# Contents

List of Figures ............................... xii
List of Tables ............................... xiii
Contributors ............................... xiv
Foreword .................................... xv

## 1 Introduction

**Ilkka Alanen**

Research Background .................. 1
The Special Character of Kanepi .... 3
Methodological Foundations .......... 4
Ethical Considerations ............... 6
The Structure of the Book and the Division of Labour
Between the Researchers .............. 8
The Style of the Book ................. 9
Local and National Levels ............ 10

## 2 The Historical Background of the Kolkhoz and the Municipality of Kanepi

**Helvi Pöder**

Introduction ............................. 15

*The Municipality of Kanepi*

The Development of Agriculture in the Municipality of Kanepi .. 16
Before 1940 ................................ 16
*Agriculture in the Municipality of Kanepi in 1939* ............. 16
The Agricultural System of the Soviet Era ....................... 19
*The Termination of Small Production and the First Years of the Kolkhoz System From 1947-1950*

The establishment of the kolkhozes and the decline of
*Agriculture* ................................ 24
*The period of stabilisation* ............ 31
*The establishment of the Kanepi kolkhoz – progress and stagnation* .... 33
The Disintegration of the Kanepi Kolkhoz
The results of the poll of 1990
The failure of the attempted reform in 1991
The last two years of the Kanepi kolkhoz 1991–1992

The Liquidation of the Kanepi Kolkhoz
The Activities of the Reform Committee
The Decisive Sessions
The Distribution of the Kolkhoz Assets

References

3 The Dissolution of Kanepi Kolkhoz
Ilkka Alanen

The Structure of the Former Kolkhoz-centric System
Kanepi Kolkhoz as a Part of the Soviet System
The Dependence of Village Soviets on the Kolkhozes
Kolkhoz Chairmen: Personifications of Local Power
Technocratisation of Agriculture
The Symbiosis of Large-scale and Small-scale Production in Kanepi
The Patrimonial Character of the Kolkhoz System
“The Dictatorship of Milkers or Tractor Drivers”
Floor-level Prosperity and an Indifferent Attitude towards Work

The Development of Capitalist Production Relations, as Viewed from Kanepi
The So-called Original Accumulation and Agriculture
The Influence of Other Forms of So-called Original Accumulation on the Dissolution of the Collective Farms
Farms Set Up According to the Farm Law of 1989
The Assets Received in Compensation
The Right of Restitution of Land in the Form of Compensation
The Privatisation of the Kolkhoz
Savings And Loan Associations as a Solution for Unrealised Vouchers
The Privatisation of Residences
The Need for Decentralised Decision-Making and the Problems it Entailed

The Crisis in the Kolkhoz System and the General Outlines of the Reform

The First Two Phases of the Reform Policy

Conflicting Utopias and the Background of the Transition into the Third Phase of the Reform

The Third Phase of the Reform Policy

Drafting the Reform Plan

The Reception given to the Reform Plan

Opposition and the Wreck of the First Reform Plan

The Question of the Fate of the Kolkhoz

The Rise to Power of the Opposition

The Reform and Its Execution

Attempts at Modernising the Existing Kolkhoz Structure

Return to the Reform Plan of the Former Chairman

The Reform Committee, Plans for Privatisation according to Book Values and the Rise of a New Opposition to the Reform Plans

Public Thieving and the Moral Bankruptcy of the Board of Management

Auctions as a Compromise between Different Interest Groups

The Auction Strategy of the Kolkhoz Leadership and the Tactics of Other Interest Groups

The Importance of Information in Preparation for the Auction

Further Information on the Auction Procedure

The Auction

Further Problems Arise

Agricultural and Non-agricultural Complexes

Machinery, Equipment and Other Movable Assets

The Auction and the Social Structure

The Savings and Loan Association as the Legal Successor of the Kolkhoz
The Future Prospects of the Various Farm Types

A Systematic Picture of the Agricultural Enterprise Structure in the Light of Two Surveys

Back to Kanepi – Difficult External Circumstances

The Modes of Reproduction of Agricultural Enterprises

Marginalised or Marginal Small-scale Producers

Semi-proletarian Enterprises

Capital Intensive Family Farms

Capitalist Large-scale Enterprises

Collectively Owned i.e. Neo-collectivist Large-scale Farms

A Summary of the Directions of Development

Understanding the Failures

Robber Capitalism, Anomie and Resistance

Robber Capitalism

Anomie

Resistance

References

4 Surly Cream

Jouko Nikula

Introduction

The Era of the Rouble was the Golden Era – the Importance of Organisational Capital and Social Networks

Diversified Company I

Diversified Company II

Shopkeeper I

Shopkeeper II

In the Grey Zone – Informal Economy as the Basis for Entrepreneurship

Just Making a Living – Business Enterprises as a Means to Avoid Marginalisation

The Spirit of Capitalism Arrived, the Community Spirit Went Out of the Door – the Losers
5 From Village Soviet to Municipality
Rein Ruutsoo

Introduction – the Capacity for the Transformation of Social Capital

Reforming the Village Soviet from 1989–1991
Development of the Municipality of Kanepi During Independence

School and the Development of the Municipality
Village Soviet, School and Collective Farm
The Socialisation of Young People in Kanepi
Post-independence Schools and Perspectives of the Municipalities

Municipality, Revival of Cultural Life and Identity
Disruptions in Cultural Life and Continuities in the Spiritual Life of Kanepi
‘Days of Kanepi’ – the Restoration of Historic and Cultural Identity
Modernisation of Cultural Life in the Restored Municipality of Kanepi

Public Safety in Kanepi – the People’s Patrol, the Defence League, and the Home Defence
Rahvamalev – the Voluntary People’s Patrol
Kaitselliit – the Defence League
Kodukaitse – the Home Defence

Future of Local Government in Kanepi
References
6 The Rebirth of Civil Society in Kanepi
Rein Ruutsoo

The Historic Resources and the ‘Structure of Opportunities’ in Realignment (‘perestroika’) 349
The ‘Singing Revolution’ in Kanepi in 1987–1990: Political Mobilisation and Mass Movements

Popular Movements in Kanepi – The Popular Front, Coupled with the Restoration of People’s Faith in Themselves 351
The Struggle for Historic Memory – the Estonian Heritage Society in Kanepi 354
Some Reflections on the Estonian Citizens’ Committees and the Estonian Congress in Kanepi 356

The Restoration of the Monument to the Heroes of the War for Independence 362

The Collapse of the Estonian Communist Party; Political Reorganisation and Reforms
The Enforcement of Power by the ECP in the Estonian Village; the Opportunism of the Particular Policy Pursued (suaviter in modo) 367
The Lines of Force in the Political Life of Kanepi 372

The Church as a Source of Social Capital 375
The Associations for Civic Initiative 379
Summary: Civic Associations and Reforms in Kanepi 384
References 386

7 The Significance of the Kanepi Study
Ilkka Alanen, Jouko Nikula, Rein Ruutsoo

Rural Areas as the Driving Force in Estonia’s Struggle for Independence 390
The Agricultural System of Estonia and the Preconditions for the Success of the Kanepi Reform 391
The Middle-class of the Collective Farms and the Decollectivisation 394
The Possibilities of Kolkhozes and Sovkhozes for Transforming into Large-scale Enterprises in a Market Economy 396
The Effects of the Failed Decollectivisation outside Agriculture 399
Future Prospects 400
The Terms of Sustainable Development 402

8 Appendix: Agricultural Reform in Estonia 407
Mati Tamm 407
The Pre-reform Situation and Ideas 407
Kolkhoz or Joint-Stock Company? 408
Profit Centres and Rental Agreements in Kolkhozes and Sovkhozes 409
Private Farming and Co-operatives 410
The Ideology of Restitution and The Law on the Principles of Property Reform 415
The Main Ideas of Agricultural Property Reform 418
Main Goals and Preconditions 418
The Law on Agricultural Reform 423
The Law on Agricultural Reform and Structural Transition 423
The Reform in Action 427
Training the Reform Commissions and Chairmen of the Collective Farms 427
Main Models for Transition, Procedures for Privatisation 428
Problems, Conflicting Interests, and Shortcomings 429
Conclusions and Outcomes 434
References 438
List of Figures

Figure 1  Map of Estonia  xvi

Chapter 2
Figure 2.1  The formation of Kanepi kolkhoz from smaller units  25
Figure 2.2  The current state of agriculture  44
Figure 2.3  Attitudes concerning the land reform  44
Figure 2.4  Opinions on how to hand over land to individual owners  45
Figure 2.5  Returning land to former owners of family farms  45
Figure 2.6  I should like to become a family farm owner  47
Figure 2.7  Intention to become a family farm owner  47
Figure 2.8  The roles played by former kolkhozniks in development decisions  49
Figure 2.9  Willingness of former kolkhozniks to participate in making development decisions  49

Chapter 3
Figure 3.1  The status structure within collective farms  138
Figure 3.2  The emergence of a new enterprise structure: the transformation process in Estonia  259

Chapter 5
Figure 5.1  Administrative system in the Estonian SSR  306
List of Tables

Chapter 1
Table 1.1 Chronology of the most important general political developments and selected local events in Kanepi and the decollectivisation of Kanepi kolkhoz 10
Table 1.2 Chronology of the most important developments in Estonian agriculture after World War Two and in the decollectivisation of Kanepi kolkhoz 12
Table 1.3 Estonian economic indicators, 1989–1997 14

Chapter 2
Table 2.1 The number of farms in 1939 17
Table 2.2 Usage of farmland in 1939 17
Table 2.3 Comparative data from the reports of 1969 34
Table 2.4 Which forms of production would be compatible with the future of Estonian agriculture and with the interests of the rural population? 46

Chapter 3
Table 3.1 The eleven largest enterprises formed from the decollectivisation of Kanepi kolkhoz (restituted farms not included) 199
Table 3.2 Classification of the economic branch of the interviewee by cultivated land area in 1995 214
Table 3.3 Classification of agricultural households by their primary source of income in 1994 215

Chapter 8
Table 8.1 The number of family farms in Estonia 414