AGRICULTURE AND THE CHANGES OF THE SOCIAL STRUCTURE: THE CASE OF SERBIA

Poljoprivreda i promene u društvenoj strukturi: slučaj Srbije

APSTRAKT Autor ističe značaj promena u vertikalnoj dimenziji društvene strukture društava Srednje i Istočne Evrope, usredsredjujući se na skorašnje (od 1989.) promene društvene strukture u poljoprivredi u Srbiji. Nakon sažetog istorijskog pregleda, analizirani su razlozi, način i ishodi ovih promena. Zatim, situacija u Srbiji se poredi sa situacijom u nekim drugim društvima zemalja Srednje i Istočne Evrope kako bi se pronalazili objašnjenja razlika i utvrdile sličnosti. Promene društvene strukture u poljoprivredi u Srbiji se razmatraju sa tačke gledišta stabilnosti društva i kapaciteta za razvoj. Autor zaključuje da predstavljene i razmotrane promene društvene strukture u poljoprivredi ili u prilog tvrdnji da je, kada je reč o strukturalnim promenama u društvima zemalja Srednje i Istočne Evrope tokom poslednjih 16 godina, pojam "transformacije" eksplicitno adekvatniji nego pojam "tranzicije".

KLJUČNE REČI društvena struktura, poljoprivreda, Srbija, društva Srednje i Istočne Evrope, promene, transformacija.

ABSTRACT In this paper the author stresses the importance of the changes in the vertical dimension of social structure in CEE societies, focusing on the recent (from 1989) changes of the social structure in agriculture in Serbia. After a short historical review, the causes, the way and the results of these changes are analyzed. Furthermore, the situation in Serbia is compared with situations in some other CEE societies, with an attempt to explain the differences and find similarities. The changes of the social structure in agriculture in Serbia are discussed from the point of the stability of society and from the point of evolutionary capacity. The author concludes that the presented and discussed changes of the social structure in agriculture support the claim that, when speaking about structural changes in CEE societies in the last sixteen years, the notion of “transformation” is more useful in explanation than the notion of “transition”.

KEY WORDS social structure, agriculture, Serbia, CEE societies, changes, transformation.

It would be difficult to challenge the claim of T. Parsons, who wrote that modern societies possess a stronger ability of adaptation than all other societies (Parsons, 1992: 9). The power, which modern societies are able to express both

The paper was made within the project ‘Socio-economical and cultural characteristics of Vojvodina as a factor of regional linking and integration into Europe’, ref. no. 149013D, Ministry of Science and Environment Protection of the Republic of Serbia.
inside themselves (through control and development of the resources available) and towards their surroundings (i.e. other existing societies) is mainly (but not only) rooted in the extremely high degree of their social integration, based on highly developed division of labor (organic solidarity – Durkheim) and a specific normative system. This integration is achieved by certain institutions and in all three spheres of social activity: economic, political and cultural. In economy, the main integrative mechanism is market. Actually, market performs two functions: the first function, and this one is emphasized by economists, is that of creation of an efficient economic system (which enables modern societies to use and develop their resources and to use them both internally and externally); and the second function, a function emphasized by sociologists, is that of integration of society; no other economic system has proved to be better in performing these two functions. Turning to politics, we find that the principle of citizenship is the most significant institution. Modern society is a society of citizens, that is, of the people who are equal in their rights, one of which being participation in the political constitution of society they are members of. In the cultural sphere, a very general and stable value consensus is crucial. Societies T. Parsons calls “modern” are of western origin, also often called “industrial” and/or “developed”.

Therefore, the intention of Central and Eastern European societies (CEES) to enlarge their evolutionary capacity through the process of modernization can be considered quite natural. Actually, societies of Southeastern Europe have been facing the task of modernization for the last two hundred years, in various forms, with different political elites and different social surroundings. So-called “transition”, which spread along the last fifteen years or so, is just the last attempt, the last try to answer the same question.

To become modern society does not only mean that the country in question should accept and introduce the main political and economic institutions of modern societies, such as a multi-party system, minority rights, the decisive role of economy, etc. Although (or because) these traits are in the eye of the public, sociologists have to point out that it also means that a specific social structure (in its vertical dimension) must be created as well, without sharp lines between social strata and with vast middle strata and presence of intensive social mobility – which is an important feature of modern societies. Thus, the development of the certain traits of the social structure is an integral part of modernization. In agriculture this implies having farmers (as a part of middle strata) instead of peasants and a strong cooperative system instead of disorganized and fragmented peasantry.

The distinction between (ideal types of) farmers and peasants has been established by the biggest authorities in rural sociology. According to Shanin (Shanin, 1973: 14-15, 240), peasantry consists of small agricultural producers, who use small and simple equipment and work of their families to produce means for their own consumption and for fulfilling obligations to those who hold political and
economic power. On the other hand, farmers produce mainly for market, using modern techniques and technology. They specialize in their production, and their way of life does not differ much from the way of life of other social groups, making them an integral part of modern global society.

Consequently, if we witness the process of transformation of peasants into farmers, we can conclude that modernization is really taking place in this segment of society. However, if this is not happening, some other model of explanation should be used, probably the one of center – periphery, which includes the notion of peripherization.

**Historical Destiny of Serbian Peasantry**

Without any knowledge about history, it would be very difficult, practically impossible, to explain any phenomenon in a society. Ignoring history leads either to wrong or trivial conclusions. Bearing this in mind, we will firstly, and briefly, go over the history of Serbian peasantry, i.e. the changes of its social position through time.

As it is well known, the feudal Serbian state(s) was destroyed by the Turks in the second half of the 14th and the first half of the 15th century. Ottoman conquest brought, among other changes, a very serious change of the social structure. Almost all Serbian noblemen were either killed or left the country (few of them converted into Islam), so a stratification based on religious affiliation appeared: while upper strata consisted exclusively of the Muslims (the Turks and converted domestic population), lower strata, peasantry, actually were the Orthodox Serbs. On Serbian territory during Turkish occupation there was no difference between being a Serb (an Orthodox Christian) and being a peasant. The line between these two social groups was extremely sharp, and could be crossed only in the case of conversion.

The First and the Second Serbian Uprising (1804 and 1815) eliminated the upper strata of society once more – this time the Turkish (Muslim) rulers disappeared. The land was transferred into the hands of those who worked it, and the way to creation of social structure based on small peasant landholders was open. This was supported by the fact that an interesting coalition between the ruler (Miloš Obrenović) and peasantry prevented appearance of a new form of feudal system, favored by a group of warlords. Social differentiation and establishment of a modern state started, which led to creation of new strata of merchants, moneylenders and clerks (Marković, 1973). Peasantry found itself in a completely new situation (money economy), when the state wanted taxes, and newly created needs (influence of the western way of life) asked for more and more money to be spend. Very soon, with fast dissolution of traditional *zadruga* and introducing of a modern form of private property, a large number of peasants were seriously indebted. The state reacted to prevent the creation of landless rural proletariat (development of industry
and commerce in the cities was too slow to absorb new proletarians). In 1836 it was decreed that a peasant house, a certain amount of agricultural land and two oxen and a cow could not be sold or foreclosed for the payment of debts. The decree was renewed and modified in 1837, 1863 and 1873 (Tomashevich, 1955: 38-43). Throughout the 19th century and the beginning of the 20th, Serbia remained a country of peasant smallholders, politically free but economically backward and indebted, since modernization was blocked from the inside. Somehow, the social position of peasantry was “frozen”. Only in 1929 the blockade was lifted and a process of social differentiation in agriculture fully open.

The northern part of Serbia (Vojvodina) until 1918 had been a part of Habsburg Empire and, therefore, its social structure in agriculture was quite different. After the first mass settlement of this area (1690) free peasants lived only in the region of military border, while the others were serfs of foreign noblemen. After the military border had been abolished, a smaller part of peasantry kept their freedom by including their estates inside the areas of free royal cities. The revolutionary year of 1948 brought transformation of feudal estates into capitalistic latifundia, while a vast stratum of agricultural hired workers was created.

The agricultural reform (1919) in a new state frame (Kingdom of Serbs, Croats and Slovenes) brought about practically no changes to the Central Serbia (since there were not any big estates), but the big estates of foreign citizens in Vojvodina were expropriated and the land distributed to landless peasants and colonists. Since domestic landlords preserved most of their big holdings, the social structure stayed very heterogeneous. It is important to notice that both big estates and rich peasants produced mainly for the market. Among these peasants, with certain agrarian policy, were potential farmers, like those in the USA.

In spite of the state efforts, the problem of peasants’ debts had not been solved by the beginning of the World War Two. The Kingdom of Yugoslavia was a country with 75% of population engaged in agriculture, 45% of this represented agricultural overpopulation (which was more than in Romania and Bulgaria – 21 and 25%, respectively). Farms were small (almost 50% smaller than 2 hectares), with simple equipment; cooperative movement was relatively developed, especially in its first, credit form.

Socialism: Unsuccessful Collectivization

After the World War Two, the new political elite (Communist Party) carried on a new agrarian reform and expropriated and redistributed all arable land over 45 hectares in hilly and mountainous regions and of over 25 to 35 hectares in the plains. However, a significant number of big estates was not distributed to peasants in Vojvodina, but used for formation of state agricultural companies and as a support to state-controlled cooperatives (cooperative movement was completely put under the
state control). The first steps of collectivization of agriculture were carried out cautiously, but changed circumstances (the conflict between the Yugoslav and Soviet political elite) served only to speed the process up. Collectivization was accompanied by higher delivery quotas, and this only served to provoke peasant resistance, particularly in Northern Serbia (Vojvodina). Most of the SRZ (Seljačka radna zadruga, a Yugoslav version of kolkhoz) were formed in Serbia, because the Serbian peasants were considered by the Yugoslav communist leaders to be the most dangerous element. What followed made Yugoslavia, together with Poland, an exception among the socialist countries of Eastern Europe.

In 1953 the communist elite realized that the kolkhoz system was not working and that output was falling. Moreover, Stalin died and new alliance with the Western powers (especially with the USA) was on agenda – some compromises had to be made. A “softer” type of communist ideology was introduced, called “self-management”. Most SRZ were dismantled overnight and the second agrarian reform came into play: those leaving SRZ could take with them a maximum of 10 ha (15 in hilly and mountainous areas), while the rest of land went to state companies and remaining state-controlled cooperatives. Following these events, over 80% of all arable land was in private ownership.

However, the political elite of the time did not give up the so-called “socialization of agriculture”. By using various means and forms of organization, they tried during the 1960s and 1970s to include peasantry into the socialist system. State agricultural companies and state-controlled cooperatives had been receiving significant help from the state in the period, and, at the same time, private (peasant) agriculture, together with peasantry as a social class, were systematically suppressed. The use of non-family labor was forbidden and peasants could not buy tractors or combine harvesters until 1967. They were also forced, by means of economic monopoly, to sell their output to state-run agri-industrial companies and cooperatives, which were characterized by low prices, delays in payment, incorrect measuring, etc. The formation of authentic peasant cooperatives was out of the question. Peasant were to benefit from health insurance only as last as 1965, and social insurance in 1979. Pensions for peasants were paid later than others were, and their amount was ridiculously low (this is almost the same today).

Transformation of the Social Structure in Agriculture After 1989

Although being “ideologically suspicious” during the whole socialist period, a considerably large number of peasant families in Yugoslavia developed certain traits that made them different from peasantry in other CEEC (except Poland) and transformed them into the same direction (but not to the same extent) as their counterparts in Western Europe. Possessing machines and producing mainly for the market, these families usually had a younger labor force. Unlike their counterparts in
the countries with collectivized agriculture, they had been able to acquire a significant amount of economic capital: within the short break, they owned the land; they bought machines (especially tractors) after 1967; accumulated money and built large houses and economic buildings. Moreover, and probably most importantly, they preserved and enlarged their cultural capital by staying private farmers throughout the period, and not becoming state employees. In other words, their industriousness, knowledge and initiative were not spoiled by kolkhoz system. This group, in spite of, as we already said, “limited and controlled modernization”, represented the biggest economic and social advantage of Serbian agriculture and society on the eve of the breakup of the socialist system.2 Faults and deficiencies, like inefficient state (“social”) agricultural sector, too small average holdings divided in lots of plots (under three hectares in several plots), old machinery, etc, could have been overcome with a consistent agricultural policy. This sort of policy was declared by the political elite of the 1990’s (Šipovac, Babović, Tomić, 1997: 45)3, but never really followed – interest of the elite was different.

Nevertheless, the communist elite decided to accept a nationalist ideology in order to stay in power, they clearly saw “what was written on the wall”, so the famous 1989 did not bypass Serbia and radical changes were introduced both in political and economic sphere. Naturally, in this paper we will present only those that are of interest to our topic.

The question of property comes to the fore here, in this case, of course, land property. This is especially because the question of property is not about things and relations to things, but about relations among people, i.e. among social groups. It is clear that here we speak about agrarian reform, the phenomenon that (for the third time in the 20th century) appeared as extremely important in CEE societies.

The specificities of the policy of the Yugoslav communists towards peasantry during the socialist period, which we spoke about earlier in this paper, made the agrarian reform in post-socialist Serbia less deep and less extensive than the same process in most of the other CEE countries. However, this does not mean that there were not important land property changes in Serbia provoked by state measure, on the contrary.

Firstly, the land property maximum of ten (15) hectares was abolished by the new constitution in 1990. The leaders of Socialist Party of Serbia (re-named Communist Alliance) were aware that they could not stick to old solutions and limit land property. At the same time, this aimed to attract rural voters on the eve of the first multi-party elections later that year.

2 Naturally, this does not mean there were no stagnant and regressive peasant households, with elder people producing mainly for their own consumption and without almost any future.
2 N.Šipovac and J.Babović were heads of Federal and Republican Ministries of Agriculture.
The consequence of abolition of land property maximum was intensification of land market. Since then limited and sleepy, it suddenly became interesting and intensive. As it could have been expected, especially in situation without almost any other state measures in this sphere, the process led to sharper differentiation among peasants. By that moment, peasant holdings were “frozen” and they could not invest money into buying new land, so they were buying machines, building new houses and economic buildings and spent money for non-production purposes. With an administrative decision, most of them became “middle peasants”. Now the space for competition was open, and peasants with larger economic capital and entrepreneurial spirit started to enlarge their estates, producing mainly for the market and approaching, in a structural sense, to their counterparts in Western Europe and North America. On the side of losers were tiny holdings and holdings of old peasants, which were experiencing economic decline with a tendency to disappear completely.

Rich and capable peasants were not only to benefit from this process. Some members of political and economic elite (state and party officials, managers of state agricultural enterprises, etc) understood this measure as a signal to transformation of their political and social capital into economic one through creation of large estates worked in the capitalistic manner (by hired labor). They were buying land from old peasant families and using their social power to acquire bigger and bigger holdings. The latter was especially salient in land consolidation measures in some parts of Serbia. During the war and severe economic crises, in the political surroundings with the absolute domination of one political party, the process of land consolidation that took place in the end of the 1980s and the first part of 1990s was not transparent at all, which set the stage for abuses. It was the very moment when forming modern latifundia in Serbia started. The same came to the eye of press and public only in 2005.

Secondly, like in other CEE countries, the question of restitution of land to former owners was raised in Serbia, too. The dimension and consequences of land restitution in Serbia, due to the circumstances we discussed previously, were less important than in the countries whose agriculture had been collectivized. After the process of changes was open (1989), the ruling elite in Serbia could not conduct in the same way as before, and had to adapt to the new political environment. Among other things, they had to think about elections and how to attract voters. Although the elections system had its faults, the multi-party elections were a fact, and in rural areas there were (and still are) many voters whose votes are usually concentrated on one political option, and rarely dispersed. In order to get the confidence of rural electorate, the regime took a step to restitute the land peasants lost during the period of compulsory delivery quotas (1945-1952) and in 1953 (dismantling of SRZ).

The law was adopted in the Parliament of Serbia in March 1991. According to this Law, the land should have been restituted to previous owners or their heirs. If it was not possible to do that with the same land, the previous owners were to get the
land plots of the same quality on a nearby location, or were to be paid in money. No wonder this caused a conflict of interest between state (“social”) agricultural companies and cooperatives on one side, and peasants on the other. During the application of the Law, both sides were trying to promote their interest, using various means. There were cases where the Law was enforced quickly, but there are cases where it was not closed until today! Moreover, it was a new opportunity for abuses and enlarging big land estates that started to appear. As usually, the lack of the rule of law brought benefits to the strong, i.e. those who already possessed political, social and economic capital.

Thirdly, a year after the Law we just discussed, a Law on Transformation of Social Property of Land state agricultural companies and state-controlled cooperatives acquired with the Law on Agrarian Reform (1945) into the state property was adopted in the Parliament. This Law was the first attempt of the state to consider a question of land in a serious manner and should have been enforced in a year. However, this did not take place, since those who had opposite interest (above all, state or “social” agricultural companies) put many obstacles on its way and made lots of abuses. They kept their privileged position, since the same law declared they could use the state land without paying any rent. Finally, the state and social land were separated (plots of lower quality usually were declared “state”) and almost each social agricultural company had both social and state land.

Until the year 2000 and the fall of the regime of SPS, privatization in Serbia went very slowly and mostly in informal ways. While the ruling elite was refusing to privatize social and state property on large scale, since it was one of the bases of their power, privatization went in a “wild” manner: social property had been transferring into the private hands, hands of some managers of social companies, their relatives, business partners and officials of ruling parties (SPS and JUL – Yugoslav Left, led by Slobodan and Mirjana Milošević). The election victory of Vojislav Koštunica and the breakup of the regime that followed put the question of privatization, among other issues, on the agenda. Next year the Law on Privatization of Social Property was adopted in the Parliament – the fourth point of structural changes we are discussing. According to the Law, social enterprises, including agricultural, were going to be sold on auctions and tenders by a state agency.

The chosen model of privatization significantly influenced further changes in the social structure of agriculture. It was very easy to notice that selling social agricultural enterprises in this way meant creation of big estates, or enlargement of the existing large estates. Furthermore, a purchase of a social agricultural enterprise brings enormous legal privileges to the buyer: firstly, he buys land in social property paying the price that is couple of times smaller than the price of land at the free market; then, the buyer gets the right to use land in state property without paying

4 This went for 70% of capital of an enterprise, while 30% were to be distributed to employees.
any rent. Economic elite created during the 1990s used this law to enlarge their economic capital almost without any obstacles, since DOS (Democratic Opposition of Serbia) government did not seriously tried to do any revision of capital accumulation process of the 1990s. More than this, “big players” in agriculture established links with the new political elite in order not only to preserve their position, but also to strengthen it by acquiring more and more capital through the process of privatization. It was also expected that we will witness a struggle among these “big players”, struggle in which parts of political elites would play a mediation role.

The process went as it could have been expected, and in the middle of 2005 the fact that in Serbia there were new latifundia owners hit the eye of the public. The smell of sensation attracted the press, and in daily newspapers like “Večernje Novosti”, “Blić” and “Politika” during the summer this year one could read many articles dedicated to this topic. Nowadays, the names of the new “landlords” are familiar to almost everybody. People like Miodrag Kostić (“MK Komerc”), Miroslav Mišković (“Delta”), Petar Matijević (“Matijević”), Milija Babović, Zoran Mitrović i Stanko Popović (“Sojaprotein”), Dragoljub Marković (“Krmivoprodukt”) have been deeply involved in privatization of social agricultural enterprises and now own and operate thousands of hectares of arable land. After buying an enterprise, a new owner usually dismantles animal farms, since they are not profitable, buys the best machines (tractors, harvesters, etc). They also calculate with Serbia approaching the EU, which will mean subsidies from the state and the EU funds. Eventually, their gains could become really enormous when the price of land rises several times with Serbia joining the EU in the future.

Results and Prospects

We can conclude that, as a result of discussed events and processes, the following social structure in the Serbian agriculture (Šljukić, 2004) aroused:

“Real” peasants: they produce for satisfying the needs of their families, their participation at the market is hardly worth mentioning; they are poor or (and) old; there is not enough labor force inside their families; they do not have necessary machines, so often they are forced to rent a part of their land to rich peasants (farmers).

Farmers: own or (and) rent larger holdings; they produce mostly for the market; as a rule, they use family labor; they posses machinery and use contemporary methods in working land.

Latifundia owners: owners of very large estates (several thousand hectares and more), operated in the capitalistic manner, i.e. by hired labor.
Agricultural workers: they work at other people’s holdings; this group consists of fired industrial workers, the unemployed, employed people with very low wages, peasants with not enough land, etc.

These are the described four groups that make the social structure of agriculture in Serbia, but in other CEE countries as well; more, these basic groups exist in the Western countries.

It is quite natural to ask what the differences are, if there are any. And there are, in deed. While in the West the main part of the social structure in agriculture is made of farmers (second group), who dominate economically, politically and culturally, in Serbia and other CEE countries the first group (“real” peasants) is very numerous. “Real” peasants are not in any way a “pillar” of society, they are more like a social burden. Their appearance and existence is a consequence of the socialist era, but also a consequence of “transition”, when the secondary sector (industry) was shrinking (many industrial facilities were closed down). Since there were not enough new work places for those who lost their jobs in industry and those who represented excess labor force in agriculture, many people had to turn to subsistence form of agriculture. Although Serbia (with Poland) is partially an exception regarding number and strength of the stratum of farmers, farmers are far from being a dominant force. More and more, the dominant force have been becoming new latifundia owners, whose other side, consequently, consists of the stratum of agricultural workers.

One could raise an argument saying that in Serbia, with its 4, 66 millions of hectares of arable land, about 85% are in the hands of peasantry, and that, allegedly, means that the influence and power of latifundia owners is of a very limited scope and good material only for the press, hungry for sensations. However, the truth is that regionalization of social structure of agriculture is at the stage. Central Serbia has for a long time been a region with domination of small proprietors in agriculture (average holding is less then three hectares), with few large holdings. On the other hand, there is North Serbia (Vojvodina), traditionally a region with large holdings of greater importance. In Vojvodina in the 19th century there were large feudal estates, later large capitalistic latifundia, then, during the socialist period, social agricultural enterprises. Out of 1, 6 million hectares of arable land in Vojvodina, about 570 000 (one third, approximately) are social and state property in agricultural companies and old-type cooperatives. This is exactly the land new latifundia owners have been buying and putting under their control during the last few years. This means that Vojvodina, as the most important agricultural region in Serbia, will stay a region with a domination of large capitalistic estates. There is the same type of holdings in the West, but they are not dominant (Shanin, 1973: 248).

Therefore, in spite of the same contents, the social structure of agriculture in Serbia is different from the one in the Western countries. This could lead to the conclusion that it is better here to speak about transformation, and not of transition.
(Stark and Bruszt, 1998: 7), since the latter speaks of a “transit” with the knowledge and certainty of the other side. Transformation has been going to the direction of creating a form of a peripheral society, with polarized and relatively unstable social structure. It could mean that Serbia, together with some other CEE societies will not be able to catch up with the West with their evolutionary capacity.

If we accept the conclusion that societies of the center intend to shape societies of the periphery according to their needs, and not to their image, it is clear that the impulse of modernization must come from the inside. Has there been such an impulse in Serbia in the last five years in this area (agriculture)? We have already shown that the political elite of S. Milošević’s period favored “farmerization”, but only on the level of a declaration, and not in their practical political moves. After the old regime had been overthrown, the new ruling political elite had not done much from their program before the election in the year 2000. The chosen model of privatization was in favor of arising stratum of latifundia owners, and measures that were supposed to help farmers modernize their holdings were very shy. Apart from couple of a bit late and limited moves, like the state subsidies for farmers that wanted to enlarge their holdings (2002, the measure was suspended less than two years afterwards), the policy towards peasantry did not change much, or, not at all.

The elections held in the fall of 2003 brought a new government to the scene, which makes the first steps towards adjusting agricultural policy to the one led in the EU countries, the steps that meant, finally, a turnover in the policy towards peasantry, after almost 60 years of pressure and limitations. Registration of agricultural holdings was launched, and in less than two years about 130 000 of them have been registered. Since the statistics said there were 750 000 agricultural holdings in Serbia today, this number seems small. However, one should know that criteria for agricultural holdings are very low, which practically means there really are, according to estimations of the Ministry of Agriculture, about 350 000 agricultural holdings maximum. New credit lines for farmers, with low interest rates, were open; new forms of subsidies were introduced, with much more money involved. Although this was only “a drop in the sea”, the qualitative change of the policy was obvious.

The public opinion has not noticed this change yet. In the survey done in the middle of 2005, 57.1% of interviewees said that “the state neglects agriculture in the whole country”, while only 2.3% thinks that “the state has taken more care of agriculture recently”.

5 The survey was part of the project named “Sociological aspects of multiculturality and regionalization and their influence to the development of Autonomous Province of Vojvodina and Republic of Serbia”, carried out by Sociology Department, Faculty of Philosophy, University of Novi Sad, financed by the Ministry of Science and Protection of Environment of Republic of Serbia (project no. 1815).
What the new government has not done? It has not changed anything essential in the privatization model, which means that privatization of social (state) agricultural companies has continued in the same way described above. In the “Strategy of Development of the Serbian Agriculture”, which the government adopted in September 2005, one can read that the state intends to favor “farmerization” of the Serbian agriculture, but the attitude towards privatization of the rest of social agricultural companies is very vague. Or, we could say, it is actually very clear: nothing will be changed, no new strategy applied, like, for instance, distribution of “social” land to farmers, etc.

A draft of the new Law on State Agricultural Land represents a new step, by which the state finally wants to put its land under control. The draft of the Law says the state will lease the arable land to a registered agricultural holding for the period from three to twenty years. It will be done by an auction or a tender, and those who are owners or lessees of the land nearby will be favored, if they accept the highest offered rent. Practically, it means that latifundia owners will be able to own the state land, too, since they already own social land of the bought social agricultural company, or are able to offer the highest rent. This makes the draft of the Law stay somehow half-way, like the mentioned Strategy also does.

It appears that, speaking of the social structure in agriculture, nothing will be changed significantly, and we will have the structure described above.

References
Zakon o načinu i uslovima priznavanja prava i vraćanja zemljišta koje je prešlo u društvenu svojine po osnovu poljoprivrednog zemljišnog fonda i konfiskacijom zbog neizvršenih obaveza iz obaveznog otkupa poljoprivrednih proizvoda, Službeni glasnik Republike Srbije no. 18/91 (Serbian Land Restitution Law, 1991).
Zakon o pretvaranju društvene svojine na poljoprivrednom zemljištu u druge oblike svojine, Službeni glasnik Republike Srbije no. 49/92 i 54/96 (Law on Transformation of Social Agricultural Land into Other Forms of Land Property, 1992).
Strategija razvoja poljoprivrede Srbije, Službeni glasnik Republike Srbije no. 55/05 i 71/05 (Strategy of the Development of the Serbian Agriculture, 2005).
Nacrt Zakona o poljoprivrednom zemljištu, veb sajt Ministarstva poljoprivrede Republike Srbije, 2005.