

# THE PARADOX OF MARKET REFORM: *PĂMÂNT* AND THE VICIOUS CIRCLE IN THE REPUBLIC OF MOLDOVA

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This article asks why free market agricultural reforms in the Republic of Moldova (RM) have led to an explosion of subsistence production. The immediate answer is found in the implementation of the USAID-sponsored “*Pământ*” program, as the systematic fragmentation of collective farm land and assets were the program’s immediate results. Yet it is not clear if the dynamics of the intervention in particular caused the fragmentation, or if there is something about markets more generally that involves the destruction of the previous order. This article finds that *Pământ* was indeed decisive, because it unleashed a *bellum omnium contra omnes* among the program’s recipients which in turn led to the involution of Moldovan collective farming. Yet the subsequent increase in the number of rural Moldovans who engage the transnational labour market continues to lock the Moldovan rural sector into a trajectory of underdevelopment. In other words, the Moldovan case is an example of how Western technical assistance has combined with the destructive aspects of the free market to subordinate postsocialist agriculture in the global economy.

**Key words:** Land reform, decollectivization, subsistence production, western assistance, Moldova.

## INTRODUCTION

Why have so many collective farm workers across the postsocialist world withdrawn to subsistence production?<sup>1</sup> It has been almost 20 years since socialism collapsed, but today many postsocialist farmers find themselves clinging to basic staple production, pre-industrial farm technology and barter exchange in life or death struggles to meet their basic needs. What is particularly striking is that the postsocialist countries most mired in subsistence production and its corresponding loss

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<sup>1</sup> I use the term collective farms to refer to legacy large farms created under socialism and can include both collective and state farms, as well as their re-registered (but not reorganized) private successors such as joint stock companies. Subsistence farmers are defined as those who market less than 50% of their agricultural output, but can also receive cash from remittances sent from urban areas and abroad. Space constraints prevent a more extended discussion.