

## **Performance of Agriculture in Eastern Europe: A Comparative Analysis of Pre and Post-Transition Period**

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Ever since the collapse of central planning first in Central and Eastern Europe and then in the former Union of Soviet Socialist Republics in late eighties, the Eastern European economies are in the process of transition from the centrally planned command economy to the market based economy. In recent years Eastern Europe and the Soviet Union have undergone fundamental economic and political transformation. Far reaching changes going far beyond the earlier years characterise the agrarian economy. A new agricultural structure based on private ownership, true cooperatives and market economy has emerged and has become operationally functional. This process is still far from finished in any of the countries concerned. Most of the details have yet to get fully clarified specially in Soviet Union. However, it can be said with reasonable certainty that all these changes will fundamentally reshape agriculture as a whole in the respective countries. To understand the process of transition in agrarian economy and the outcome of such transitions it is necessary to examine and analyse the structure and magnitude of economic activity in such economies. However, the difficulties associated with the availability of reliable and complete data and other related information on these transition economies are well known, hence, the aggregate statistics on any aspect must be interpreted with great caution, specially those that span the period extending from the early to the recent transition years.

In most East European countries the collapse of central planning occurred in the year 1989 and after initial years of decline in the course of transition all the Central and East European transition economies had begun growing by 1994. Many, but not all, had depicted strong rates of economic growth in 1995, with further strong growth forecast for 1996. In most countries of the Eastern Europe the sharpest decline in output took place in 1991 and the year 1993 was the first year of positive growth. A fairly clear picture of macroeconomic trend started emerging by 1995, six years after the process of transition had begun for the countries of Eastern Europe. Although the common features of all these countries are transition, the economic trends depicted by these countries are found to be dissimilar. The differences in the growth rates among the transition economies reflect the different nature, extent and consistency of policies implemented. The transition economies cover not only Central and Eastern European countries but also the Baltic States and the Commonwealth of Independent States (CIS). In this study, however, we confine ourselves to the Eastern European countries only and that too to Bulgaria, Czechoslovakia, East Germany, Hungary, Poland and Romania for which data on economic variables are readily available. However, it may be mentioned that separate data for East Germany are available only upto 1990, hence for the later period East Germany had to be dropped from the analysis.

Table 1 gives a comparative picture of regional growth of GDP during the period 1981-1996 which includes both the periods of pre and post transition in Eastern European countries. Table shows separately the performance of the developed market economies like USA, Japan and European Union, developing countries transition economies like Eastern Europe and Soviet Union and successor states, and finally of the world as a whole. It is

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