction power in the European people's democracies in the years 1946/47 and 1950/51 in percentage relation to the pre-war level*

Countries	1946/47	1950/51
	%	%
Bulgaria	70	89
Czechoslovakia	92	96
Yugoslavia	42	78
Poland	45	62
Rumania	60	87
Hungary	65	88
People's democracies in total	62	83
Other European countries in total	104	119

Table 2
Agricultural production before the Second World War and in the years 1946/1947

Country	Grain			Potatoes			Sugar beet and sugar			Cattle		Hogs	
	Area in thou- sands ha.	Production in thousands tons		Area in thou- sands	Production in thousands tons		Area in thou- sands ha	Production in thousands tons		Production in thousands tons		Production in thousands tons	
		1934- 1938	1946- 1947	1934- 1938	1946- 1947	1934- 1947		1934- 1938	1946- 1947	1934- 1938	1946- 1947	1934- 1938	1946- 1947
Albania	43	51	44	54	1	2	.	.	.	407	366	22	18
Bulgaria	1729	1537	2098	1702	18	18	7	30	18	1937	1720	944	719
Czechoslovakia	1853	1696	2990	2449	711	640	163	175	633	4296	3941	3158	2914
Yugoslavia	2435	2289	2703	2317	277	164	27	29	75	4230	2496	3138	2753
Poland	6695	3783	8817	3388	2756	1665	225	179	954	9924	3910	9684	2674
Rumania	2716	2879	2756	1987	222	255	26	38	66	3680	3000	2440	1400
Hungary	2220	1545	2917	1551	316	256	46	54	124	1763	1280	4000	1717

Source: *European Programs of Agricultural Reconstruction and Development*. FAO. Washington-Geneva, 1948, pp. 16-18.

As table 2 shows in the basic branches of agrarian production of the people's democracies in the years 1946 - 1947 there was a decrease in harvest, and the diminishing of the arable lands as compared to the period of 1934 - 1938. The decrease was one of the greatest in Europe. This was probably due to the war damages but we must also remember that it happened in the period when in most of the people's democracies the land reforms were being introduced.

The land reforms, then, being a factor of long distance stimulation of the social and economic development of the country, caused in the short period of their operation a set-back in the field of restoration and economic development.

These phenomena become clear if we take into consideration the fact that they took place in the period of the great post-war migration of the people.

The agriculture in the countries of western Europe was supplied with very high State subsidies, so it managed to get back and even exceed its pre-war level already in 1949 - 1950 except for Austria, Greece and West Germany²². In the Mideuropean countries this process lasted longer, the needs of agrarian investments were treated as matters of secondary importance, not so important as mining, industry and transportation, and very often it was just agriculture which had to pay for the development of the whole of economy of the State.

If we compare the dynamics of agrarian production in the people's democracies and in some of the countries in Western Europe, during a longer period we shall see that the speed of the development was similar or even some of the Mideuropean countries developed faster (see table 3).

The differences in the methods of calculations in particular countries (in most countries the data refer to the final production and in the capitalist countries to the production of the economic years) diminish the possibility of comparing the above data, but it is difficult to describe the problem of the dynamics of the development in some other way.

It is not possible to explain in a short article all the factors stimulating and inhibiting the economic development. The symptoms of this development and at the same time its basic factor, which was the decrease in the percentage of the peasants in the totality of the population and the change of the structure of employment in the profile of agriculture and industry, was strictly connected with the land reform.

The changes in the distribution of manpower between agriculture and

a) the unit of power: 1/6 of tractor, 1 horse or mule, 4 asses, 1.5 oxen, 2 cows.

Calculated on the basis of: *European Programs of Agricultural Reconstruction and Development*, Washington 1948, p. 49.

²² W. Laqueur, *Europa aus der Asche. Geschichte seit 1945*. Axel Junker Verlag, München 1970, p. 167 - 8.

Table 3

Dynamics of the development of the agrarian production in the people's democracies and in some of the capitalist countries in the years 1934/1938 till 1963/1964 (1952/3-1956/7=100)

Countries	The between-the-Wars period ^a	1950	1953	1957	1963
Bulgaria	76	73	104	109	143
Czechoslovakia ^b	113	97	96	109	109
Yugoslavia	86	63	90	119	152
GDR	.	71	90	.	113
Poland ^b	97 ^c	94	94	109	129
Rumania ^b	83	61	84	100	105
Hungary	108	97	100	114	126
Denmark	78	98	101	111	118
France	84	92	99	102	126
Switzerland	86	108	100	99	99
Great Britain	76	97	98	105	132
West Germany	84	87	101	105	127

^a) the average yearly production of the years 1934 - 38

^b) 1955 = 100

^c) global production

Source: *Rolniczy Rocznik Statystyczny 1945 - 1965* (Agricultural Statistic Yearbook 1945 - 1965). GUS, Warszawa 1966, pp. 376 - 77.

other economic branches found repercussions in the structure of the national income in the people's democracies.

We failed in our attempt to complete the data concerning the structure of the national income of the between-the-wars period, which would be a starting point for the evaluation of the changes which took place after World War II. Bearing in mind the attractiveness of the problem we present in table 4 the data which may illustrate the proportions of the changes, although they are often incomparable, especially those concerning the structure of the national income in particular countries. Taking into consideration the available figures we shall compare two countries: Poland and Hungary²³. In Poland the share of the agricultural production in the total value of the mining, industrial and agricultural production (without building trade, transportation and craftsmanship) reached in 1929 68% and in 1948 the share of agriculture in the national income was 24%; the same data for Hungary for the years 1929 and 1949 were, respectively, 70 and 27 per cent. Taking into consideration only partial comparability of those figures and the margin of

²³ See: L. Landau, *Gospodarka światowa. Produkcja i dochód społeczny w liczbach. Wybór pism* (World Economy. Production and National Income in Figures. Selected works). Warszawa 1957, p. 415.

Table 4

The share of agriculture in the national income of the European people's democracies in the years 1948 - 1963

Countries	Years		Percentage of the national income in current prices	
Albania	.	1955	56.5	.
Bulgaria	1948 41.0 ^a	1950	42.5	1963 33.4
Czechoslovakia	1948 26.0	1950	20.0 ^b	1963 12.0 ^c
Yugoslavia	1952 25.8	1955	33.9	1963 28.0
GDR	.	1950	12.1	1963 9.9
Poland	1948 24.0	1955	32.1 ^d	1963 23.5
Rumania	.	1950	28.0	1963 29.8
Hungary	1949 27.0 ^e	1950	38.4	1963 19.0 ^f

^a percentage of the global product

^b in the prices of 1955

^c in the prices of 1960

^d in the prices of 1961

^e percentage of the estimated value of the global product

^f in the prices of 1959

Sources: *Anuari statistikor i Republikes te Shqipërise 1958*, p. 134

Стаматчевски Годушник на Народна Република България 1956. Sofia 1957, p. 22.

Statistička Ročenka Republiky' Československe 1957, p. 291.

Statistički Godišnjak Federativne Narodne Republike Jugoslavije 1954, p. 110.

Rocznik Statystyczny 1949 (Yearbook of Statistics 1949). Warszawa 1950, p. 27.

Rolniczy Rocznik Statystyczny 1945 - 1966, series Roczniki Branzowe No 2, Warszawa 1966, p. 375.

Statistikai Évkönyv 1949 - 1955, Budapest 1957, p. 39.

tolerance in comparing them we may notice that after the second World War and the introduction of the land reform in these countries the share of agricultural production in the totality of the economic income of these countries rapidly diminished. At the same time the participation of industry increased. In Poland the share of the mining and industrial production in total mining, industrial and agricultural production in 1929 amounted to 32% and in 1948 it reached 44% of the national income. For the years 1929 and 1949 the respective figures for Hungary were 30% and 50%. Only a small possibility of mistake is there in the extrapolation contained in the statement that similar tendencies could be noticed in other people's democracies.

The share of industry in the national income in the majority of the countries except for Albania and GDR already during the first five years after the war reached 40%. The transformation of the structure of the national income and the speed of its rise were, first of all, the results of the considerable increase of the industrial production. The agricultural production developed less rapidly and in some countries (and branches) it even dropped down. Among the European people's democracies Hungary reached the greatest dynamics of the industrial production, Bulgaria (in 1964 the growth six times as high in relation to the year 1938=100), Rumania (almost five times as high), Poland (almost four times), Czechoslovakia (over three times). The increase in the industrial production of these countries was reached with the simultaneous (greatest in the people's democracies) rise of employment with the shift of manpower from agriculture to industry as its main source²⁴.

The land reforms in the people's democracies solved the problem of land hunger by the apportionment of land to four million of farmers. The specific value of these reforms varied in particular countries as varied the percentage of the parcelled out grounds in relation to the totality of the arable lands and as varied the forms in which the possessional relations in agriculture, changed later on. For the agricultural population the land reform made it possible to reach some degree of economic stabilization. But it could not just by itself change radically the conditions of living in the country. The possibilities of such changes emerged owing to the industrialization policy which made it possible to strengthen economically the countries under discussion and to modernize their economic and social structure. The industrialization could not be possible without solving the first-rate problem of the country, without the land reform. Of course, these fundamental changes could meet considerable difficulties and expenses. Employing the agricultural overpopulation in the non-agrarian work meant the distribution of the consumption funds destined for the towns between the growing number of the people, with the simultaneous limited possibilities of the increase of the consumption funds. However, the effect of the process of limiting the employment in agriculture, which was conditioned on the one hand by the land reform and on the other hand by the intensive industrialization was from the point of view of the economic development most efficient. Owing to the change in the structure of the employment the people's democracies avoided the so-called "low economic level equilibrium trap", which means that with the considerable growth of the population, limited area of free land, lack of the capital help from outside the country the breaking through the low level of income per capita is most

²⁴ See *World Economic Report 1950 - 51*. UN. New York 1952.

difficult²⁵. One of the means of avoiding this trap was the quick change of the structure of employment and increase in the active work in these branches of economy which provide us with the means of production. These changes, conditioning the economic development were the direct results of the land reform with the development of the agriculture as a separate matter for discussion.

Translated by
A. WOŁOSZYK

²⁵ R. R. Nelson, Teoria pułapki równowagi w gospodarstwach nierozwiniętych. (A Theory of the Low-Level Equilibrium Trap in Underdeveloped Economics). In the work by many authors: *Problemy wzrostu ekonomicznego krajów słabo rozwiniętych*. Warszawa 1958, p. 119 ff.

