

Jakov KURSAR: Concepts of property and agrarian reforms in Croatia during socialism

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1. Historical context

The period of most important changes in official state policy for property relations in Croatia starts at the conclusion of World War II. Nevertheless, the winning side in Croatia implemented their policies already during the war. Even before the Provisional people's assembly passed the first Agrarian Reform and Colonisation law of 1945, the People's Liberation Councils carried out confiscations of various properties belonging to ethnic Germans fleeing Croatia alongside the retreating Wehrmacht. Moreover, confiscation of personal property was a widespread punishment for civilians who took part in collaboration and aiding the occupying forces. The collaboration was, however, interpreted very liberal, so merely for example, selling food to enemy soldiers was sometimes considered as collaboration.¹

These new property relations were formally adopted as policy when the constitutional assembly finished the Constitution of the Federal People's Republic of Yugoslavia on the 31st of January 1946. The Constitution laid the groundwork for a federal form of government. As the Cold War period started for Europe, Yugoslavia was an important ally of the USSR although it never fully came under its sphere of influence. Only in 1948 the relations between the two states deteriorated to the point that many senior officials of the Yugoslav communist party were purged under the accusation of being Stalinist sympathisers. This political antagonism between the two socialist states was one of the main factors that contributed to the formation of different socialist

¹ ČEPULO, Dalibor: *Hrvatska pravna povijest u europskom kontekstu [Croatian Legal History in the European Context]*. Zagreb, Pravni fakultet Sveučilišta u Zagrebu, 2021, p. 314.

ideas, such as the Yugoslav doctrine of workers' self-management as its unique „brand“ of socialism.²

2. Post World War II Croatia

With the formation of new Yugoslavia, the Federal Republic of Croatia was formed as well as its integral part. Although the new communist rule was opposed to nationalism, the Communist party of Yugoslavia was well aware of the importance of Croatia in the new state. As Croatian lands were significantly more economically developed than those of Serbia and Bosnia and Herzegovina, for example. The new rule, keen on ensuring internal stability, recognised Croatian national identity, culture and traditions. Aside from the traditional Croatian coat of arms, national anthem and other symbols, the authorities adopted to some extent many traditional forms of property relations, most notably the farming communes which were widespread in Dalmatia in earlier periods.

3. Changes in property relations

In the period from 1945 to 1953 it is possible to distinguish three main forms of property: private property, state property and communal property.³ During socialism, private property of individuals constituted of the means of personal needs, such as houses, flats, personal vehicles etc. and even some means of production, such as shops, trades and various services.⁴ However, according to Marxist theory, private ownership over large means of production was banned. Concerning private ownership of agricultural land, it was expected that it could be owned by an individual, and the main

² ČEPO, Zlatko: : Tito nosilac borbe protiv staljinizma [Tito Leader of the Fight Against Stalinism]. *Časopis za suvremenu povijest [Magazine for Modern History]*, No. 4, 1972, pp. 65–73.

³ MATICKA, Marijan: Zemljovlasnički odnosi u Hrvatskoj od 1945. do 1953 [Land-Ownership in Croatia from 1945 to 1953]. *Sociologija i prostor: časopis za istraživanje prostornoga i sociokulturnog razvoja [Sociology and Space: Magazine for Research of Spatial and Socio-cultural Development]*, No. 125–126, 1994, pp. 191–201.

⁴ ČEPULO, *op. cit.*, p. 315.

question of this paper is how much? The state handled this issue through the process of nationalisation and the creation of state property. This process started in 1945 through confiscation of farmland owned by German nationals, wealthy landowners and the church and employing impoverished farmers to cultivate it. The envisioned goal of this process was the creation of collective farms owned by the state.

This process was continued in 1946 with the implementation of the Law of Nationalisation of Private Enterprises which brought about the nationalisation of a large part of the total economy. Industry, infrastructure and both foreign and domestic banks and other financial institutions were made property of the state. The adoption of the doctrine of worker's self-management and the concept of communal property was largely tied to the Yugoslav-USSR disputes in 1948. Yugoslav socialist theory argued that the Soviet development of socialism has degenerated into a „bureaucratic hegemony of the state which has lost touch with the working class“. The alternative to the soviet model was articulated in the form of worker self-governance in which workers would directly manage the means of production. This also meant that workers would directly manage the compensations in wages instead of the state. The first factory worker councils were being formed since December 1949 and in 1950. From then on, Workers' Collectives institutionalised the practice of self-governance with the implementation of the Primary Law of Management of State Enterprises and Industrial Associations.⁵

4. Collectivisation of farmland

4.1. First Agrarian Reform

As already stated, the main issue concerning land property relations in the new socialist system was articulated with the Agrarian Reform and Colonisation Law of 1945.⁶ Initially, this reform foreshadowed practices during the war towards the the land of

⁵ *Ibid.*, p. 315.

⁶ *Ibid.*, p. 328.

owners that were deemed as collaborators or were marked as enemies of the state, although these measures also served as a means of securing a reliable food supply for the army on the front and not an official change in policy. As the war ended the Communist party of Yugoslavia wanted radical redistribution of farmland and they were choosing between nationalising the farmland and renting out portions to farmer or handing the land out to the farmers as private property. They decided to implement the latter option. The reasoning behind this was the serious risk of famine in the post-war times.

On the 23rd of August 1945 the law was passed and it demanded the expropriation of all farmland larger than 45 hectares or 25 to 35 hectares of land suitable for farming, effectively enforcing the land ownership cap. The law also started the process of colonisation, or the resettlement of poor farmers from unproductive regions like Dalmatinska zagora to agriculturally developed and profitable regions like Slavonia. In numbers, 12157 colonist families received a total of 47109 hectares of land. At the end of the collectivisation process, most of the privately owned lands were divided into estates between 2 to 5 hectares large.⁷ As this radical land redistribution was often resisted, the authorities decided to „rebrand “this reform in 1949 from collectivisation of the farmland in Soviet style towards formation of farming communes in form of the „zadruga“ or rural farming commune as a concept that was based on traditional communes present in earlier periods of Croatian history. Edvard Kardelj, the leading theorist of socialism in Yugoslavia and the founder of workers’ self-management advocated for the adoption of communal farming as he saw it as a promising plan to finally eradicate capitalism in farming and to increase agricultural output as well as to modernise the methods of agricultural production.⁸

⁷ MATICKA, *op. cit.*

⁸ *Ibid.*

4.2. Second Agrarian Reform

The introduction of communal farming was not met with approval and a large majority of farmers refused to enter into the system as participation was voluntary. Moreover, the communes that were formed did not meet the desired production output that was hoped for when implementing the policy. With these developments, the state decided against the continuation of their previous policies that is indicative by the fact that no more than 12% of the total agricultural land was organised into communes at any point in time. After the 6th congress of the Communist party of Yugoslavia in 1956, many farming communes were disbanded and with the introduction of the Second Agrarian Reform shortly after, the maximum amount of agricultural land was raised to 10 hectares. This marked the definitive end of the efforts to collectivise the land as approximately 92.3% of the total farmland was privately owned by 1954.⁹

4.3. Comparison with the USSR and the NEP

It is possible to draw many parallels between not only the agrarian policy changes between the second Yugoslavia and the USSR but the understanding of socialist economy itself. The process of collectivisation in the Soviet Union started during the Russian civil war as a policy known as “war communism”, which included mass nationalisation of land owned by the Russian ruling classes including wealthy peasants from 1918. However, as the war continued, different factions formed in the Party with different economic views. As the “left” faction advocated for the continuation of the policies adopted during the “war communism” with the goal of rapid industrialisation, the farmers were increasingly dissatisfied due to the fact that this policy prioritised the development of urban economy at the expense of the countryside. The “right” faction advocated the same goal but with opposite approach, claiming that for the “survival of the revolution” it is necessary to form a class alliance between the workers and peasants

⁹ *Ibid.*

and focus on improving the material conditions of the socialist forces through trade and participating in the free market.¹⁰

*"The policy of war communism, in effect since 1918, had by 1921 brought the national economy to the point of total breakdown. The Kronshadt Rebellion of March 1921 convinced the Communist Party and its leader, Vladimir Lenin, of the need to retreat from socialist policies in order to maintain the party's hold on power."*¹¹ This change was introduced as the "New Economic Policy". Envisioned as a temporary measure, it returned agriculture, small-scale trade and light industry into private ownership and it helped the soviet economy to recover from war. By 1928 the New Economic Policy was reversed by Stalin and collectivisation was reintroduced. On the other, in 1945 Yugoslavia followed the Example of Stalin's USSR with the introduction of collectivisation and farming communes but quickly gave up on these policies as the rural population stood in staunch opposition. The increase of the land ownership cap to 10 hectares with the 2nd agrarian reform of 1953 lead to the decline in communal farming. This process had many similarities with the NEP present 30 years earlier in the USSR.

5. Conclusion

Despite different circumstances, it is safe to conclude that changes in property relations in post World War II Yugoslavia were directly inspired by those in the USSR but were introduced and enforced less rigidly. Both countries largely followed the same ideological principles of the Marxist-Leninist doctrine while attempting to eradicate capitalism and private property. However, the two states had somewhat different reasons to reintroduce private ownership of the farmland and small scale means of industrial production. The USSR adopted the "NEP" to help the economy recover from

¹⁰ DRUŽIĆ, Ivo: *Prosvijećeni industrijalizam [Enlightened Industrialism]*. Zagreb, 2010, Nakladno-istraživački zavod „Politička Kultura“.

¹¹ The Editors of Encyclopaedia Britannica: *New Economic Policy. Soviet history [1921–1928]*. <https://www.britannica.com/event/New-Economic-Policy-Soviet-history>. [Access on October 14 2022].

war and ensure internal stability. On the other hand in Yugoslavia giving up collectivisation was result of the need to politically oppose the USSR through the adoption of a completely new doctrine of socialism known as "workers' self-governance" after 1948.