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**Bundesanstalt für Bergbauernfragen**

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**Pluriactivity and Rural  
Development**

**Theoretical Framework**

***Erwerbskombination und regionale  
Entwicklung***

***Theoretische Erklärungsversuche***

Forschungsbericht Nr. 34

bearbeitet von

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Thomas Dax  
Elisabeth Loibl  
Theresia Oedl-Wieser

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## Intention der Schriftenreihe

Die Schriftenreihe "Forschungsberichte der Bundesanstalt für Bergbauernfragen" wird im Eigenverlag herausgegeben. Die Ergebnisse von Studien und Projekten, die die Bundesanstalt durchführt, werden unter der Zielsetzung veröffentlicht, einen konstruktiven Beitrag zur Bewältigung gegenwärtiger und zukünftiger Probleme der Landwirtschaft im Berggebiet und in strukturschwachen ländlichen Regionen zu leisten. Damit soll aber auch der Problemgehalt der modernen Landwirtschaft in seinen wirtschaftlichen, sozialen, regionalen und ökologischen Dimensionen einem größeren Kreis von Interessenten bekannt gemacht und das Verständnis dafür geweckt werden.

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## **EINLEITUNG**

*Die zunehmende Bedeutung der Erwerbskombination und das Interesse an den unterschiedlichen Entwicklungswegen landwirtschaftlicher Haushalte haben seit den 80er Jahren zu einer verstärkten Auseinandersetzung mit diesen Fragestellungen geführt. Da die gesamtwirtschaftlichen Rahmenbedingungen einer Region auch Entwicklungschancen bzw. Hindernisse für die Erwerbskombination landwirtschaftlicher Haushalte beinhalten, wurde in einem internationalen Forschungsprogramm in insgesamt 24 Studienregionen in Europa eine eingehende Analyse dieser Aspekte in Angriff genommen. Im Rahmen dieses "Europäischen Forschungsprogrammes zur Agrarstruktur und Erwerbskombination" nehmen die Aspekte der weitreichenden Veränderungen in landwirtschaftlichen Haushalten einen zentralen Stellenwert ein.*

*Ziel des Forschungsprogrammes war es eine Bewertung agrarischer Strukturpolitik unter verschiedenen Rahmenbedingungen durchzuführen. Es sollten die strukturellen Auswirkungen wichtiger agrar-, sozial- und wirtschaftspolitischer Maßnahmen auf verschiedene Typen von landwirtschaftlichen Haushalten und Betrieben in unterschiedlichen Regionen Europas untersucht werden. Besonderen Stellenwert haben dabei folgende Themenkreise:*

- die Entwicklung der Agrarstruktur*
- der gesellschaftliche und wirtschaftliche Kontext der Entwicklung*
- das Ausmaß der Beeinflussung der Strukturentwicklung durch politische Maßnahmen*
- eine Prüfung der Wirksamkeit, der Effekte und der Akzeptanz wichtiger politischer Maßnahmen*
- die Entwicklung der Erwerbskombination, ihre Auswirkungen auf die Betriebsstruktur und ihre Rolle im regionalwirtschaftlichen und gesellschaftlichen Kontext*
- die Möglichkeiten und die Rolle der Erwerbskombination bei der Erreichung strukturpolitischer und regionalwirtschaftlicher Zielsetzungen*
- die komplementäre Rolle von strukturpolitischen Maßnahmen und der Erwerbskombination im Prozeß der Regionalentwicklung*

*Zusätzlich zu den Forschungsberichten der einzelnen nationalen Teams wurden die Forschungsergebnisse der einzelnen Forschungsteams, die anlässlich jährlich stattfindender Projektseminare (sogenannte Review-Meetings, vgl. Anhang 2) präsentiert wurden, durch den Projektkoordinator Arkleton Trust*

in den Tagungsberichten (meist in englischer Sprache) veröffentlicht (Literaturverzeichnis der Publikationen aus dem internationalen Forschungsprojekt, Anhang 3). Als internationale Forschungsberichte wurden drei Berichte für die EU-Kommission erstellt. Der 3. Bericht, der Abschlußbericht an die EU-Kommission, wurde 1993 bzw. 1994 von der EU-Kommission veröffentlicht.

In Österreich wurden die Ergebnisse des Forschungsprogrammes in bisher zwei Forschungsberichten publiziert. Der erste analysiert die unterschiedlichen Entwicklungsstrategien der landwirtschaftlichen Haushalte in den beiden österreichischen Studienregionen (DAX/NISSLER/VITZTHUM: Bäuerliche Welt im Umbruch, Forschungsbericht Nr. 32 der Bundesanstalt für Bergbauernfragen, Wien 1993). Es erfolgt eine umfassende Analyse der Hintergründe der festgestellten "Haushaltsstrategien": Das betriebliche Potential, die Familiensituation und das soziale Umfeld als auch die regionalen Lebensbedingungen sind Teile des Erklärungsmusters dieser Strategien. Die Analysen und Aussagen des Berichts beziehen sich auf eine Serie von Tiefeninterviews in landwirtschaftlichen Haushalten (Panelbefragung).

Der zweite Forschungsbericht faßt die Ergebnisse der quantitativen Befragungen dieses internationalen Forschungsprojektes zusammen und bietet einen internationalen Vergleich zwischen den österreichischen Studienregionen mit den anderen Studienregionen des Forschungsprogramms (DAX/LOIBL/OEDL-WIESER: Erwerbsskombination und Agrarstruktur, Forschungsbericht Nr. 33 der Bundesanstalt für Bergbauernfragen, Wien 1995).

Das Forschungsprogramm für die Untersuchung der Veränderungen in der Landwirtschaft wurde über ein umfangreiches Erhebungsprogramm und einen mehrjährigen Beobachtungs- und Bearbeitungszeitraum durchgeführt. Neben der Mitwirkung der zahlreichen Landwirte/innen, die trotz der Reihe von Befragungen immer wieder über Betrieb, Arbeitssituation und Haushalt Auskunft und Einblick in ihre persönlichen Erwartungen und Pläne gegeben haben, den zahlreichen Betriebsberatern der Bezirkslandwirtschaftskammern der Studienregionen, die wiederholt bereit waren, diese Befragungen durchzuführen, sowie zahlreichen Beamten des BMLF, die die Projektarbeiten unterstützen und die Zwischenergebnisse aufmerksam verfolgt haben, war die internationale Zusammenarbeit bei der Projektkonzeption und der Diskussion der Ergebnisse von zentraler Bedeutung. Eine Reihe von Überlegungen konnten nur aufgrund der Diskussionen im Rahmen von internationalen Arbeitsgruppen entwickelt werden.

Durch die am Programm teilnehmenden Wissenschaftler/innen unterschiedlicher Fachgebiete konnten Methoden und Durchführung des Projekts in einer interdisziplinären Forschergruppe diskutiert und entwickelt werden. Für die



einzelnen Teilnehmer/innen ergaben sich aus dieser sehr breiten und aufgrund des langfristigen Projekts auch kontinuierlichen Auseinandersetzung mit Analysemethoden anderer Forschungsgebiete wichtige Erfahrungen.

Im vorliegenden dritten und letzten Forschungsbericht, der zu diesem Forschungsprogramm von österreichischer Seite fertiggestellt wird, sollen daher die **theoretischen Grundlagen** und die Konzeption des Projektes in den Vordergrund gerückt werden. Anhand von Analysen und Beiträgen von verschiedenen Teilnehmern am internationalen Forschungsprogramm werden beginnend bei den anfänglichen methodischen Diskussionen, bis hin zu ausgewählten zentralen Ergebnisberichten, die v.a. bei den Projektseminaren vorgestellt wurden, Beispiele der Arbeiten der Projektpartner dokumentiert. Diese Sammlung von Beiträgen soll einerseits die Breite der Analysen, andererseits aber auch die Konzentration auf die wesentlichen Forschungsfragen des Projektes herausarbeiten. Im einzelnen werden die Beiträge in diesem Reader nach folgendem Aufbau strukturiert:

1. Theoretische Grundlagen und Rahmen des Forschungsprogramme
2. Vom Nebenerwerbsbetrieb zur Erwerbskombination
3. Die Bedeutung der Erwerbskombination
4. Entwicklungsstrategien landwirtschaftlicher Haushalte
5. Analyse des Haushaltseinkommens landwirtschaftlicher Betriebe

Im **ersten Teil** wird einleitend vom **Projektkoordinator John Bryden** (Arkleton Trust) die Zielsetzung und der Projektaufbau samt zentraler Forschungsinhalte und -methoden dargestellt. Dieser Überblick über die Forschungsarbeiten gibt nicht nur die gewählten methodischen Schritte wieder, sondern stellt auch die inhaltlichen Verbindungen zu zentralen regional- und agrarpolitischen Fragen her. Die im Laufe des Forschungsprogramms gestiegene Bedeutung, die dem regionalen Kontext beigemessen wird, schlägt sich im zweiten Beitrag von **John Bryden** nieder. Darin wird in einem generellen Rahmen auf die Situation und die Entwicklungstrends in ländlichen Regionen Europas zu Beginn der 90er Jahre eingegangen. Obwohl von der Phase der Projektkonzeption die Bedeutung der Region als Einflußfaktor auf die landwirtschaftlichen Haushalte bereits bewußt in die Erhebungsarbeiten eingebaut war, hat sich mit fortschreitender Projektbearbeitung die zentrale Bedeutung dieses Aspekts noch mehr herauskristallisiert. Der Zielsetzung von Maßnahmen für den ländlichen Raum und der Analyse und Entwicklung räumlich orientierter Politikansätze ist demnach ein immer stärkeres Gewicht beizumessen.

*Lars Persson und Erik Westholm* öffnen in ihrem Beitrag aus der Analyse der Entwicklungen im ländlichen Raum Schwedens ein Feld zu neuen zentralen Forschungsthemen. Nach den städtischen Gebieten haben sich auch in den ländlichen Regionen grundlegende Änderungen hinsichtlich des sozio-ökonomischen Verhaltens vollzogen. Ihr Analyseentwurf von einer beginnenden „Arena-Gesellschaft“ betont die neuen und vielfältigen Funktionen und Abhängigkeiten des ländlichen Raumes, gibt aber auch Erklärungsansätze für oft gegensätzliche Entwicklungsmuster ländlicher Gebiete. Die Veränderungen im ländlichen Raum sind damit nicht mehr bloß von der geographischen Lage sondern vielmehr zunehmend von weiteren sozioökonomischen Faktoren und individuellen Entscheidungsmustern abhängig. Das Konzept der Peripherie, das bisher im wesentlichen als räumliches Erklärungsbild verstanden wurde, wird damit um eine sozio-kulturelle Dimension erweitert. Nach wie vor sind in geographisch peripher gelegenen Regionen vermehrt sozial periphere Gruppen anzutreffen. Innerhalb des ländlichen Raumes wiederum ist unter der landwirtschaftlichen Bevölkerung der Anteil an von Armut bedrohten Personen besonders hoch.

Eine weltweit beobachtbare Handlungsstrategie in dieser ungünstigen und sich vielfach verschlechternden Einkommens- und Lebenssituation liegt für viele landwirtschaftliche Haushalte in der Erwerbskombination, d.h. der Kombination landwirtschaftlicher mit außerlandwirtschaftlichen Tätigkeiten. Die Erforschung der Entwicklung dieses Phänomens stand im Zentrum des Forschungsinteresses dieses Programms. Mit der längerfristigen Beobachtung identischer landwirtschaftlicher Haushalte sollten die Prozesse der Aufnahme (bzw. Beendigung, stabilen Fortführung etc.) der Erwerbskombination in Abhängigkeit von unterschiedlichen regionalen Bedingungen analysiert werden. Der **zweite Teil** präsentiert daher wesentliche, zu Projektbeginn diskutierte, theoretische Grundlagen zum Verhalten der Erwerbskombination. Im Beitrag von **Howard Newby** wird auf Basis der historischen Analyse der Agrarentwicklung das verstärkte Auftreten der Erwerbskombination thematisiert. Mit diesem Ansatz kann ein Beitrag zur Erklärung der Persistenz der bäuerlichen Familienbetriebe gegeben werden. Bis zuletzt sind jedoch kaum Untersuchungen über die internen Dynamiken in landwirtschaftlichen Familienbetrieben durchgeführt worden. **Patricia O'Hara** deckt dieses Forschungsmanko auf und verweist auf die Notwendigkeit, im Forschungsprogramm auch interne Entwicklungsstrategien innerhalb der landwirtschaftlichen Haushalte, aber auch Fragen der Arbeitsteilung sowie der Entscheidungsverhältnisse zwischen den Personen der Haushalte eingehend zu analysieren. Aufgrund dieser Überlegungen ist der Erfassung qualitativer Aspekte sowie der Befragung verschiedener Personen eines Haushaltes v.a. in den Panelbefragungen besonderer Stellenwert beigemessen worden.

*Im dritten Teil veranschaulichen **André Brun** und **Anthony Fuller** die Situation der Erwerbskombination in Westeuropa anhand von Auftreten, Art und Niveau in den untersuchten Studienregionen. Es zeigt sich, daß es sich dabei nicht um ein neues Phänomen handelt, sondern unterschiedliche Arten der Erwerbskombination schon länger weit verbreitet sind, in den letzten Jahrzehnten jedoch europaweit ein Trend in Richtung Erwerbskombination zu beobachten ist. Das Ausmaß ist aber von den sozio-kulturellen und ökonomischen Bedingungen der Region abhängig. Am bedeutsamsten ist die Erwerbskombination in den mitteleuropäischen Studienregionen (v.a. Alpenländer) und auch in weiten Teilen Südeuropas.*

*Der historische Aspekt der oft langen Tradition der Erwerbskombination wird mit der Darstellung der Entwicklung in Italien im Beitrag von **Elena Saraceno** beispielhaft unterstrichen. Italien, das für ein Land steht, in dem die industrielle Entwicklung spät einsetzte, wird das Modell der Industrialisierung am Beispiel Englands gegenübergestellt. Eine Vielfalt an unterschiedlich bewirtschafteten Typen landwirtschaftlicher Betriebe konnte demnach in Ländern mit später Industrialisierung sowie der Verschränkung landwirtschaftlicher und nicht-landwirtschaftlicher Arbeitsmöglichkeiten auf regionaler Ebene erhalten bleiben. Auch kleinstrukturierte Betriebe mit Erwerbskombination konnten unter bestimmten regionalen Bedingungen ihre Arbeits- und Lebensform über lange Zeiträume durchaus behaupten.*

*Die unterschiedlichen Analyseansätze der beteiligten Forschungsteams zeigten sich besonders deutlich in den Konzepten zur Erklärung der Entwicklungsstrategien landwirtschaftlicher Haushalte. Dazu werden im **vierten Teil** vier Beiträge zusammengefaßt, die einerseits unterschiedliche Ansätze verwenden, andererseits aber auch unterschiedliche thematische Schwerpunkte setzen. Im Beitrag von **Mark Shucksmith** wird einerseits der spezifische politische Kontext agrarpolitischer Maßnahmen sowie des ländlichen Raumes in Großbritannien analysiert und andererseits durch die Panelerhebungen belegte charakteristische „Weltanschauungen“ vieler Betriebsleiter und landwirtschaftlicher Haushalte als zentrale Entscheidungsgrundlage interpretiert. Zwischen den noch tief verwurzelten traditionellen Werthaltungen und neuen Anforderungen post-produktivistischer Politiken besteht dementsprechend ein Spannungsfeld.*

*Das Konzept der Lebensstilforschung, das von **Pavel Uttitz** als weiterer Erklärungsansatz eingebracht wurde, betont soziologische Aspekte bei der Analyse der Entscheidungs- und Handlungsstrukturen. Die Diskussion um die Einbeziehung subjektiver Aspekte war insbesondere im Zusammenhang mit der Planung der Erhebungsarbeiten der qualitativen Panelinterviews von entscheidender Bedeutung. Ein Element dieser Untersuchungen bestand in der*

*Erforschung der Inanspruchnahme und Wirkung agrarpolitischer, aber auch regional- und sozialpolitischer Maßnahmen für die landwirtschaftlichen Haushalte. Beispielhaft werden im Beitrag von **Ad Nooij** das Milchquotensystem und die Soziale Wohlfahrtspolitik in den Niederlanden mit ihren Auswirkungen auf die Agrarstruktur analysiert.*

*Der Beitrag der **Mountain Group (A, CH, BRD, I, F, UK-Schottland)** versucht, den Einfluß der Politik auf das Verhalten der landwirtschaftlichen Haushalte in Berggebieten Europas anhand einer Auswahl typischer Betriebsbeispiele zu erfassen. Dabei wird sowohl die Rolle der Erwerbsskombination für unterschiedlichste landwirtschaftliche Haushalte als auch der begrenzte Einfluß der politischen Maßnahmen auf die Entscheidungen/Strategien der Haushalte deutlich.*

*Der abschließende **fünfte Teil** beinhaltet zwei Analysen zur Situation und Entwicklung des Gesamteinkommens landwirtschaftlicher Haushalte. Der Beitrag von **Thomas Dax** und **Rudolf Niessler** verbindet die quantitative Analyse der Zusammensetzung des Haushaltseinkommens mit qualitativen Aussagen zur weiteren Ausrichtung der Aktivitäten des Haushaltes in den beiden österreichischen Studienregionen. Dabei wird die generell verwendete Typisierung landwirtschaftlicher Haushalte in die drei Gruppen der professionalisierenden Haushalte, jene, die sich aus der Landwirtschaft zurückziehen und jene, die ihre Aktivitäten ziemlich stabil fortführen, verwendet.*

*Eine ähnliche Verbindung quantitativer und qualitativer Erhebungsquellen ist teilweise auch für andere Studienregionen versucht worden. Der Beitrag von **Otmar Seibert** geht in seiner Analyse der deutschen Studienregionen von derselben Dreiteilung der landwirtschaftlichen Haushalte aus. Die Interpretation der Entwicklungstrends in den einzelnen Gruppen führt zusammen mit der qualitativen Bewertung der Entwicklungsstrategien zu der Schlußfolgerung, daß für die weitgehend kleinbetriebliche Struktur rein agrarpolitische Maßnahmen zu kurz greifen und durch umfassende regionale Konzepte zu ergänzen sind.*

*Die im Forschungsprogramm angewandte Methode der Erfassung der gesamten Einkommen des landwirtschaftlichen Haushaltes ist in den letzten Jahren auf verbreitetes Interesse gestoßen. So hat sich auch die EU-Kommission bzw. EUROSTAT insbesondere in Hinsicht auf die Konzeption der Agrarstrukturerhebung mit der Frage einer breiteren und detaillierteren Er-*

*fassung des Haushaltseinkommens auseinandergesetzt<sup>1</sup>. Auch von Seiten der OECD wurden die Aspekte der Erfassung der unterschiedlichen Einkommensquellen landwirtschaftlicher Haushalte und ihre Bedeutung für die weitere Entwicklung und Ausrichtung der landwirtschaftlichen Haushalte eingehend untersucht<sup>2</sup>.*

*Die Arbeiten der OECD nehmen konkret auf das Forschungsprogramm Bezug und unterstreichen die Notwendigkeit der darin gewählten Methode, insbesondere im Hinblick auf die Definition des Haushaltes sowie die Berücksichtigung aller Einkommensarten. Aus der Synthese einer Reihe von einschlägigen Arbeiten werden folgende zusammenfassende Aussagen, die in weiten Bereichen Ergebnisse des Forschungsprogramms reflektieren, getroffen:*

- \* Erwerbskombination ist ein seit langem bestehendes Phänomen. Ein großer Teil der landwirtschaftlichen Haushalte (sowohl in der EU als auch in den USA) verfügen über außerlandwirtschaftliche Erwerbstätigkeiten.*
- \* Einkommen aus nicht-landwirtschaftlichen Quellen tritt im gesamten Betriebsgrößenspektrum auf (auch wenn es bei kleineren Betrieben im Verhältnis häufiger anzutreffen ist).*
- \* Die Einkommensstruktur unter den Betrieben ist sehr differenziert. Während in Betrieben mit geringem landwirtschaftlichen Einkommen häufig außerlandwirtschaftliche Einkommensquellen für eine bestimmte Kompensation sorgen, ist die ungünstigste Einkommenssituation oft bei mittleren Betrieben zu finden, für die eine außerbetriebliche Erwerbstätigkeit aufgrund der Arbeitsbelastung nicht mehr möglich ist.*
- \* Zum Verständnis der Entwicklung landwirtschaftlicher Haushalte ist eine Disaggregation landwirtschaftlicher Haushalte in Subgruppen erforderlich.*

*Gerade diese Zusammenschau von relevanten Forschungsarbeiten regt die Beobachtung des Verhaltens von landwirtschaftlichen Haushalten über einen längeren Zeitraum als notwendige Forschungsaufgabe an. Die offiziellen Datenquellen sind jedoch selten so aufgebaut, um solche langfristigen Studien zu ermöglichen. Auch hier wird darüber hinaus jedoch auf die zentrale Rolle des regionalen Kontextes verwiesen.*

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<sup>1</sup> vgl. EUROSTAT: Manual on the Total Income of Agricultural Households, Theme 5, Series E, Luxemburg 1990

<sup>2</sup> OECD: Sources of Income of Farm Households and their Implications for Farm Household Adjustment (1993); und  
OECD: A Review of the Income Situation of Farm Household in OECD Countries (1993).

*Für die Entwicklung der landwirtschaftlichen Betriebe wird daher eine dynamische Wirtschaftsentwicklung im ländlichen Raum entscheidend sein. Als Schlüssel für die Verbesserung der Situation wird der institutionelle Rahmen und insbesondere die Verknüpfung von agrarpolitischen Maßnahmen und Politikmaßnahmen der ländlichen Entwicklung gewertet. In diesem Sinne sollte hinsichtlich der Strukturanpassung landwirtschaftlicher Haushalte ein breiterer regionaler Ansatz, der auf die Belange der gesamten Wirtschaft Rücksicht nimmt, weiter entwickelt werden.*

*Ein Reader aus einer so großen Fülle unterschiedlicher Papers stellt notwendigerweise eine beschränkte Auswahl der möglichen Beiträge dar. Es wurde daher versucht, einen Querschnitt über Arbeiten aus verschiedenen Stufen des Projektes zu ermöglichen und Arbeiten von möglichst vielen beteiligten Forschungsteams beispielhaft vorzustellen. Damit sollen auch unterschiedliche Diskussionsschritte des Projektes dokumentiert werden. Da die Originalbeiträge bisher im deutschsprachigen Raum kaum verfügbar waren, werden sie im englischen Original veröffentlicht - jedem Beitrag wird ein deutsches Abstract zur raschen Orientierung des deutschsprachigen Lesers vorangestellt.*

*Aus der Zusammenstellung der Beiträge, aber auch aus den Informationen im Anhang wird deutlich, daß mit diesem Forschungsprogramm eine einmalige Chance bestand, langfristig in einem internationalen und interdisziplinären Team zentrale Fragen der Strukturentwicklung und der Erwerbskombination mit der Landwirtschaft zu behandeln. Über die bereits verfügbaren drei Projektberichte des Arkleton Trust soll dieser Reader die Gelegenheit bieten, einen Überblick über wesentliche Arbeiten des Forschungsprogramms zu erhalten. Allen beteiligten Forscher/innen sei hier nochmals für die eingehenden Diskussionen und die Zusammenarbeit im Forschungsprogramm gedankt.*

## **Introduction**

The rising significance of pluriactivity and concerns for the development paths of farm households has led to an increased analysis on those issues. As the regional economic conditions determine to a large extent development chances respectively difficulties for the pluriactivity of farm households, an international research programme with 24 study areas in Europe has set up a thorough investigation of these aspects. This European „Research Programme on Farm Structures and Pluriactivity“ stresses especially the ample changes of farm households in the regional context („Rural Change in Europe“).

It is the major objective of the research programme to provide an assessment of the agrarian structural policy with regard to different contexts. This includes analysis of the structural effects on different types of farm households. Special emphasis is given to the following themes:

- development of agricultural structures,
- the societal and economic context of the development,
- analysis of the effects, use and acceptance of central policy measures,
- the development of pluriactivity, its impacts on the farm structure and its role in the regional economy and
- the complementary role of structural measures and pluriactivity in the process of regional development.

In addition to research reports of the national teams involved in the research programme results have been presented in particular at project seminars (Review Meetings, see annexe 2), published as Seminar Proceedings by the Coordinator, The Arkleton Trust, Scotland (List on publications of the international research project, annexe 3). The results have been summarised in three international research reports for the EU-Commission, of which the last, the final report, has been published by the EU-Commission in 1993, resp. 1994.

Results of the two Austrian study areas have been published in two reports. The first dealing with the analysis of qualitative interviews (panel-interviews) and presenting the different development strategies of farm households (DAX/NISSLER/VITZTHUM: Bäuerliche Welt im Umbruch, research report No. 32 of Bundesanstalt für Bergbauernfragen, Vienna 1993). The farm potential, the family situation, as well as the social and regional living conditions are part of the explanatory pattern of those strategies. The second report summarises the analysis of the two quantitative surveys of this

research project for the Austrian study areas and gives also an international comparison on core issues for all the 24 study areas (DAX/LOIBL/OEDL-WIESER: Pluriactivity and Farm Structure, research report No. 33 of Bundesanstalt für Bergbauernfragen, Vienna 1995).

In the research programme on rural change a series of surveys have been carried out and covered a period of observation of several years. This long time project could only be realised through the acceptance of many farmers to answer numerous questions on the farm, working and household situation, and also personal expectations and plans in the repeated interviews, through a great number of the staff of the regional Chambers of Agriculture in the Austrian study areas, who did most of the quantitative interviews and through civil servants of the Ministry of Agriculture who endorsed the work on this issue and were interested in the progress in preliminary results of the project. For the conceptual and analytical work itself the international cooperation and discussion on priorities of the issues, methodological concepts and detailed decisions on the surveys as well as on the first analysis of the results have been of decisive importance and put its stamp on the results of the project.

Through the different disciplines involved in the research programme the methods and performance of the research work could be discussed and developed in an interdisciplinary group. This meant also for each single participant a continuous confrontation with methodological tools and analysis of other research areas and provided broader experiences on the issue.

In this third and last research report of the Austrian team, in particular, a survey on the **theoretical basis** and the conceptual frame of the project should be presented. To this end analysis and contributions of different participants of the international research programme starting from examples of the first methodological and theoretical papers up to some of the papers on central results have been collected in this reader. It was our aim to give examples of most of the study teams involved. Thus it is the intention that the selection of contribution shows, on the one hand, the wide variety of analysis, on the other hand, the concentration on the most significant research topics of the project. The papers of this reader have therefore been structured as follows:

1. Theoretical basis and frame of the research programme
2. From part-time farming to pluriactivity of farm households
3. The importance of pluriactivity
4. Development strategies of farm households
5. Analysis of the farm household income



In the **first part** the *project coordinator John Bryden* (Arkleton Trust) gives in his introductory paper a survey on the objectives and the programme design as well as an outline on the central research questions and methods addressed by this study. Thus it is not just a synopsis of the chosen methodological tools but more specifically it provides the interlinkages to the central political questions attached to the project. The rising significance of the regional context can be seen through the second paper by *John Bryden*. Generally he argues in that paper on the situation and trends of rural areas in Europe at the beginning of the 90ies. Although from the phase of project conceptualisation on analysis of the major impact of the regional context on farm households has been integrated in the research design, the central relevance of this aspect was even strengthened during the research work. Hence political measures (agrarian and regional policy measures for rural areas) have to include more and more a territorial dimension and should be oriented specially on rural areas.

*Lars Persson* and *Erik Westholm* widen the analysis through their contribution on the recent development in rural areas of Sweden. Similar to significant social changes in urban areas also rural areas are now witnessing fundamental alterations with respect to the socio-economic behaviour of their population. The concept of an emerging „arena-society“ underlines the new and diverse functions but also dependencies of the rural areas. With that concept also contrasting development patterns of rural areas can be explained as part of the „arena“. Changes perceived at the local level are thus not any more just a result of the geography but rather increasingly influenced by additional, socio-economic factors and individual decision patterns. The concept of peripherality that until now has been understood mainly as a territorial one is thereby enlarged by a socio-cultural dimension. However, it is still geographically peripheral regions where most socially peripheral groups are to be found. Furthermore, within the rural areas it is again the agricultural population where the share of people affected by „poverty“ or living conditions showing elements of social exclusion is particularly high.

As a universe strategy in this unfavourable and deteriorating income and living situation many farm households have seen development chances in pluriactivity, i.e. a combination of agricultural and non-agricultural activities at all levels. The investigation of the recent development of this phenomenon was the central research issue of this research programme. Thus through the observation of identical farm households over a longer period processes of changes in the degree of pluriactivity have been analysed and always been related to the different regional situation.

Therefore the **second part** presents essential theoretical papers on pluriactivity discussed at the start of the project. *Howard Newby* gives in his contribution a historical analysis of the agrarian development and argues on the reasons for the persistence of pluriactivity. Although the topic has been addressed since long time the internal dynamic of family farm households has not been investigated until now thoroughly. *Patricia O'Hara* points to that research gaps and reveals the necessity for the research programme to deepen the analysis on the internal development strategies within the farm households, but also to work intensively on the topics of work division by gender as well as decision situations within the households. Based on these considerations qualitative aspects gained considerable importance in the programme design and different persons of a household have been interviewed, in particular, in the qualitative panel interviews.

In the **third part** *André Brun* and *Anthony Fuller* illustrate the situation of pluriactivity in Western Europe by a presentation of some of the main results on occurrence, kind and dimension of pluriactivity in all the 24 study areas. It becomes evident that we have not to do with a new phenomenon, but in the last decades all over Europe tendencies towards pluriactivity can be discerned. Nevertheless, the degree is varying drastically according to socio-cultural and economic conditions of the regions. Pluriactivity has reached the highest level in the study areas of Central Europe (in particular the mountain areas of the Alps) and in large parts of South Europe.

The historical aspect of the often long tradition of pluriactivity is underlined by the description of the Italian development in the contribution of *Elena Saraceno*. Italy with a recent industrial development is contrasted with the model of an early industrial development represented by the classical example England. Late industrial development and the proximity of agricultural and non-agricultural work places at the regional level were important elements that lead to a situation in Italy where different types of farm households with a special high involvement in pluriactive farms could survive. This affects also to the many small structured farm units with pluriactive households which preserved their special working and living form over long periods.

The different analytical concepts of the teams are illustrated best by papers of the mid-term period of the project dealing with strategies of farm households. The **fourth part** therefore groups four contributions which either use different concepts or stress different themes. *Mark Shucksmith* analyses in his paper the specific political context for agrarian policy measures as well as the rural areas in the United Kingdom. On the other hand, he exemplifies through the results of the qualitative panel surveys the decisive role of characteristic „world views“ of many farmers and farm households. Accordingly there is

much tension between still deeply traditional value patterns and the new challenges of post-productivist policies as required by the political context of the United Kingdom.

The concept of life-styles having been entered to the research programme by *Pavel Uttitz* (from the study team in Germany) serves as an additional view to the understanding of decision processes of farm households. It emphasises sociological aspects of the analysis of structures of decision and behaviour. The debate on the inclusion of subjective factors got significant importance for the programming of field work of the qualitative panel interviews. One crucial element of these surveys was the investigation on the use and the effects of agrarian, but also regional and social political measures for farm households. *Ad Nooij* illustrates in his paper the context of the milk-quota system and the Social Welfare measures in the Netherlands and draws conclusions on the farmers evaluation as well as on the structural effects of those measures.

The contribution of the *Mountain Group* is the collective result of a group of researchers on the evaluation of the impact of policy measures on the behaviour of farm households in mountain areas all over Europe using a selection of typical examples of farms and farm households. The case studies give evidence on the role of pluriactivity for different farm households and on the limited impact of policy measures for the decisions and strategies of the households.

The concluding **fifth part** comprises two analysis on the situation and development of the total household income of farm households. *Thomas Dax* and *Rudolf Niessler* link the quantitative work on the composition of farm household income with qualitative analysis on the orientation of future activities of households in the two Austrian study areas. The paper uses the general framework for the typology of household strategies grouping farm households into three categories: professionalising farm households, disengaging and stabilising ones.

A similar combination of quantitative and qualitative sources has partly been also done for other study areas. In his contribution *Otmar Seibert* starts with the analysis of farm households of the German study areas alongside that categorisation into three groups. The interpretation of the development trends of the groups together with the qualitative evaluation of the strategies leads to the conclusion that with regard to the mainly small-structured farm units agrarian policy measures alone are not sufficient and have to be supplemented by integrated regional concepts.

The method of calculating the total household income which has been used in this research programme has got wide-spread interest and application in the last years. Also the EC-Commission respectively EUROSTAT is more and more concentrating on a perspective of reckoning all the income sources available by the farm family<sup>1</sup>. This view gained special significance for the conception of the survey on the agricultural structures. Also OECD has analysed methods to assess the different income sources of farm households and their impact for the further development and strategies of farm households<sup>2</sup>.

The studies of OECD refer directly to some of the analysis of this research programme and underline the need for a coverage of all income sources. In the same way a clear definition of the farm household for purposes of analysis is required. As a synthesis of a series of studies relevant to the subject the following conclusive main features can be summarised, reflecting to a large degree results of the research programme:

- \* Pluriactivity is a long-established phenomenon. A large part of farm households (in the EC as well as the USA and other countries) have other gainful activities.
- \* Income from non-farming sources can be found throughout the farm size spectrum, though in proportional terms it appears to be more frequent among the smallest farms.
- \* Income levels are varying to a large extent. Whereas among small farms with low farm income off-farm income does much to compensate, so that the overall income level may be rather satisfactory, the most unfavourable situation seems to be found for farms somewhat larger which are too large to be operated easily on a part-time basis but are too small to generate on adequate income for their operators.
- \* In order to study recent changes and development patterns a disaggregation of farm households into subgroups which take into account not only the characteristics of the households themselves but also the economic environment is needed to provide sensible statements on different development paths.

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<sup>1</sup> vgl. EUROSTAT: Manual on the Total Income of Agricultural Households, Theme 5, Series E, Luxemburg 1990

<sup>2</sup> OECD: Sources of Income of Farm Households and their Implications for Farm Household Adjustment (1993); and  
A Review of the Income Situation of Farm Household in OECD Countries (1993)

The analysis of relevant studies illustrates the need to follow the behaviour of individual farms through time and points to the fact that official data sources are rarely enabling such forms of longitudinal time analysis. It emerges that the pattern of economic activity of farm households is not only dependent on their own internal characteristics but also on the opportunities for off-farm activities. Hence a dynamic rural economy will play a critical role. Key to improvement is the institutional structure, and, in particular, the integration of policies directed at agriculture and at rural development. Thus also here it is referred to the need for a broader, rural economy view of the adjustment process of farm households.

A reader selecting from such a great series of different papers has to be necessarily a limited selection of possible contributions. Thus it was the intention to provide contributions from the different stages of the project and to present analysis of as many teams as possible in an exemplary manner. The English original papers have not been yet available in the German speaking area to a wider audience, so this reader publishes the English version with a German abstract summarising the contents and core statements of each paper.

The collection of the papers in this reader and also the information given in the annexe indicate the privilege of participating in this research programme, addressing in an international and interdisciplinary team central issues of structural development and pluriactivity. In addition to the three reports published by the Arkleton Trust this reader should give the opportunity to get a survey on essential analytical papers and of the different stages of the research programme. At this point we'd like to refer to the considerable effort made by individual study teams and all researchers involved, and to thank them for intensive discussions and committed collaboration within the research programme.



# **1 THEORETICAL BACKGROUND AND FRAME OF THE RESEARCH PROGRAMME**

*Theoretischer Hintergrund und Rahmen des  
Forschungsprogrammes*





## 1.1 Theoretical and Policy Background to the Research Programme<sup>1</sup>

by John Bryden<sup>2</sup> et al.

*In diesem einleitenden Kapitel zum Abschlußbericht des Forschungsprogrammes werden die methodischen und theoretischen Grundlagen zusammengefaßt.*

*Nach der Analyse des theoretischen Hintergrundes wird die Frage aufgeworfen, warum es erst in den 80er Jahren zu einem größeren Forschungsprogramm zum Thema Erwerbskombination und der Dynamik in den landwirtschaftlichen Haushalten gekommen ist. Schwerpunktmäßig ist bereits seit der Jahrhundertwende die Frage der "Beständigkeit der kleinbäuerlichen Betriebe" (the persistence of the peasantry) untersucht worden, die nach kapitalistischer Theorie nicht oder nur unzureichend erklärt werden kann. Dementsprechend werden von seiten der Agrarpolitik durch marktwirtschaftliche Maßnahmen sowohl kleine Betriebe als auch Nebenerwerbsbetriebe ("Übergangsstadium") oft diskriminierend behandelt.*

*Die Diskrepanz in den strukturellen Gegebenheiten jener Betriebe, die den Großteil der landwirtschaftlichen Produkte und damit auch die Überschüsse erzeugen und der Mehrheit der Betriebe, in denen durch Diversifikation der Tätigkeiten die vorhandenen Ressourcen - v.a. die Arbeitskraft - im landwirtschaftlichen Haushalt so verteilt werden, daß ein ausreichendes Einkommen erwirtschaftet werden kann, führte zur Untersuchung der Dynamik in den Haushalten und der Bedeutung der Erwerbskombination. Entgegen der früher allgemein vertretenen Einschätzung als Übergangsstadium wird die Erwerbskombination hier als weitverbreitete Haushaltsstrategie aufgrund der Entwicklungen in den letzten Jahrzehnten verstanden.*

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<sup>1</sup> This paper is based on BRYDEN, J.M./BELL, C./GILLIAT, J./HAWKINS, E./MacKINNON, N.: Farm Household Adjustment in Western Europe 1987-1991, Final Report on the Research Programme on Farm Structures and Pluriactivity, Volume One, Chapter 2, The Arkleton Trust (Research) Ltd, Oxford, 1992. Published by the European Commission. 1993

<sup>2</sup> Research Director, Arkleton Trust, Scotland

### 1.1.1 Introduction

The research programme on farm structures and household pluriactivity, involved 24 study areas in 12 European countries, of which 20 were within the EC.

A total of some 60 researchers were involved in the programme. The research is collaborative, and inter-disciplinary, involving a wide range of social science disciplines including economics, sociology, anthropology and geography.

The particular concerns of the research programme were:

- (i) to measure and interpret structural change in farming;
  - (ii) to investigate the role of farm household pluriactivity;
  - (iii) to assess the impact of structural and rural development policies;
- and to examine the inter-relationships between these.

The programme aimed to improve understanding of farm household behaviour in relation to the *opportunities*, *resources*, and *constraints* affecting farm households in different circumstances and in different contexts.

The research examined structural changes made by some 7,000 European farm households over the period 1981-91. It focused on the influence of policy, farm and household characteristics, pluriactivity, and local context on these changes<sup>3</sup>.

By 'structural changes in farming' we mean changes in the level and allocation of resources devoted to farming by farm households or other forms of farm business organisation. This is a broader interpretation than the more usual interpretation of changes in farm size, tenure, farm morphology etc., but since land, capital and labour can all be substituted one for the other over time, and even over quite short periods of time, we think it more correct and useful to examine changes in resource allocations as a whole.

Our first and most basic hypothesis is that structural change cannot be understood with reference only to the farm economy. The three main reasons we advance are:

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<sup>3</sup> By 'local context' we mean the economic, social and physical environment which conditions the behaviour of farm households, but excluding, for present purposes, policy measures which may be selected (or not) by farm households.

- (i) that farming is but one of many activities undertaken by farm households, and in many cases is not even the most significant in terms of allocation of household labour or contribution to household income;
- (ii) that long term objectives of farm households, especially in relation to the continuity of the holding or the maintenance of status, may often be more important than current returns from farming, and
- (iii) that these are both influenced by the local social and economic context which determine such things as opportunities outside agriculture (the labour market), the status of farming compared with other occupations, etc.

In this research programme we seek to identify processes on the ground and relate them both to *individuals' and households'* actions and the local, national and European structural context within which such actions are negotiated and developed.

### ***Agro-industry and the farm household***

The ever increasing integration and concentration of agro-industry has numerous implications for farmers so that in the late 1980s some academic writers argued that farmers may remain the nominal owners of the means of production but their managerial control was becoming severely constrained (GOODMAN, SORJ, and WILKINSON 1987).

In the discussions on this issue it becomes implicitly assumed that as farmers become more involved with external agencies it will be the external forces that begin to shape the form of production rather than farm households. But empirical studies of farmers reactions to markets have stressed the ability of farmers to shape such processes.

It is therefore important to consider the various structures of kin and community networks and their use of non-wage labour and resources, the use of such networks to solve problems, the motives of individuals, and the active response of farmers as they integrate external forces into a farming strategy. Economic theory alone cannot explain local variation; the ideology and cultural dimensions of the societies should be given greater priority as factors in shaping the past, present and future farm structure (LONG et al. 1986).

### ***Non-agricultural activities of farm households***

More recent empirical and theoretical work has shown that although agricultural production remains predominately family run, the bulk of production comes from a minority of farms. Similarly with evidence within this research programme suggesting that 58% of European farms have regular links with non-agricultural employment and income sources, the traditional notions of 'part-time' farming or 'pluriactivity' (as we prefer to term it) only occurring on small farms has been refuted.

There is evidence from our research that some farm exits may be connected to pluriactivity, but in the majority of cases there is a partial adjustment to non-farm employment (FULLER 1989). This is not only a European phenomena, as SAUPE (1988, p.44) writes about farms in Wisconsin US., they *"have maintained their household income during the eighties by increasing their off-farm employment as income on farm has declined"*. Although we may find increasing polarisation between farm households favoured with one category of resources and others not so favoured; and although a farm household may become economically marginalised from mainstream agricultural production, socially they have adapted to change, economically integrated with the wider economy, and may not be marginalised from farming (COMMINS 1992).

Despite recent empirical emphasis on pluriactivity, theoretical development remains quite limited and often continues to focus on agriculture. For example LONG (1984, p.5) writes that *"Non-agricultural work is viewed as essentially supplementing the farm income, and therefore ancillary to the farming component around which the life experiences and social commitments of the members of the household are, for the most part formed"*.

Changes in the source of income and activity may affect farm production, but often, as in the case of Portugal, the process of change in farm and pluriactivity relations was much more important in terms of domestic patterns of activity than on the productive framework (REIS et al. 1990, p. 395-399). While on small farms in southern Italy, BONNANO (1987, p.156) writes that *"emotional, cultural and ideological factors are considered their principle motives for remaining on the farm"*.

These subjective assessments of farm resources by farming households are also context related. In some areas the ideology of family farming may be disappearing as farm women and farm children desire to be less involved with the farming way of life. In other areas, as BONNANO (1987, p. 124) suggests, the attachment to farming is due *"to a family's inability to acquire an urban standard of living, which is understood to be economically more remunerative and socially more gratifying than a rural one. As the former*

*cannot be achieved (due to a lack of job alternatives that represents upward mobility...), agrarian values come to legitimate a status quo in which farm families are in a marginal social and economic position."* Thus the different logics of farm households and individual within households, and the numerous dimensions of economic activity become crucial to survival (MARSDEN 1988 p.315-322).

This research has therefore sought to improve understanding of the following areas of enquiry:

- (i) The relations between agriculture and non-agricultural income and employment in farm households and how these relations may inform the persistence debate.
- (ii) How these relations are affected by division of labour in the farm households focusing on labour substitution and remuneration between the domestic farm and non-farm spheres of production and reproduction.
- (iii) What the role of the farm lifestyle is - do members of farm households adopt complicated work strategies to remain attached to the farm, and if so is this through choice or a lack of alternative.
- (iv) How such strategies and persistency are influenced by local structures.
- (v) What role rural and agricultural structures policy has in influencing decisions which affect farm and non-farm actions by farm households.

### **1.1.2 Central policy questions**

Since our research programme was agreed in 1986, the sectoral agricultural problems are increasingly viewed within a spatial framework and it is clear that a territorial or spatial approach to policy making is becoming increasingly dominant within the EC. This shift in perspective also raises the question of the place of sectoral structural policies which is surely relevant to the future of so-called 'horizontal' agricultural structures policies under Objective 5(a) of the EC structural funds.

Economists would argue the case for structural policies on the basis of market imperfections which lead to a lower than optimal allocation of land, labour and capital resources. Yet the argument for tackling this problem through an agricultural structures policy seems much weakened in circumstances of surplus food production, and a dualistic agricultural production system in which those producing the bulk of the food are not those suffering from the market imperfections in question (particularly lack of knowledge, education

and mobility, or access to capital). There may be little case here for public intervention except in market and trade regulation, food quality and environmental control. On the other hand, if there are large numbers of farm households who can be described as being 'trapped' in a low income situation on farms due to market imperfections, then there is a case for public policy intervention. The case for a 'horizontal' set of common policy measures for agricultural structures is also weakened in circumstances such as we find in Europe today of very considerable diversity in the nature of regional structural problems faced, and the options for solving them.

It is clear that the existence of 'small' farms cannot be assumed prima facie to imply that all farm households involved are trapped in that situation - in some cases - incomes may come from other sources, farms may be occupied by retirees, or the 'other satisfactions' of farming may, by free choice, be traded off against potentially higher incomes elsewhere. An important subsidiary question, then, is to what extent those on the 'smaller' side of the dualistic divide may be regarded as being 'trapped' and how they may be identified.

Beyond the questions directly relating to agricultural structures policies, there is an important set of spatial questions which relate to the issue of 'cohesion' identified in the reform of the structural funds and reinforced in the Maastricht Treaty. Essentially, we are dealing here with the need for greater economic and social convergence between Member States and regions of the Community. Article 130a of the Maastricht Treaty specifically mentions the need for the development of rural areas in the context of cohesion, and farm families are an important target group for policy. Our evidence sheds some light on the extent to which it can be said that convergence has in fact occurred in the late 1980's in terms of farm household incomes in different types of rural area.

There are also broad questions about the nature of present day farming in so called 'capitalist' industrialised countries, which are vital for the newly emergent structures in Eastern Europe and the former Soviet Union. These questions revolve around the role of profit maximisation per se as the driving force behind agricultural change in capitalist societies on the one hand (and by analogy, the role of other factors influencing behaviour), and the sustainability of small family farms in the absence of developed non-agricultural rural labour markets on the other.

Beyond those larger issues, there is an important series of questions which relate more to the development of structural and rural policies in the EC and which fall into three broad groups. Firstly, there are questions relating to the fundamental contradiction of the CAP in the sense that, on the one hand it

must seek to encourage a more internationally competitive agriculture and improve farm incomes, whilst on the other it also aims to curb surplus production and maintain family farms. In policy terms, pluriactivity might be seen as providing a potential 'solution' to this contradiction if it leads to a continuation of efficient farming without increasing production (or possibly even diminishing it) whilst maintaining farm household incomes and farm families on the ground.

Secondly, there are questions about the use, non-use, and impact of existing agricultural structural policies, and what this might tell us about what 'works' or not in different circumstances, and why.

Thirdly, there are questions which may guide the future development of policy measures. Some examples are:

- (i) If pluriactivity does turn out to solve the dilemmas of the CAP relating to the maintenance of 'family farming', improvement of farm household incomes, the improvement of efficiency, and the control of production and adverse environmental impacts, then what can we say about the forms of pluriactivity which best deliver the desired outcomes of policy? For example, what is the difference in the impact of off farm work by the farmer and that of the spouse, or other family members; or, what is the difference between the effects of on-farm diversification and off-farm working; or, what are the effects of the variants of pluriactivity in different types of rural area?
- (ii) If pluriactivity is desired by policy, then is there any remaining logic in excluding certain categories of pluriactive farm households from agricultural structures measures, for example through the rules of eligibility for investment aids under Regulation EC/2328/91 which require that farmers should spend at least 50% of their work time in agriculture and receive at least 50% of their income from on-farm sources?
- (iii) If farm household behaviour in response to changing markets and market policies is conditioned both by context and by the individual situation of households, then what should the balance be between 'common' policies and national, regional or local policies, horizontal measures, and measures targeted either to particular areas or to particular groups?
- (iv) If policies with new aims and objectives are introduced, for example for farm diversification, improving the environment, or encouraging withdrawal of land from production, what kinds of farmers take up such policies in different circumstances, why do they do so, and with what impact. For example, is set-aside mainly taken up by farmers who are

otherwise intensifying their production, or by those who are extensifying; are policies to encourage on-farm diversification taken up by larger farmers in favourable circumstances, or by those small and medium sized farmers in more difficult farming areas who may have greater need to diversify?

### 1.1.3 Theoretical and empirical background

Two main lines of enquiry inform the theoretical and policy approaches to this research: the **agrarian question** which is, in effect, the key question of agricultural structures, and the evolution of the concept of **pluriactivity**. A third strand, which has become more important in the latter stages of the research, is that of **spatial development**, particularly concepts of convergence and divergence between rich and poor rural and urban regions. By tracing these three sets of ideas over time and showing how they converge in the 1980's, a brief sketch of the theoretical background to this research is provided.

#### *The agrarian question*

##### *(i) Capitalist accumulation and dualism - Marxist analysis*

A number of 19th century writers suggested that historical trends towards fewer and larger farms were the inevitable result of 'capitalist accumulation'. This perspective is also apparent in a number of later European studies such as MENDRAS (1970) and FRANKLIN (1969). FRANKLIN in particular observed the 'survival of the European Peasantry'. A central theoretical development along these lines has been that of 'dualism', accounting for the survival of the peasantry by 'brakes' on accumulation (SHANIN 1972, 1973; HARRIS 1982). Such brakes include off-farm employment for farm households.

MARX found difficulty in incorporating the survival of the peasantry into his models of the transition from feudalism to capitalist social relations. (NEWBY 1987). Nevertheless the expected rationalisation of farm structures has long been and still is the dominant paradigm governing farm policy and farm research both East and West.

Despite the undoubted structural changes in agriculture which have occurred in the century since MARX in all western European countries, family run farms, in which the 'ownership' of capital and labour remain in large part combined rather than becoming separated, have remained remarkably



persistent. They still dominate European agrarian structures, even if a few large farms with some 'capitalistic' features such as hired labour and partial external ownership of capital (usually via the Banks) produce most of the food. The majority of labour on farms comes from family labour rather than hired labour. In this simple sense, then, agriculture has not followed the usual path of 'capitalist accumulation'.

*(ii) Chayanov and the influence of family cycles and structures*

Over half a century ago the processes of capitalist accumulation in agriculture posited by Marx were challenged by CHAYANOV who argued that they were determined rather by household or family cycles and structures (CHAYANOV 1966). This was taken up by later writers, many of them participants in the present research programme, who argued that the key need is to explore the internal dynamics of family farms (O'HARA 1988).

FRIEDMANN (1978), for example, has put forward a theory of family farming as a social form which she characterises as Simple Commodity Production (SCP). SCP means ownership of all means of production - capital, labour and land - by the farm family. These internal relations give it its specific advantages over capitalism as a form of production.

Rather to understand SCP in capitalist economies we must look at its distinct characteristics as a form. These are the labour process, the organisation of labour through kinship, gender and age, and property relations. Unequal relations and a hierarchical family system within the enterprise might be the reason to permit 'exploitation' of family labour in order to keep family farming persistent. It is the interplay of household and business that gives enterprises their specific dynamic.

*(iii) Kautsky and peasant differentiation*

Another perspective on this issue was first presented by KAUTSKY who argued that proletarianisation was taking a specific form in agriculture: not so much the dispossession of producers from their means of production but the differentiation of the peasant household<sup>4</sup> (HUSSEIN/TRIBE 1981).

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<sup>4</sup> It is perhaps odd that it has taken until the 1980's for a major research programme to take up these issues. Moreover, some recent analysis in this field (e.g. MAZOYER 1981) still avoids reference to pluriactivity or household dynamics as factors mediating, conditioning or limiting polarisation, relying on differential agricultural productivity and associated marginalisation as the principal explanatory factors. - Further details about Kautsky see Chapter 2.1.1

*(iv) Neo-classical economics: profit maximisation and economies of scale*

Neo-classical economics tended to ignore both the issue of persistence of small farms and that of dualistic development, except to argue, as MARSHALL (1922) did, that persistence was due to the absence of significant economies of scale in agriculture. The later recognition that economies of scale did exist in agriculture led to the traditional neo-classical presumption that the more efficient firms in a competitive market would gradually take over the less efficient, growing in size in the process.

*(v) Recent work on dualism and structural change*

In the 1980s, renewed interest in agrarian development produced some new ideas, some of which have been incorporated and are being tested in this research. BUTTEL (1982) produced the concept of the 'disappearing middle' based on a shrinking proportion of medium sized farms reported in the US Census of Agriculture. This fuelled the debate on dualism which has been developed further by ideas on productivism and commoditisation (LONG/PLOEG 1986) on the one side and persistence of small farms (BONANNO 1987) on the other. BRYDEN (1985) referring to the development of agriculture in Scotland since 1950 pointed to a 'growing structural dualism' with a loss of small and medium sized family farms and a concentration of both land and production on the largest farms. In addition, French sociologists in particular have contributed to the family farm debate by drawing attention to the gender issue and developing concepts of individuation and professionalisation as applied to the evolution of modern farm families (BARTHEZ 1982).

In summary, several important ideas emerge which inform this research. The concept of dualism (there being an increasing difference between the structures and performance of farm units which produce most of the food and those that contain the majority of farm households) is long lasting and central. The persistence of the peasantry or the 'small farm question' is also a long standing issue. Proletarianisation as one of the potential processes for explaining the survival of the peasantry is also of renewed relevance. This is where members of farm households are drawn into the wage labour market while living (and still working) on a family farm. It is the link between these structural questions which introduces the second line of enquiry, the important issue of pluriactivity.

### ***Part-time farming and pluriactivity***

By the mid-1970s the ubiquitous nature of 'part-time farming'<sup>5</sup> was becoming widely recognised (See for example OECD 1978, FULLER 1977, GASSON 1977). However, previous research on part-time farming (summarised by FULLER 1984) has been limited by a singular focus on agriculture and the farm operator, a lack of attention to dynamic aspects, the farm family, the inter-relationships with the rural economy and society that surrounds it, and with policy. Important ideas that contributed to the early debate included the push-pull hypothesis, as applied by FUGUITT (1959) to people leaving farming and the use of typologies by MAGE (1976). The general perception of many part-time farming studies at that time was that the taking up of off-farm work by farmers (who thus became 'part time farmers') was part of a process of transition out of farming. FULLER, however, suggested that some part time farming was permanent or stable, rather than transitional (FULLER and MAGE 1976, ABERCROMBIE 1985) The point was not developed empirically, but one consequence of the prevailing idea that part-time farming was transitional was that it was largely ignored, or even actively discriminated against, by agricultural policies in many countries.

The conclusion that part-time farming has been poorly researched formed part of the Arkleton Trust seminar in 1983 (ABERCROMBIE 1985). The assumption that a part-time farm was a separate and distinct type of entity was abandoned, as was the automatic assumption that part-time farming was exclusively associated with small-scale farming.

Most research in the 1980s focused on the farm family as the unit of analysis as it was recognised that labour substitution was a common, but little understood, aspect of farm life (FULLER 1983). The transition of thinking which reflects this development from part-time farming to pluriactivity - as the whole farm household is examined - has been described by FULLER (1990).

### ***The central place of the household in agrarian change and pluriactivity***

NEWBY (1987), following FRIEDMAN (1980, 1981), argues that in order to understand the driving forces which lie behind the actions of the family farming unit, it is necessary to investigate all of the various component parts

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<sup>5</sup> We use the term *part-time farming* when it is the principal farm operator whose labour time or income is being examined, and *pluriactivity* when it is the whole family or household that is under consideration.

of that household's income and how the labour is divided between its constituent members. The central theoretical issue for investigation is to explore how the survival of the family farm as a persistent social form in agricultural production depends upon the internal 'household work strategies' which are adopted (PAHL 1984).

By taking the household as central and incorporating the perceptions and goals of household members, the farm becomes one constituent element impinging upon collective and individual goals. Off-farm and non-agricultural working opportunities can be considered either as factors related to the development of the farm operation itself, or as entirely unconnected to the farm. However, it then becomes important to identify the nature of family members' involvement in and commitment to the farm.

The links between farming structures and pluriactivity are also obscure. In most European countries, data on farm incomes excludes non-farming activities of the farm household.

The research model, and methodology, developed by the research programme on farm structures and household pluriactivity in Europe reflected these findings and concerns, but set them firmly within a European policy framework which was clearly entering a period of significant change.

### ***Theories of spatial development***

So far, we have focused on theories seeking to explain agrarian change, the persistence of small farms, dualism and pluriactivity in aspatial terms. However, discussion of the European policy framework underlines the importance of uneven conditions and development over European space comprising Nation States and Regions.

Most recent economic theories of uneven development distinguish between 'centre' and 'periphery', the centre being 'rich', 'developed', 'advanced', and with low levels of agrarian employment, and high levels of secondary and tertiary employment in the economy, the periphery being 'poor', 'underdeveloped', 'backward', and with high levels of agrarian employment, and correspondingly lower levels of secondary and tertiary employment. Such distinctions are made both by the marxist and the neo-classical schools in development studies, by dependency theorists, and by structuralists (SEERS, SCHAFFER and KILJUNEN 1979). The main differences between these schools lies not in their description of the world, but in the mechanics of the system, in particular whether or not there is a set of structural relations between centre

and periphery which keeps the centre rich and the periphery poor; whether the inter-relations between them are virtuous or vicious<sup>6</sup>.

Such descriptions, core and periphery can also be found in Europe's 'north' and the 'south'. As SEERS (1979) pointed out, "*In Western Europe ... countries which are the more advanced (economically, politically, socially) are grouped together at the centre, and others lie to the South and West, forming a partial ring, a periphery in a much more literal sense.*" SEERS asked whether small, peripheral countries in such a system gained from belonging to a system with a technically more advanced core. Whilst incomes may be higher, he pointed to the dangers of the kinds of structural dependence identified at global level, and in particular to the "*dangers of subjection to economic, military and cultural hegemony.*"

MYRDAL, LEWIS, SEERS and FRIEDMANN (1972) belonged to schools of thought which considered uneven development at least to be very long term in nature, and at worst permanent. In this they contrasted with the neo-classical school who consider all such economic imbalances to be self-correcting over time, since capital will flow from areas of high wages to those with low wages, people will flow from areas of low wages to areas of higher wages, and goods will flow through trade from areas of low to high comparative costs. The main function of the State in such circumstances is to ensure that barriers to the movement of both capital, labour and goods are removed<sup>7</sup>.

In the European Community, disparities in GDP/head between Member States appear to have increased in the period 1980-86 but diminished somewhat between 1986 and 1990. However, regional disparities widened between 1980 and 1990 (CEC. 1991). Nevertheless, GDP per head is an imperfect measure in so far as it omits to account adequately for non-regional capital ownership and the income flows associated with these, resource depletion, and pollution or environmental costs, most of which tend to cause greater real disparities in poorer more peripheral regions. Moreover, most of the empirical data refers to NUTS<sup>8</sup> Level II regions, or, at best, Level III, the majority of which contain both large urban cores and rural hinterlands, and poor and rich segments of

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<sup>6</sup> The fundamental question remains at the heart of the political problems of cohesion and convergence which will receive increasing attention as a result of the Single European Act and subsequent reform of the EC's Structural Funds, and which were reinforced by the Maastricht Treaty on European Union in 1992.

<sup>7</sup> As indeed much of the legislation following the Treaty of Rome and the Single European Act has been seeking to do in the European context.

<sup>8</sup> Nomenclature of Units for Territorial Statistics.

the population, thus tending to obscure any divergences occurring within regions or between social groups.

To conclude this discussion, there remains a divide between theoretical positions on issues of economic convergence or divergence at both global and regional levels. Within the European Community, the basis for economic union owes much to neo-classical economic theory with its static or comparative static framework, rather than to development theories which focus on long-term dynamics. However, much of the more recent discussion on 'deepening', associated with political and monetary union, and the debates on 'cohesion' and 'convergence', as well as policies associated with these such as the reform of the structural funds and the cohesion fund, hinge more on issues of long term dynamics. This raises both conceptual and empirical questions which seem likely to become of increasing importance in the years ahead, and within which social science, and within that rural social science, will have an important part to play.

#### 1.1.4 The research model

The central focus on structural change in relation to policy is divided into four themes: rural policy concerns, farm household dynamics, impact of policy measures and impact of external conditions. Farm household pluriactivity is a central concern, not for its own sake, but because it is an increasingly common and even ubiquitous response of farm households to the changed circumstances in Europe of the 1980s. There is an increasingly common presumption, which we pose as a hypothesis, that *pluriactivity can at one and the same time meet the internal goals of farm households as well as a number of policy objectives.*

Our central hypothesis on farm household dynamics is that *changes in the commitment of farm household resources to agriculture over the time period can be explained largely by a combination of factors relating to the farm, the household, policy frameworks, the surrounding economic and social context and the values of farm households (see Fig. 1).*

Our central hypothesis on the feedback from farm household dynamics to the policy formation process is that *there is a growing conflict between these different goals which leads to increasing dualism and increasing regional disparities rather than the converse, and which argues for a fundamental review of agricultural and rural policy at EC level.* Our second - related - hypothesis here is that the processes of structural change are partly consistent, and partly inconsistent, with the goals of EC agricultural and rural policy and,

further, that it is possible to make a much clearer relationship between goals and specific target groups for policies, and the nature of policy measures which might be associated with these goals and target groups.

Our central hypothesis on the policy measures actually available to farm households in particular rural areas is that *the actual measures of structural policy which are offered at local and regional level are significantly varied from EC norms in ways which reflect particular concerns of national and regional policy makers and pressure groups as well as pre-existing national and regional measures*. Our second hypothesis here is that *systematic variations in the uptake of different policy measures by farm households can be explained by their objectives, their eligibility, their context and structural situation in general*.

Our central hypothesis on the relationships between the surrounding economic and social context and farm household dynamics is that *farm household behaviour over time will be strongly conditioned by their surrounding economic and social context as well as by broader economic conditions and expectations*.

### **1.1.5 The research framework**

The research programme had four main research instruments:

- (i) A Baseline Survey involving personal interviews with about 300 farm households in each study area and undertaken in 1987. This is a representative sample at study area level, stratified by farm size;
- (ii) A series of Context Studies on the economic, social and policy situation in each study area, including work on the labour market situation and on the implementation of EC structural policies at regional (context) level;
- (iii) A three-year Panel Survey involving a series of annual in-depth qualitative interviews with around 60 selected households in each study area, drawn from the Baseline sample;
- (iv) A Final Survey, involving repeat interviews with (as far as possible) the original Baseline sample of 300 in each study area during 1991.

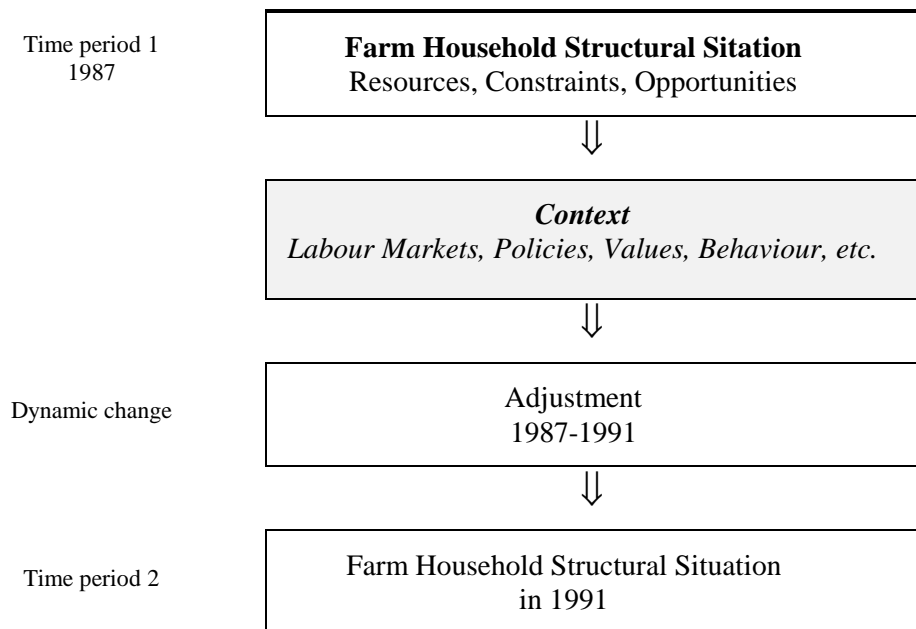
The results of these surveys, which involve both quantitative and qualitative data and analysis, and analysis at different spatial levels or levels of aggregation, have been integrated in the effort to better understand change over the particular time period, and within different socio-economic contexts.

### 1.1.6 Strengths of the research method

The first strength of the research methods lies in the ability to track changes made by farm households over time. We sampled the same farm households in 1987 and again in 1991. In the 1987 survey, we asked for retrospective information back to at least 1981.

The second strength lies in the ability to relate changes to specific rural contexts which are broadly representative of the range of different types of rural area within the Community of 12. Our context studies examined agrarian and industrial structure, employment, demography, and the local policy framework.

**Figure 1: Relationships between structural situation, context, and dynamics of farm households.**



Source: Arkleton Trust 1992

The third strength lies in the panel studies of a sub-sample of over 1200 households designed to probe change and related decisions in more detail, using qualitative research methods, over a three year period. These provide detailed case studies illustrating the main types of change found in the study



areas, assisting with the explanation of these changes (which cannot be done by statistical inference), and providing illustrative material for the text of the report.

The fourth strength lies in its comparative method, using a common set of research objectives, a common set of questions, and a common methodology across very different study areas, allows assessment of those features which are common and those which are clearly related to context. We are conscious of the need to set our study areas within the context of rural Europe as a whole. But we are also very aware of the enormous variety of conditions within different European rural areas.

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## 1.2 Situation and Trends in Rural Areas<sup>1</sup>

by John Bryden<sup>2</sup>

*In diesem, im Rahmen der "European Rural Development Conference" in Inverness gehaltenen, Vortrag befaßt sich der Autor mit der derzeitigen Situation und den Trends in den ländlichen Gebieten Europas. Eingangs stellt er fest, daß der Abgang aus der Landwirtschaft in den südlichen Regionen Europas trotz kleinbetrieblicher Strukturen geringer ist als in den nördlichen Ländern. Als mögliche Erklärung die steigende Bedeutung des Einkommens aus außerlandwirtschaftlicher Arbeit und der sozialen Transfereinkommen in vielen südlichen Regionen genannt. Diese Einkommenskomponenten fallen jedoch vielfach eher niedrig aus, so daß die Disparitäten zu den nördlichen Regionen weiterhin bestehen bleiben.*

*Ausgehend von diesen Betrachtungen sieht der Autor die zukünftigen Entwicklungsimpulse der ländlichen Regionen vor allem im Aufbau der Humanressourcen und der ökonomischen Diversifizierung. Damit kann die Konkurrenz- und Lebensfähigkeit der ländlichen Regionen gestärkt werden. Zwei wesentliche Entwicklungslinien sind dabei in der "Telematik" und im "Ländlichen Tourismus" zu sehen. Im Bereich der Telematik liegt vor allem die Chance für die Entwicklung von qualitativ hochwertigen Dienstleistungen. Beim "Ländlichen Tourismus" gibt es nach Meinung des Autors noch zahlreiche Probleme (Saisonalität, niedrige Löhne, Förderinstrumente) zu bewältigen, doch liegt hier, bei entsprechender Einbeziehung der Umwelt und der Kultur sowie sonstiger Einzigartigkeiten der Regionen, ein großes Entwicklungspotential, das es zu nützen gibt.*

*In Hinsicht auf die Regionalpolitik der Europäischen Kommission meint John Bryden abschließend, daß mögliche Entwicklungsinitiativen nur unter größtmöglicher Beteiligung und Motivation der ländlichen Bevölkerung durchgeführt werden sollen und pocht auf eine umfassende und nicht sektorale Politik für den ländlichen Raum.*

Rural Europe is diverse in terms of its experience of population change, its population density, and its economic and social situation. But very broadly

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<sup>1</sup> Paper presented at the European Rural Development Conference in Inverness, July 1992

<sup>2</sup> Research Director, Arkleton Trust, Scotland

speaking there is a rural periphery which has low population density, and high dependence on agriculture for employment; and a rural core which has higher population density, greater proximity to main markets, a low dependence on agriculture -and a more diversified economy. Most people in the agriculturally dependent periphery live in the Objective 1 regions - Spain, Portugal, South-Italy, Greece, Ireland. I shall refer to 'the South' and 'the North' as a kind of shorthand description of the two extremes of the rural spectrum. But this audience is well aware that there is enormous variation within these broad groups - and outside them - and also that parts of the North (such as Ireland or the north-west Highlands and Islands) may have more in common with the 'South' than they do with other rural areas in the North, and vice-versa for some areas of the South.

In the North, and particularly those parts of it which have large scale specialised farming, agrarian development in the past has gone alongside massive exodus of farm households and agricultural labour from the land, and large increases in production. Much of this has taken place unevenly, linked to factors external to farming - I am thinking of the major reductions in labour which occurred in periods of new land settlement (for example in North America), or in periods of rapid economic growth in urban areas which allowed those leaving farms to find work. This process continues in the North, but its implications are now less serious for rural development than they are in the South. For the South faces the problem that whilst its rural fabric remains heavily dependent on agriculture and farm families, increased agricultural production is no longer a development option for the EC, and will be increasingly constrained by price reductions, quotas and environmental regulations. There are no new territories to settle. Nor is there rapid economic growth in other sectors; indeed the conditions faced by the South are quite different from those which prevailed during rapid and extensive agrarian change in the North. Local development of non-agricultural sectors is therefore of critical importance.

True, many rural areas gained population in the 1970's and even in the 1980's, but there are still rural zones which are losing population. Many of these zones of decline are found in the rural hinterlands of the periphery, in mountainous regions or islands. However, it is often not the most agriculturally dependent regions of the south which are losing population significantly, but more the rural regions in relatively richer countries.

This pattern is supported by our research on farm household changes since 1987 which shows that the rate at which farm families leave agriculture in the South is lower than in intermediate areas of the North - small farms seem

more persistent in the south, reflecting in broad terms the pattern of rural population changes.

This relative persistence of agrarian populations is an important phenomenon of rural development in the South.

One thing is clear. The relative stability of these farm families is not due to their having achieved high levels of household income. Our research suggests that in both 1987 and 1991 around half of all farm households in our sample earned half or less than half of the average labour incomes in other sectors in their countries. Moreover, there has been divergence rather than convergence between farm household incomes. In other words rich farm households and agricultural areas have got richer relative to poor agricultural households and areas.

To explain both the changes occurring and the differences between areas we need to look beyond agricultural production, agricultural structure and income. Part of that explanation lies in the greater importance of off-farm work and social transfer incomes to farm households in many but not all southern areas. In most of our agriculturally dependent study areas in Objective 1 regions, agriculture accounts for less than half of farm household income. In most of these areas also, social transfers account for more than a quarter of farm household income, and in all but one, income from off farm work accounts for more than a quarter of farm household income.

Social transfer income is high mainly because of the age structure of farmers, but in some cases there are also special unemployment or disability schemes to which farmers can gain access.

Moreover, in all but one of these agriculturally dependent areas the proportion of income obtained from off-farm work and social transfers has increased between 1987 and 1991.

The problem is that many of the jobs outwith agriculture are also low paid and unskilled, often involving part-time or seasonal work, and levels of social transfer payments are also low. So even when income from all forms of work undertaken by farm households is taken into account, huge disparities of income remain which are very marked in the South when compared with the North.

Within most rural regions, North and South, there has also been a geographical concentration of manufacturing and higher grade service employment in the public and private sectors. In the case of services, which have been a growth sector (often the only growth sector) in many regions, the concentration of employment has gone alongside relative and even absolute

declines in the provision of many basic public and private services in rural areas. These trends have been associated with rationalisation and centralisation of public and private sector services, which has benefited larger settlements and deprived smaller villages and rural areas. They have been one cause of population concentration within rural regions, and a decline in rural hinterlands, modified in some cases only by inward migration of older age groups and retirees. They have also been one cause of the centralisation of manufacturing within or around larger settlements with relatively good provision of business and public services and good communications. Small and very small enterprises often predominate in rural areas, and these have increasingly lacked access to training centres, and modern communications facilities, facing them with particular problems in adaptation.

What, then are the prospects for rural areas?

Briefly, the general picture of rural change in Europe is one in which employment in agriculture has continued to decline, incomes have remained under pressure, and rural diversification where it has occurred has mainly been in low wage service industries, and in some cases low wage manufacturing. There are of course exceptions; one can point to some rural areas, mainly in the more prosperous European 'core' of the richer countries where there is a relatively highly educated population, nearby markets, and a good communications infrastructure. Some such areas experienced considerable relative growth in the 1980's with higher quality manufacturing and service sector employment. However, for most rural areas, the generalisation holds.

The medium term prospects are generally for more of the same - declining agriculture, static or declining manufacturing and some growth of low income services. The trends towards concentration of service provision and employment, and in manufacturing are damaging the prospects for the improvement of conditions of families on small and medium sized farms, and those living in villages and small towns, in all rural areas, but particularly in the south, because almost the only available route to higher incomes for this group is off-farm work - no amount of CAP reform would seem likely to change this basic fact.

Given, then, both the likelihood of limited additional resources for rural development, and the difficult prospects for most rural industries, what are the priorities for policy?

First, both the diversity of rural areas and experience with centralised policy initiatives argues that the practice of locally based and initiated programmes, based on the principles of subsidiarity and partnership must surely be further



developed<sup>3</sup>. This should ensure local legitimacy, participation and priority setting. In this context the LEADER experiment is important, and needs proper independent evaluation and follow up.

I have argued that uneven development at sub-regional level is of growing importance - areas remote from good transport networks and centres of population and services, are suffering from the most severe symptoms of decline. These symptoms are population loss, ageing, lack of training facilities and activities, lack of new business starts, and dependence on a few declining or low wage economic sectors. So, the Community has to take more interest in what is going on at sub-regional level, and declare its interests when negotiating framework programmes in partnership with Member States and Regions. And there must be effective institutions - like LEADER groups and local authorities - who can receive funds, and act with legitimacy, at that sub-regional level.

Within that framework, priorities are human resource development, and economic diversification, both of which are essential for the improvement of the competitiveness and viability of rural regions. This involves re-appraising the resources and opportunities of rural areas, as well as their varying constraints. As we have seen here in the Highlands and Islands, cultural investment can lead to new jobs, and a vibrant economic and social life. Our music, dance, drama, literature and language with its celtic and scandinavian roots is not just a social strength, it is a vital economic asset, which can be - hopefully is being - nurtured and developed. Much the same could also be said about the environment, the quality of which increasingly affects economic and employment opportunities.

Every rural region has something unique. Usually, that uniqueness has been seen as a weakness in the past - something which holds rural areas back from "real" integration in the "modern" world. My grandfather was fond of saying, as a fairly intensive Scottish farmer, "there is no money in a view". Nowadays, were he still alive, he may have changed that opinion!

Increasingly, that uniqueness of different rural areas will be seen as their main strength, defining their identity and competitive strengths, focusing attention on new goods, services and activities which can be identified with each rural region.

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<sup>3</sup> But with safeguards necessary to see that the most powerful local interests, or the most powerful partners, do not dominate the process.

Now I want to talk more specifically about two critical areas of rural economic development. First, telematics, which is widely hoped and sometimes expected to open new opportunities for rural areas. Second, rural tourism, which has been a growth sector in many rural areas, and is widely expected to provide future opportunities.

Technology is always a mixed blessing, benefiting some, harming others. There is no such thing as neutral technology. Telematics is no different. On the one hand, some rural people and areas will lose jobs and income as a result of telematics. On the other, telematics does open up new opportunities. Rural areas, being dependent on and integrated with the wider economy, can do little to prevent the former. But they can do, and are doing, something about the latter. There is scope for the development of high quality services for export to urban areas and abroad. But if these opportunities are to become realities, rural areas must not be left behind in the quality of telecommunications infrastructure, or disadvantaged by commercial practice or regulatory systems, or underprivileged by lack of quality education and training. Given the existing situation in many rural areas, these are by no means insignificant conditions, and they do require public intervention<sup>4</sup>.

Now, rural tourism, usually is the main expected area of growth. There are at least four inter-related problems here. First, seasonality. Second, low wages, poor conditions of work, and temporary employment much of which comes from urban areas. Third, administrative confusion in support structures. Fourth, a lack of integrity in what is offered.

Seasonality has two general implications. First, return on investment has to be earned over a very short period of the year. Second, employment is seasonal and often conflicts with busy periods in farming.

The seasonal nature of rural tourism also relates to the second point - the low wages, poor conditions of work and temporary nature of much tourism employment. In Savoie, for example, tourism is an important aspect of the rural economy. BUT, 60% of tourist employment there is in low-skilled occupations, often poorly paid, with poor working conditions and employing

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<sup>4</sup> The EC is having an important influence on these matters, and will increasingly become involved not only in telecommunications research and investment, but also in regulation. The priorities do sometimes need to be challenged, given the EC's democratic deficit. We must for example ask whether the so called broadband network into which resources are being put and about which decisions are effectively being made for the future, is likely to bring any benefits to rural areas. At least one recent EC report [that of the RACE-REVOLVE project] suggests the reverse might be true.

mainly female labour. Almost half of the jobs are seasonal and many of these are filled by people from outside the area. This is not atypical!

My third point is the administrative confusion in support for tourism. Even where policy measures and support structures for rural tourism are well developed, these tend to be separated from development measures and policies for other sectors at local levels, and lack integration with programmes concerned with the environment and culture, both of which are essential 'resources' of rural tourism. Support for marketing is often handled by different organisations from those supporting its development. Farm tourism may be subject to different rules and support structures from other forms of rural tourism. Sometimes rural clients are bemused by the plethora of organisations and supports involved in different facets of tourism development.

The comparative advantage of different rural areas for tourism development will be a key future issue, and especially for those areas in which the prospects in other sectors are poor. This will depend on the ability to differentiate the product and attract different market segments. It seems increasingly important to integrate tourism at a local level with developments in other sectors such as cultural and historical programmes, village improvement schemes, and environmental and landscape initiatives and support. This relates to my last point - integrity by which I mean that the offer of rural tourism should reflect the culture and environment of local areas, rather than some abstract notion of what tourists in general are perceived to want. I know that some LEADER projects and others are dealing with this, but it is not yet enough.

I want to make a brief and final point on the importance of the environment in rural areas. The main need here is for development and environment to be brought much closer together, because there is an important relationship between the two, particularly in relation to future competitiveness and sustainability in the broad senses of these terms. Farmers have an important role to play in preventing environmental damage and enhancing the rural environment, and this role seems likely to become more important in future. We have seen, particularly in Northern Europe, the introduction of special payments to farmers to maintain certain traditional forms of agriculture, reduce farming intensity, to plant trees for landscape purposes, or to maintain certain physical structures such as stone walls or traditional buildings. Usually these payments are made only in designated areas such as the environmentally sensitive areas in the UK and Germany. However, as the importance of this role, and as the significance of such payments, increase pressure to generalise the payments will grow. The Agro-Environment Programme (or 'PAE') within

the reformed CAP is part of this process. In addition, since such payments are likely to be more important for rural policy objectives (for example helping to retain farm families, a diverse flora and fauna, and an attractive landscape or prevent erosion or avalanches) in some areas than in others, there will be growing pressure, and a growing need, for policy measures to allow higher levels of payment in some regions than in others.

The main problems for the PAE and other such measures seem to lie in four areas, namely:

- (a) Valuing the non-market benefits involved and securing some relation between such values and the sums to be offered to farmers;
- (b) Ensuring that such payments are not concentrated, as they currently are, in richer countries and areas (eg Germany and the UK), where the political interest in environmental matters is relatively highly developed and can be translated into National or regional budgetary commitments;
- (c) Ensuring the advisory and administrative conditions which are necessary to ensure that the desired results can be matched to payments, and
- (d) Ensuring that schemes are sufficiently attractive and accessible to farmers to ensure the level of uptake required.

Substantial and important differences in perceptions exist in relation to the role of farmers in relation to the environment in different parts of the Community, most notably between North and South. Such problems of attitudes and perceptions also need to be addressed in implementation of the PAE.

## **Conclusion**

It is impossible to do justice to the great diversity of rural Europe in such a brief presentation. It is however that diversity, combined with the need to tap the creative energy of rural people, and to build comparative advantage at local levels, which argues most of all for reinforcing the trends towards a spatial, decentralised, rural policy framework, and which raises questions about the usefulness of horizontal measures.

The CAP will not solve the problems of the majority of farm households with low agricultural incomes. Farm households, just as much as other segments of the rural population, need rural development if they are to survive and prosper.

I do not want end on an over-pessimistic note. Rural people are both highly resilient and adaptable. But given the outlook for the main rural sectors, and the increasing reliance on tourism, with all its problems, it is clear that much remains to be done in many if not most rural areas if they are to converge with more prosperous areas. Given the verbal commitments of the Commission, for example in the Delors II package, rural areas may be justified in having high hopes of new rural development initiatives and spending to meet the needs which I have tried to outline. This is the challenge. Whatever may be the outcome, both the nature and extent of rural needs should prompt a serious review of spending priorities, and hopefully lead to greater focus and targeting, as well as greater emphasis on involving rural people in their own development.



### 1.3 New Dependencies in Sweden<sup>1</sup>

by Lars Olof Persson<sup>2</sup> and Erik Westholm<sup>3</sup>

*Dieser Beitrag befaßt sich mit der Komplexität der Veränderungen in den ländlichen Gebieten Schwedens. Die jüngsten politischen Veränderungen und die Verlagerung vom Wohlfahrtssystem zur zunehmenden Marktorientierung führten zu Budgetkürzungen für periphere Regionen, die nach Ansicht der Autoren stärkere negative Auswirkungen auf den ländlichen Raum haben werden, als durch Maßnahmen der Agrar- und Regionalpolitik wiedergutmacht werden können. Das zentrale Anliegen des Schwedischen Wohlfahrtssystems, die regionalen Unterschiede zu reduzieren und darüber hinaus die Umverteilung des Wohlstands auf wirtschaftlich weniger entwickelte Regionen durchzuführen, hatte in den vergangenen Jahrzehnten sehr positive Auswirkungen auf die peripheren Gebiete Schwedens, v.a. den Nordwesten des Landes.*

*Auf der anderen Seite sind die strukturellen Veränderungen in den ländlichen Gebieten nicht nur aus der Sicht der Politik zu erklären. Es gab in den letzten Jahrzehnten allgemein eine Reihe von sozialen und wirtschaftlichen Umwälzungen, die sich mit unterschiedlichem Gewicht auch auf den ländlichen Raum ausgewirkt haben. PERSSON und WESTHOLM analysieren diesen Veränderungsprozeß, indem sie die Bedürfnisse und Aktivitäten der Bevölkerung im ländlichen Raum anhand verschiedener Kriterien untersuchen. Dabei legen sie das Hauptaugenmerk auf die Veränderungen der wichtigsten Ressourcen, die von Menschen in den ländlichen Gebieten genutzt werden, der bestimmenden Politik, der grundlegenden institutionellen Netzwerke sowie der sich wandelnden Funktionen des ländlichen Raumes.*

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<sup>1</sup> This article has been elaborated on the basis of two previous articles for this reader (PERSSON, L.O.: The Suburbanisation of the Swedish Family Farm, paper at the 4th Review Meeting, Sevilla 1990 and PERSSON, L.O.: Rural Labour Markets Meeting Urbanisation and the Arena Society, 1992.

<sup>2</sup> Royal Institute of Technology, Stockholm, Sweden

<sup>3</sup> Dalarna Research Institute, Falun, Sweden

### **1.3.1 The vision of a living countryside**

Until the late 40's, most regions in Sweden still retained their rural and agricultural character. The 50's and 60's brought about urbanisation following rapid industrial growth. In a country with such a sparse population the result was intense pressure on the regional balance. At the national level a huge migration from the forest-dominated counties in the north to urban centres in the south occurred. There was also intra-regional migration; during the 60's alone half of the young generation left the rural areas for urban centres. The growing regional imbalances became an important political issue because they contrasted the widely accepted ideas of Sweden as the "people's home" and a "strong society".

The rural community also has had images and concepts bearing a political vision. The notion of "a living countryside" has been used for decades to express a political - and popular - will to preserve the rural areas. It has strong agricultural connotations, as farming has been central to the image of social and economic rural life. Farmers have been the guarantee for the survival of the open arable land, preventing the forests from taking over in the Scandinavian landscape already so dominated by woodlands. In the 50's when state intervention increased, policies were concerned with the problem of facilitating structural change with the aim of increasing production and guaranteeing farmers an income compatible with that of industrial workers. Ever since, agricultural policy has been an integrated part of the regional strategy to counteract decline in rural areas, especially in the north.

Another, and perhaps more powerful response to the imbalances of the 60's was the implementation of regional policy. Policies involving state intervention including transport subsidies, investment aid, aid to small firms, etc. were increasingly used to prevent the threat of rural areas being deserted.

Further examination of the Swedish regional policy allows us to identify four phases since the middle of the 1960s. Phase I (1965-1972) was concentrated on modernisation of lagging rural and urban areas. The key concept was "balanced regional development". Efforts were focused on support to firms and basic services. Investments were also made in transportation facilities and improvement in the public transport systems. Phase II (1972-1976) was characterised by municipal reform which was accompanied by a rationalistic plan for the further development of the centres of the municipalities and relocation of a number of governmental authorities from Stockholm to medium-sized cities. Phase III (1976-1985) brought a considerable shift from the principle of a ruling central government to stress the importance of mobilising local resources. During this period the rationalistic plan for the



future central structure was discontinued. Phase IV (1985-) fostered improvement in infrastructure for rapid transportation and communication as well as the further development of professional and technical competence and cultural institutions in lagging regions. The major new measures were decentralisation of higher education and special education and technology diffusion programmes. Subsequently, the regional policy has developed in order to harmonise with the EU policies for regional development.

It is more and more accepted as a fact that the impact of the "small" regional policy on equalising the living conditions is much less than the "large" regional policy, i.e. the different programs within the public sector as a whole. In the government's bill on regional policy in 1994 (PROP. 1993/94:140) the concepts of the small and the large regional policy is explicitly used. It is stated that the spatial impact of different subsectors of the public sector should be considered in public decision-making. Also it is noteworthy that the government's bill of 1994 stresses the need for each region to contribute to the productivity and competitiveness of the Swedish economy as a whole. It is explicitly stated that "rural Sweden is an important resource with the potential of stopping the economic stagnation and restore Sweden as a growth- and entrepreneurial nation with a strong and growing economy" (op cit. p 58).

### **1.3.2 Stabilising factors**

The reluctance among politicians and people in general to accept the depopulation of the remote rural areas, especially in the north, is demonstrated by the fact that policies built on problems of the 60's are largely still in use, although the last decades have been marked by relative regional balance. As in the other Nordic countries (and in the rest of Europe), the 70's and 80's were relatively positive in terms of population and employment in the rural areas of Sweden. Most types of regions kept up with the competition, although variations at a detailed level obviously disturb the pattern.

A policy perspective can help explain the stabilisation. According to OSCARSSON (1993) we can identify four key factors:

- \* the establishment of the general welfare model
- \* increased motoring
- \* regional policy
- \* the slow-down of structural change in traditional rural sectors

### ***Establishment of the welfare model***

One of the basic principles of the welfare model was to compensate individuals via the state budget on a general basis; a basic pension system for everyone, general payments for children, for education, etc. Jobs and services were to be provided on an equal basis to individuals and households in all regions. This approach had the most profound effects on the spatial distribution of services and state expenditures, and consequently on the regional distribution of jobs and people. A deep concern about the level of welfare in each region was implicit.

During the 60's and 70's, with stable Social Democratic governments, the model was gradually extended to enhance social security systems, rent allowances, etc. (GINSBURG 1992). In reality it survived another decade since the liberal-conservative governments which took over did not seriously question the legitimacy of the model. It was only after a period starting around 1985, with disappearing productivity growth and increasing state budget deficits, that the coalition government expressed a preparedness to revise parts of the ideological base of the welfare model.

The growth of the public service sector within the welfare model seems to be a main explanation to the regional stabilisation. Public service employment increased, especially in rural areas, and state transfers to individuals and firms in those regions were in stable growth. Altogether, the general welfare policy (with no explicit spatial intentions), has given some of the poorest rural regions more public resources per capita than the urbanised areas. No doubt, however, for many urban citizens, this has created an image of rural areas as clients of social care.

### ***Increased motoring***

The private car, together with public transportation and special support to less mobile individuals has facilitated commuting and an intra-regional stabilisation. Rural areas have kept or increased their population although local jobs and services have disappeared. We argue that the countryside has become "urbanised" in terms of employment and services; increased mobility has paved the way for a continuing decrease in local private services as rural people increasingly use urban services. It is a process in which many rural areas have been stabilised and undermined at the same time. Most rural areas are functionally integrated in the urban system in spite of the physical distance to urban centres. Thus urban economy and urban values have created an "urbanised rurality".

### ***Regional policy***

One more factor of stabilisation is the regional policy including transport subsidies, investment aid, aid to small firms, etc. introduced in the 60's. We have witnessed a decentralisation of manufacturing industry in Sweden partly as a result of localisation policy. It is, however, risky to place too much weight upon this policy. Decentralisation has been occurring in other countries in Western Europe during this period (SHERWOOD/LEWIS 1989).

### ***The slow-down of structural change in traditional rural sectors***

Agriculture and forestry have already passed their most intense period of rationalisation and reduction of labour input. The process of change has slowed down and can no longer cause any substantial negative effects. In many rural areas, especially in the north, there are no longer important economic activities in terms of labour demand, although the forest sector is still the most economically important industry in Sweden. Agriculture still plays a vital role in some rural areas and in rural policy making.

### **1.3.3 Demographic change in rural areas**

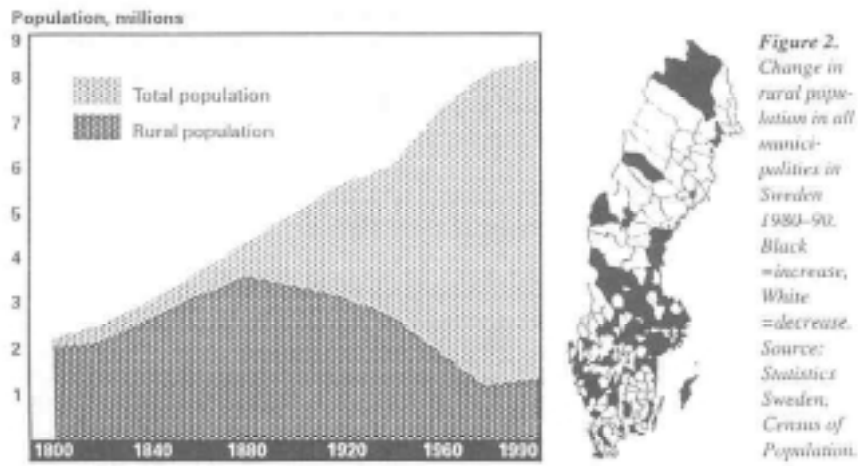
In Swedish population statistics, rural areas are defined as any area outside localities with more than 200 inhabitants. With this definition rural population reached a peak in 1880, followed by 100 years of decrease (fig 1).

1980, 16.9 % of the population lived in rural areas, with geographical distribution ranging from less than 10 % in metropolitan counties to more than 30 % in some peripheral counties. In the 80's the rural population increased slightly, in the country as a whole with 1.5 %. In 50 % of the counties the rural population increased, in the others the decrease continued. Expansion of rural population was geographically concentrated to a rather densely populated belt across central Sweden, covering the urbanised Mälars Valley region and Bergslagen and a vast hinterland east of Gothenburg (fig 2). Rural growth at the end of the 20th century in Sweden seems to be strongly tied to sprawl at the fringes of urban regions.

The slow-down of rural depopulation in the 80's is caused by a shift in migration pattern, not so much in the in-migration as in the out-migration frequency. In most rural municipalities in-migration varies very little annually over a 20 years period (fig 3). Out-migration, however, has been reduced substantially since the peaks in the 70's, largely reflecting the good economy in the 80's which gave jobs in most regions. Out-migration has exceeded in-

migration most years and, on the whole, there is a rather slow renewal of the population in rural areas induced by in-migration. Looking at smaller areas within a municipality however, the pattern is quite different. Over a 10 years period the accumulated in-migration often corresponds to more than 50 % of the total population. Hence, at the local level, in-migration can be the dominant driving force for social change and must be considered an important aspect of rural dynamics (KÅKS/WESTHOLM 1994).

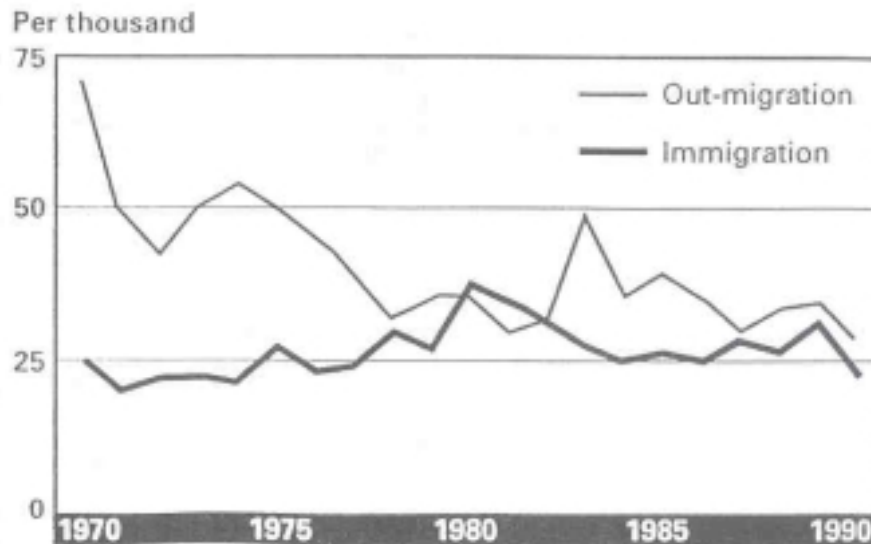
**Figure 1: Population in rural and urban areas in Sweden 1800-1990.**



Source: Official Statistics of Sweden, Annual population statistics, Census of Population.

The increased importance of public service in all kind of local labour markets during the last 25 years largely explain the relative regional balance in Sweden. There is a uniform spatial and temporal pattern of public service growth: In the most peripheral rural regions more than 35% of the employment is within public service. Governmental transfers also play a vital role. Obviously the public sector has played its most important role in employing female labour in all regions. Starting from low participation of women in rural areas some 30 years ago we now find approximately the same rate as in the country as a whole, i e close to 50% (FORA Database).

**Figure 3: In-, out- and net-migration in Övertorneå, a rural municipality in Sweden 1970-90.**



Source: Johansson. 1993.

Preferences and possibilities to live and work in rural areas vary considerably between different social strata and over the life cycle. The aggregated outcome can be identified as the in/out migration ratio to rural municipalities. For people in economically active ages the ratio is generally less than 1.0 (table 1). In comparison, metropolitan regions and regional centres are favoured by a ratio higher than 1.0, i.e. in-migrants outnumber the out-migrants. On the other hand, specific socio-economic groups show a convincing preference for rural areas - middle aged families with children, elderly people, and to some extent manufacturing industrial workers. At the same time young people, especially with higher education tend to "choose" urban centres.

Another aggregate measure of preferences along the urban-rural continuum is the price of real estate for family housing. The statistics of actual prices show a rapidly decreasing gradient within commuting distance - 60 km from urban core, and thereafter a flat curve.

**Table 1:** *In/out-migration ratio in rural labour market areas and regional centres in Sweden. 1986-1989. A selection of socio-economic categories.*

SOCIO-ECONOMIC Group	Rural	Metropolitan Stockholm	Regional Centres
Married Woman 25-50 years with children 2-15 years	1,40	0,38	1,33
Unmarried men 25-30 years with university degree	0,84	1,65	0,91
All 55-64 years	1,56	0,62	1,18
Men 25-34 years in manufacturing industry	1,11	0,79	1,04
Females 16-24 years in public services	0,70	1,88	0,95
All 16-64 years	0,94	1,02	1,07

Source: FORA Database.

### 1.3.4 Rural policies and the state budget

Efforts to improve rural competitiveness are generally mediated through agricultural and regional policies. Within the regional policy in Sweden, priority has been given to rural and sparsely populated areas. The concept of rurality, however, is somewhat treacherous. It makes us think of the rural sector as separated from general economic and social processes. A closer examination of the prospects for rural areas makes it obvious that changing conditions on the macro level and the present political shift, from a dominance of welfare programmes, towards an increasing market orientation, may have the most profound effects in rural areas. In the next sections we discuss the influence in the future of the different kind of policies - first the traditional rural as agricultural and regional, and then the general welfare policy. We shall argue that a political strategy for rural areas must consider the changing welfare system and also take account to the changing functions of the different rural areas. Our case is Sweden, but to a certain extent the conclusions are relevant to any advanced economy.

### **1.3.5 Agriculture in the rural economy**

The history of state intervention in Swedish agriculture is similar to that in other western market economies oriented towards income support and modernisation. During the 50's, state intervention was extended with the aim of increasing production and guaranteeing farmers an income compatible with that of industrial workers. A remarkable degree of mechanisation, specialisation and concentration of agriculture took place during the 50's and 60's (BOWLER 1986). In Sweden, the means employed were loans, grants, and protection of family farming on the land market (WESTHOLM 1992). The traditional full-time family farm was officially considered to be the core of both the agricultural system and the rural community (PERSSON 1983). The benefits of agricultural policy for rural development were implicit. Nevertheless, exit from farming was a general pattern.

#### ***The agricultural reform***

As a result of continuing cuts in world market prices for agricultural products, the costs for export subsidies grew rapidly from 1980 to 1990 and accentuated the need for a change. It had become clear that a major proportion of agricultural subsidies were accumulating at large farms. In 1989, the Social Democratic government with widespread consensus in the parliament launched a substantial policy shift (Government bill 1989/90:146). It was implemented in a broad programme in which the whole of the agricultural regulation system was put into question. The first hand objective of the programme was to reduce the huge surplus production.

The regulation of domestic markets was dissolved while protectionist policies were maintained, and actions were undertaken to achieve preparedness, environmental and regional goals. The reform programme stressed the abolition of export subsidies, administered pricing and domestic market regulation. The reform implied a post-productivist vision in which agriculture and family farms would no longer have a favoured position in the state budget. Furthermore, since 1991, the restrictions preventing non-farmers from buying land have been eased. In some regions, urban capital for residential purposes started competing with the traditional as well as the productivist farmers' capital.

The reform was accompanied by compensatory allowances such as area based income support and a set-aside programme to facilitate the transition. Agriculture in the north of Sweden, with its specific natural conditions, was partly excluded from the reform and the special price support - introduced in the

1940's - was kept, thereby to a large extent protecting those farmers from market prices (The Agricultural reform in Sweden 1992).

Experiences after the first years of the reform indicate that farmers have responded to the programme and that a structural change of Swedish agriculture is taking place. 12 % of the arable land was reported to the conversion programme the first year which means that it was permanently taken out of food production. Within the dairy and livestock sectors the surplus production has diminished, although the support system is turning towards direct livestock payments. There is however a widespread uncertainty among farmers and often they leave their land fallow, lacking economic viable alternatives. The most common land use seems to be extensive grazing. Surplus land has become a visible element in rural Sweden in the 90's, contradicting the image of a living countryside and an open rural landscape.

In order to estimate the importance of agriculture for the rural economy, some likely figures will be an important help: the adjustment to market conditions cause a continuing decline in agriculture - in acreage, in the number employed, etc. With less than 2 % of the total employment (Official Statistics of Sweden 1992) in Sweden and a diminishing share of the labour force in rural areas agriculture cannot play an important role in the future of rural society. The long term economic plan for Sweden assumes that employment within agriculture shall be substantially reduced until the turn of this century (Ministry of Finance 1992). The main reason is state budget restrictions, which implies that the world market prices in food products will reach the farmer more or less directly. Nevertheless, agriculture still is important in some rural areas, not so much as an economic activity but rather because the remaining farmers keep the villages "alive" by preserving the cultivated landscape.

To sum up - towards the turn of the century agricultural policies may be important for the farming community but cannot be expected to be an efficient medium for rural development in Sweden. The limited options for agricultural policy as a motor for rural development on a European level have been stressed also by the Arkleton project (Farm household adjustment in western Europe 1987-1991).

### **1.3.6 The limitations of regional policy**

Regional policy is generally conceived as being crucial to the development of rural areas. It is largely oriented towards the sparsely populated north-western regions of Sweden and to rural areas. The present rural policy is founded on



an established idea about the uniqueness of rural areas which motivates special instruments: resources are geographically spread and bounded; the economy and the labour market are considered to be strongly tied to the exploitation of natural resources, even if, to a large extent, the profits of processing accrue to urban centres. Rural firms within the manufacturing industry are mainly operating at later stages of the production cycle. Furthermore, it is commonly held that a development strategy has to be built upon basic resources and local firms; the ownership structure of the land is fairly fixed; the unique social and cultural systems are considered to be important. These kinds of perspectives guide most of the instruments used in rural policy such as incentives and income support to small firms.

The Swedish regional policy aims at providing equally good opportunities to live and work in all regions, but the geographical level at which these goals should be fulfilled is not explicit. Although the "active development" of regional resources, human as well as material, is one of the objectives stressed in regional policy, most of the governmental resources directed to lagging regions are still spent on maintaining income and services and on the consolidation of the settlement structure, which largely reflects the original location of the primary sectors: agriculture, forestry, mining and fishery.

Another problem which makes it risky to trust regional policy is its limited influence on the development process. It seems that the spatial redistribution of welfare via the state budget is more powerfully affected by decisions within other sectors than by "intentional" regional policy. It is calculated that the resources for regional policy in Sweden correspond to less than 0.7 percent of the total governmental resources to the average region (The State in Geography 1989). Furthermore, the rural policy is in resource terms only a fraction of regional policy.

The regional policy in Sweden was largely formulated under the assumption of permanent economic growth. Today the recession and budget problems together with European integration mean that regional priorities are, and will be, questioned. The ambitious objectives of regional balance and equal conditions for households throughout Sweden have already been defused.

To conclude, an examination of the future of rural areas cannot be too closely tied to existent regional policy. The influence of "the small regional policy" on the spatial distribution of people and economic activities is limited compared to that of other sectors of public expenditure, "the large regional policy". In the next section we shall return to the welfare model and emphasise some general economic and political changes which affect the options for rural households and rural areas.

### **1.3.7 Changing conditions for the welfare-state**

The welfare programmes in Sweden are largely managed by municipalities and financed both by governmental resources and local income taxes (FREDLUND 1992). The idea of a general welfare system entails that employment in the public sector as well as buying power is effectively spread even to peripheral regions. The geographical variation in income per capita is lower in Sweden than in most other European countries. Furthermore, due to higher costs total transfers via the state budget are substantially higher per capita to peripheral regions. This uneven distribution of the budget is not intentional as the programmes are directed to individuals rather than to regions. Nevertheless, the prospects for rural areas are to a certain extent dependent on the future of the welfare economy.

The general economic conditions in Sweden have changed rapidly during the last few years (OECD 1991), since the period of unbroken expansion which started in the early 1980's came to an end. Market shares of Swedish producers have been lost because of declining competitiveness, which means that little support for growth is generated from abroad. Many of these distortions are considered to be related to the Swedish public sector and the way it is financed. It is the largest public sector in Europe in relative terms and its influence on the private sector is profound. By the late 80's, the Social Democratic government had already started implementing measures to enhance efficiency in general and particularly in the public sector.

### **1.3.8 Significant regional effects**

As the combined result of the political shift towards market solutions, adjustments to EC principles (and taxation) standards and budgetary problems, a substantial reduction in the state budget is currently being implemented. According to one estimate, the per capita net effect will be most negative in remote and economically less favoured regions, while the central regions will benefit from tax reductions and a limited contraction of services (TAPPER 1992). The main reason for the negative outcome in the periphery is the large dependency on public services and transfers plus the relatively low income level, which means that the expected tax reductions will have a limited positive effect on the buying power in the periphery.

The precise effects certainly depend on political decisions which are not possible to forecast. In total, however, proposed cut-backs are calculated to amount to 12 800 SEK/capita in central and urban regions, 15 800 SEK/capita

in intermediate regions and 17 850 SEK/capita in peripheral and rural regions. These figures do not account for the expected positive effects of reduced taxes. TAPPER (1992) has also calculated the potential effect on employment in selected regions in Sweden as a consequence of alternative cut-back programmes. The sparsely populated north-western region will experience the most severe erosion of its regional labour market especially under conditions of substantial cut-backs.

The calculations and figures are hypothetical and can only be looked at as examples. Nevertheless, the example above indicates that general policy changes will guide the future of rural areas more than any agricultural or regional policy. Without a spatial perspective on the changing state budget, efforts to support the periphery may be exceeded by the unintended redistributive effects of the changing welfare policy.

### **1.3.9 Towards the new mosaic of rural Sweden**

So far, attention has been drawn to the relation between rural policies and the general welfare policy. The changes are ideological and macro economic, partly a result of international integration. They will affect the rural areas directly as increased competition and indirectly as policy changes. Altogether they present a substantial threat to the vision of the "living countryside" in the future. The traditional reaction from a Swedish government would be massive political efforts on a general basis to counteract the expected decline. At the present this is not an option. To the contrary, the main problem seems to be that state intervention is becoming less powerful as the welfare system is run backwards.

Furthermore, policy is strongly oriented towards economic growth while the redistributive effects for regions and households receive less attention. There is an obvious risk that while the "rural society" the farming lobby, rural entrepreneurs, organisations, and individuals working for rural development, are still looking at farm diversification, new products, etc., the decreasing state transfers via the public sector creates a new rural unemployment. The result may be another round of declining population and service.

On the other hand, there are also structural changes in favour of many rural areas. Some are obvious: modern telecommunications and transport infrastructures are changing the importance and meaning of geographical distance. Private firms are looking for alternative locations to congested, expensive and environmentally disadvantaged locations in metropolitan regions. Furthermore, there is a shift in preferences in which people (entrepreneurs

and labour) are increasingly looking for attractive sites to live and develop in. These changes are tempered by macro economics as well as by local cultural and institutional conditions. They tend to change the function of rural areas; their role of traditional farming and industrial areas (production landscapes) is being overlapped and intermingled with their function as residential and recreational areas (consumption landscapes).

### **1.3.10 The emerging "arena society"**

Several factors contribute to the appearance of what can be labelled the "arena society" in contemporary Sweden (PERSSON 1992). The term arena is used to remind of the different patterns of mobility that individuals perform at a given space. High standard of living and stress on individual and private alternatives - instead of public means that the geographical links at the household level are slackened between workplace, residence, the place for education, and other service nodes. This is reinforced by new models for labour organisation and improved infrastructure, i.e. for telecommunications. It has a general significance in all regions, and is not least noticeable and important in rural areas.

More households are getting less dependent on only local resources and local incomes. Individuals migrate to rural areas in certain phases of the life cycle and the rationale for rural living has more to do with the perceived quality of life than with the local labour demand or the local service supply. Some of the new residents are more or less independent of local sources of income, partly as a consequence of the profession and the way to organise work-life, partly because of the new communications technology.

At the same time, planning and policy based on collectivism and solidarity is challenged. Among the youngest generation there is a movement towards increased individualism. Many traditional associations are facing recruitment problems. There is a diffusion of post-materialistic ideas and values, for example towards environmental concern. These general trends are certainly moderated - but probably not counteracted - by the present deep recession. Unemployment and underemployment now reaches levels which has been unknown in all regions in Sweden since the 1930's.

Collectivism versus individualism and public versus private organisational modes are important factors when analysing efforts to provide quality of life in different regions in Sweden. The traditional welfare model is stressing the combination of collectivism and public institutions. The uniformity of services and employment has been considered an important welfare goal, and

has meant a reduction of regional disparities. In the current reorientation both privatisation, decentralisation, and deregulation are used.

### 1.3.11 New dependencies and functions

In a 100 years perspective, rural areas in Sweden have been transformed from short-distance communities to local labour and housing market areas integrating urban and rural areas. At present the local labour market areas are partly converted into a pattern of complex mobility and dependency. The change is reflected by the transformation step by step of the communes; 4500 rural communes became 2500 enlarged communes in 1952. In 1972, these were merged into 284 municipalities based on ideas of the central place theory aiming at integrating urban and rural districts into functional units (HÄGGROTH 1993). Today only 111 functional local labour market areas are identified, reflecting the increasing commuting across municipality boundaries.

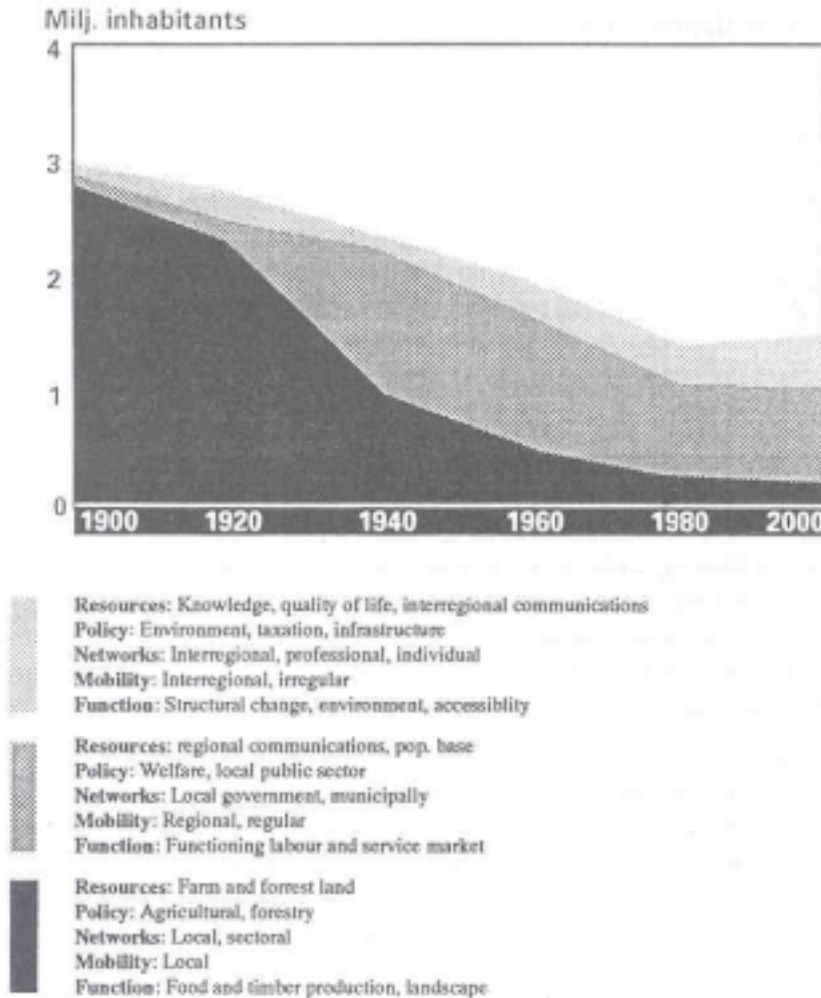
"New" actors are entering rural areas - service producers within the information sector, retirees from cities, settlers with specified housing preferences towards a combined rural and urban environment, are replacing, supplementing and sometimes conflicting with the actors involved in the traditional industrial and agricultural activities. The networks of individuals and organisations tend to be more complex and geographically spread. Networks embracing local, regional, national, and international relations give, in some respects, more freedom to individuals and organisations.

The contemporary social and economic change in rural areas affect the kind of resources needed and bring new patterns of dependency. A better understanding of the various "rural spaces" can be achieved by identifying the different needs of the main types of rural inhabitants (MORMONT 1990). We have chosen to focus on *crucial resources* for each group, *leading policy* to support activities of the group, *critical networks*, and the *functions* of each group in the community (fig 4).

The traditional rural inhabitant make use of the "production landscape" based on *local resources*. In farming and forestry land resources are still necessary to provide incomes. The leading policy is still *agricultural policy* and the important *networks* are within the *agro-industrial* complex and within the *local community*. The *function is productivist*.

The share of rural inhabitants depending on regional resources within the labour market area has increased since the Second World War but is now stagnating. The most crucial *resource* for this service class is the *regional popu*

**Figure 4:** A tentative graph of changing social structure, crucial resources and policy sectors, networks, and emerging functions in rural areas in Sweden 1900 - 2000



lation base - the market for social service - which stresses the need for regional policy to maintain the population. Another crucial resource is the public sector as employer and via welfare transfers. The continuity of the welfare policy is vital and the municipality is the important mediator. The primary function of rural areas for this social class is the integrated and continuous rural-urban local labour market ie within commuting distances. This is putting a stress on the quality of the intra-regional infrastructure. The collective networks developed by the municipality during the last decades -

*social and health care, education, soft and hard infrastructure* are important to maintain. The function is to maintain the labour and service market.

Finally there are evidence that there is an increased proportion of individuals residing in rural areas who are depending on the 'global' economy and the global division and organisation of labour. In-migrants depending on a specialised income source but with relative flexibility in time and space. Their individual resources in terms of education, mobility, buying power, etc. are generally high. The critical resources for their work are *knowledge* which can be supplied from urban regions, *environmental assets* which can be supplied in rural areas and *infrastructure* allowing a comfortable and efficient *inter-regional communication*. People in this social class tend to be selective in their choice of residential area. It is probable that the recent population growth in some rural regions in central and coastal Sweden reflects such choices of access to nature and to communications made by mobile people.

The important *networks* of this class are largely *individual and dispersed*. It appears that the most important policy task in order to promote their rural location will be *environmental, infrastructural, and taxation policy*. Maintaining the landscape with its rural image and establishing communications to larger urban centres may be important and adequate measures. The function of the group is innovative - bringing structural change and increased communications.

What we see is obviously a cluster of changes operating at different levels (see SYMES 1992). The changing demographic pattern in Sweden indicates that the process is complex. There are some areas in all kinds of regions showing constant growth. In remote areas, in the "urbanised" countryside, in municipalities as well as in towns and cities we can find examples of success as well as of decline. Regions - and enclaves within these -with similar economic conditions are developing in different directions. We will probably find new examples of "micro-marginalisation" of both specific social strata and local communities. Obviously, an understanding of the processes cannot be achieved from only economic variables. The slackening links between home and workplace and increasing mobility have opened up the role for values, ideology, and cultural aspects as determinants (See i.e. MARSDEN et al. 1992).

Successful rural policies will have to take account of and to make use of these changes both on a national level and in the different localities. A delicate balance is necessary. On the one hand, the threat of the recession and unintended spatial effects of cut-backs in the state budget must be observed and taken into consideration. On the other hand, rural policies must be less

defensive and oriented towards support to positive change rather than aimed at preserving structures from the past. Broader objectives and locally adapted approaches are necessary.

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## **2 THEORY OF PLURIACTIVITY: FROM PART-TIME FARMING TO PLURIACTIVITY OF FARM HOUSEHOLDS**

*Theorie zur Erwerbskombination:  
Vom Nebenerwerbsbetrieb zur Erwerbskombination  
landwirtschaftlicher Haushalte*



## 2.1 Emergent Issues in Theories of Agrarian Development<sup>1</sup>

by Howard Newby<sup>2</sup>

*In diesem Beitrag versucht Howard NEWBY, die Entwicklungslinien der theoretischen Ansätze zur Erklärung der Entwicklung des Agrarbereiches im 19. und 20. Jahrhundert nachzuzeichnen und zu analysieren. Vorerst wird ein Überblick über die klassischen Theorien der agrarischen Entwicklung, die im 19. Jahrhundert in der politischen Ökonomie entwickelt wurden, gegeben. Spezielle Aufmerksamkeit erhält das Werk von Marx, Weber und Kautsky. Dabei kommt der Autor zum Ergebnis, daß die Agrartheorie vielfach nur einen Teil einer umfassenden Theorie der industriellen Entwicklung darstellt bzw. der Agrarsektor als historischer Hintergrund fungiert, aus dem sich das industrielle System herausentwickelt hat.*

*Anfang des 20. Jahrhunderts war die "Agrarfrage" eher von politischer als von akademischer Bedeutung (Lenin-Chajanov-Debatte), ehe die Agrarfrage Ende der 60er Jahre vor allem im Zusammenhang mit Studien zur Dritten Welt wiederbelebt wurde. Der Autor geht in weiterer Folge auf die neu aufgeflamnte Diskussion über die Entwicklung der Landwirtschaft und die Stellung der Bauern und Bäuerinnen in den fortgeschrittenen industrialisierten Ländern ein.*

*Abschließend thematisiert der Autor das Phänomen der weitverbreiteten Erwerbskombination in Europa. Dieser Ansatz der Erwerbskombination stellt seiner Meinung nach einen umfassenden Ansatz dar, mit dem die Persistenz der bäuerlichen Familienbetriebe erklärt werden kann.*

### 2.1.1 Nineteenth century approaches to agrarian development

As I have written elsewhere (NEWBY, 1980, 1983) those classical writers who were interested in developing a theory of agrarian development did so as part of their broader project to develop a theory of industrial capitalism. In

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<sup>2</sup> ESRC; Member of the Steering and Working Group of the Arkleton Trust's European research programm on farm structures and pluriactivity

other words attention was paid to agriculture only as a background feature - a kind of historical backdrop from which the new industrial system developed - or in order to understand some of the general features of the new commercial, capitalist system. There was therefore an assumption that, generally speaking, agriculture follows the same path of development as other sectors of the economy, particularly manufacturing industry. This tendency is most current in the work of Marx. Thus in *Capital* (especially volumes 1 and 111) Marx writes at considerable length on the growth of capitalist agriculture in Britain, but for wholly ulterior purposes. Marx was only concerned with agrarian capitalism in so far as it accounts for the rise of industrial capitalism and in so far as it illustrates the transition from feudalism to the rise of a distinctive capitalist class structure and a set of capitalist social relations. (For more details see NEWBY 1983). These happened, as a matter of historical fact, to occur first in British agriculture and as a matter of empirical necessity Marx is therefore forced to investigate this phenomenon. But Marx's theory of capitalist development does not rest upon this empirical analysis; nor could it, for even if Marx were to adopt such an empiricist strategy, it would lead to severe flaws in the theory of industrial capitalism which was his principal goal. As will become clear below, precepts gained for an analysis of agrarian capitalism cannot be applied to industrial capitalism nor vice versa: the peculiarities of the conditions of production in agriculture require a wholly distinctive analysis. As we shall see, the dangers of adopting a too-literal application of Marx's theories were to lead to much controversy towards the end of the nineteenth century over how to interpret the apparent 'anomaly' of the continuing persistence of the peasantry in European agriculture. This at least suggests that it is necessary to construct an analysis of capitalist agriculture which is, if not *sui generis*, then at least takes the conditions of agrarian production as a starting point rather than trying to squeeze a distorted analysis into an overriding schema which is inappropriate to begin with.

The dangers of a literal application of Marx are further exemplified when some of the assumptions which he made concerning capitalist agriculture in Britain are considered further. Not only is Marx's analysis a kind of historical prologue to his theory of industrial capitalism, but British, and particularly English, agriculture is taken as prototypical. The development of agrarian capitalism in England would, Marx assumed, eventually be followed elsewhere and the characteristic tripartite class structure of English landowners, tenant farmers and landless farm labourers was believed to be the shape of things to come as agrarian capitalism was ushered in across Europe. With benefit of hindsight it is possible to recognise the falsity of this assumption. The English situation, far from being prototypical, has turned out to be virtually unique. It is unique in that only in England was the peasantry

abolished before the rise of industrialism. Elsewhere the peasantry survived the onslaught of subsequent industrialisation. The value of the English model of agrarian development is therefore limited in the extreme. It is the persistence, not the disappearance, of the peasantry which has turned out to be the most distinctive feature of agricultural capitalism. By various mechanisms, which subsequent writers sought to explore, agrarian development failed to follow the classic neo-classical model (big capital driving out small capital). The peasantry, far from being, in Marx's notorious phrase 'non-existent historically speaking', has shown a remarkable ability to adapt and survive.

In the light of these difficulties it is not surprising that Marx's theoretical writings on agrarian development have proved to be far more robust concerning the issues of landed property and rent than on the issue of how the capitalist mode of production develops within agricultural production per se. The detailed discussion on the Marxist theory of rent lies beyond the purview of this paper, but it is perhaps worth making two points in passing here. The first is that there is still no readily available theory which unifies a theory of property with a theory of agrarian production. Sociologists have been rather remiss in developing sociological theories of property ownership and despite a few scattered empirical analyses of landownership, etc. this whole area remains vastly undertheorised. Marx, of course, was interested in rent as part of his exploration of the 'laws of motion' of the capitalist mode of production. This in turn remained part of Marx's residual utilitarian theory of social action, namely his belief that if one understood the precise way in which the capitalist mode of production operates then social action could, so to speak, be 'read off' from this. As we shall see such utilitarian assumptions have provided a persistent problem for all theorists seeking to come to terms with the role of peasantry in agrarian development.

Max Weber, like Marx, was also concerned to develop a theory of industrial capitalism, despite the fact that, as is well known, his model of industrial capitalism departed from that of his predecessor in several significant respects. Weber's earlier investigations dealt with the commercialisation of the Junker estates and elsewhere he offered an 'agricultural sociology' of ancient empires (GERTH/MILLLS, 1948, Chapters 14, 15 and WEBER 1976). But as so often in Weber's writings his treatment of agrarian capitalism was piecemeal and diffuse, demanding much inference and post hoc reconstruction. Nevertheless Weber's examination of the peculiarities of German capitalist development does lead him to an awareness of the distinctive qualities of continental European, as opposed to British, agrarian capitalism. Thus we find in Weber's writings an abandonment of the 'English model' of agrarian development favoured by Marx and an embryonic

discussion of the fate of the peasantry which was later to dominate German social democratic politics. There is in this sense a substantive, though not a theoretical, continuity present in the work of Weber and the subsequent writings of Kautsky.

According to Weber the impact of capitalism on the European peasantry was not to displace it, but to transform it;

"The former peasant is thus transformed into a labourer who earns his own means of production ... He maintains his independence because of the intensity and high quality of his work, which is increased by his private interest in it and his adaptability of it to the demands of the local market. These factors give him an economic superiority, which continues, even where agriculture on a large scale could technically predominate...

This, again, is only possible because of the great importance of the natural conditions of production in agriculture - it being bound to place, time and organic means of work....

Wherever the conditions of a specific economic superiority of small farming do not exist, because the qualitative importance of self-responsible work is replaced by the importance of capital, there the old peasant struggles for his existence as a higher link of capital." (GERTH and MILLS, 1948, pp. 367 - 368).

In such writings Weber was groping towards a distinctive sociology of agriculture, but, as is also clear, most of his comments are ad hoc and descriptive. There are few signs here of a theoretical understanding of the political economy of agricultural development. Instead Weber, characteristically, emphasises the clash between the aggressive economism of capitalist forces and the traditionalism and inertia of the peasantry. What fascinates Weber is the clash of cultures that this involves. He is far more interested in the cultural transformation of rural society than results from capitalist penetration than he is with developing a political economy of agrarian capitalism itself. This, of course, is not surprising, since Weber's whole conception of sociology involves the denial of discernible 'laws' of capitalist development. His political economy always remains implicit rather than explicit, although it is certainly feasible to suggest that he share many of the assumptions of classical and neo-classical economics. Thus Weber tends to accept the neo-classical argument that capitalist farms have a higher technical efficiency, a more rational form of organisation and are more attuned to the exigencies of the market than the peasant sector. He is also impressed by the technical superiority of capitalist agriculture which, he believes, will ultimately enable it to triumph in the countryside. Small farms will therefore become



marginalised and the peasantry are on their way to becoming a group of ex-farmers. Therefore for Weber the peasant remains an anomaly whose persistence needs to be explained by reference to exceptional or even irrational factors. Their continuing persistence is regarded by him as a case of arrested marginalisation.

These factors link up with a theme which runs throughout the whole of Weber's work on the theory of social action, namely that the process of rationalisation progressively restricts the realm of independent behaviour. Individuals are increasingly forced to adopt rational action, trapped in an iron cage where action other than that which is formally rational is no longer feasible. It is here that Weber's affinity with classical economics is most apparent, even though Weber accepts the growth of formal rationality with resigned inevitability rather than personal identification. Indeed the triumph of formal rationality is reflected in what Weber calls the 'economisation of life: the rational calculation of means and ends. Weber accepts the economist's views that these ends are best measured in monetary terms. He also accepts their belief that technical efficiency can be equated with formal rationality and thus that the capitalist enterprise is technically superior to peasant and other pre-capitalist types of farm organisation. Weber therefore begins to develop a model of a dual farming economy - a technically superior and rapacious capitalist sector squeezing out the production of small peasant farms whose only protection against marginalisation is their ability to adapt to areas of production where there are few economies of scale and where agriculture is less capital-intensive. While Weber identifies the sources of peasant resistance to the rationalisation of agriculture, however, he is in no doubt that this constitutes merely the postponement of the inevitable. The technical superiority of capitalist agriculture will ensure its ultimate victory over the forces traditionalism in the countryside.

Insofar, then, as Weber accepts the conventional economist's account of the superior technical efficiency of large scale agriculture and that such efficiency can be costed in terms of market prices, then he is vulnerable to equally conventional sociological critiques of classical economics - many of which, ironically, Weber would acknowledge. For example, the fact that what constitutes 'rational' economic behaviour is itself dependent upon a set of antecedent social conditions is recognised by Weber in his writings on the origins of capitalism. Similarly Weber does not recognise that peasants and small farmers might be equally 'rational' in their behaviour - in the sense that they are equally calculative in the face of the market conditions that confront them - rather than a traditionalistic residue. It is possible to discern here in Weber's unflattering assumptions concerning peasant rationality the same misapprehensions which afflicted Marx. For Weber, too, the peasant was 'non

existent, historically speaking'. The crucial question which therefore has to be asked about Weber's sociology of agriculture is how far the process of arrested marginalisation can be said to be empirically observable when, not only has the small farming sector managed to persist within agrarian capitalism, but it has also demonstrated its ability to reproduce itself over several generations. The small farm sector has failed to be not only proletarianised, but also rationalised, out of existence.

When, in 1899, Karl Kautsky published his important revisionist thesis of Marx, *The Agrarian Question*, he acknowledged that the peasantry, far from disappearing, were persisting as a relative permanent feature of rural society and that a revision of Marx's assumptions was therefore overdue. Kautsky's fundamental argument was that Marx had correctly identified the general tendencies inherent in a capitalist mode of production, but that there were countervailing factors which prevented these tendencies from being realised in particular circumstances (HUSSEIN/TRIBE, 1981a, pp.104 - 106). Agriculture contained a number of features which favoured the presence of these countervailing factors. The agrarian question was thus Kautsky's attempt to substantiate and elaborate the claim that agriculture possessed its own laws of capitalist development which were different from those of industry, although he also notes some of the similarities with the development of capitalism in industry. There is, he argues, a steady extension of capitalist production, proletarianisation and even an increasing concentration of property in the means of production. But their form is different in agriculture. The extension of capitalism involves not so much an extension of the area occupied by capitalist farms, but vertical and horizontal integration by capitalist farmers into food processing and agribusiness. Similarly proletarianisation takes a specific form in agriculture: not so much the dispossession of producers from their means of production but the differentiation of the peasant household. Where a peasant family finds that it did not have enough land to sustain itself under existing market conditions, it sells labour rather than agricultural commodities, with the latter becoming a household activity for the purpose of supplementing the family income. In other words, the process of proletarianisation is marked by the emergence of the worker-peasant, peasant-worker or part-time farmer (the modern nomenclature varies). Thus, Kautsky points out, the proletarianisation of the peasant is not necessarily accompanied, as Marx assumed, by the disappearance of units of production organised along non-capitalist lines.

Therefore the peasant is not regarded by Kautsky as an anomaly under modern economic conditions. Furthermore Kautsky argues that the relationship between capitalist and peasant farms is not contradictory but complementary. The latter sell labour to the former during certain stages of

the life-cycle, specializing only in the production of labour-intensive commodities. This complementarity is of great significance for it implies the absence of the mechanism - market competition - whereby both Marx and Weber assumed that large-scale capitalist agriculture would become dominant. In this context proletarianisation does not take a form which implies the disappearance of pre-capitalist forms of production. This opens the way for the co-existence of large-scale capitalist farms on the one hand and simple commodity producers on the other in a manner which does not threaten the existence of the latter (see also FRIEDMANN, 1978, 1980). Whereas Marx had assumed that the process of proletarianisation would accompany the destruction of pre-capitalist organisations in agriculture, Kautsky separates these two processes. This was a significant departure from what had hitherto been taken for granted in Marxist analysis, but it also represented a considerable break-through in the understanding of the processes at work in agrarian capitalist development. However, as HUSSEIN and TRIBE have pointed out (1981a, pp. 108-109), the next obvious question - what is the mechanism by which pre-capitalist organisations of production are destroyed in agriculture? - was never answered by Kautsky. One further point is worth noting: since the differentiated peasant household both sells labour and land, its proletarianisation is unlikely to have the same consequences as those which Marx predicted for the individual proletariat. Once again the distinctive features of capitalist development in agriculture engender social effects which cannot be equated with those of industrial capitalism.

Briefly summarising Kautsky's argument we may note that he was concerned firstly to separate the process of proletarianisation from the destruction of pre-capitalist forms of organisation in agriculture and that secondly he wishes to separate tendencies in landownership from those in commodity production. Moreover according to Kautsky the peasant is guaranteed a modicum of survival by transforming its internal household organisation by withdrawing from direct competition with larger farms. Kautsky therefore implicitly suggests that agriculture proceeds by different laws of capitalist development from industry, for example by developing a reproducible dual-farming structure or by integrating itself with agribusiness whilst retaining the nominal independence of the agrarian producer. In other words the small farmer is reduced by capitalist penetration to an outworker of monopoly capitalist agribusiness.

What lessons can be drawn from this brief excursion into nineteenth century European social theory? The first, and most general, point to make is that the theories of Marx, Weber and Kautsky were developed in a particular historical context and were part of an ongoing political debate which shaped

their presentation and their value orientation. Their theories are not entirely polemical, but neither are they abstract or timeless. These writers deserve attention for the example they set, for their methods, and for their insights. They are less exemplary as predictors of empirical reality. Nevertheless these writers do point to the kind of questions which the sociology of agriculture should be concerned with, even if they do not adequately furnish the answers. At the very least they suggest an extensive and fruitful research agenda.

### **2.1.2 The peasant question in the twentieth century**

During the twentieth century sociology, as an institutionalised discipline very much reflected the assumptions concerning the growth of industrial capitalism which lay behind the writings of Marx, Weber and Kautsky. That is sociology has been concerned with rural and agricultural matters only as a background factor - and by extension the rural has been viewed as pre-industrial pre-capitalist and frequently as backward and residual. Rural sociology in the twentieth century undoubtedly suffered from this. The comparative neglect of agricultural and rural matter by the nineteenth century founding fathers provided an excuse for subsequent rural sociologists to ignore the contributions of the classical theorists and in particular to ignore the example they set in combining theory and method in the analysis of problems that are both socially and sociologically relevant. With very few exceptions, therefore, rural sociology did not inform the overall development of the discipline. Indeed, rural sociology as an institutionalised sub-discipline was very much regarded as a backwater of the subject. Its hallmark was a highly empirical and descriptive approach to subject matter which chose to ignore the contributions of the classical theorists; (see NEWBY, 1980). Indeed the issues addressed by Kautsky were to virtually drop out of the purview of rural sociology in its institutionalised form particularly as it became established in the United States. The peasant question became, instead, much more a matter of practical politics, most obviously so in the case of Lenin contribution to the subject (HUSSEIN and TRIBE, 1981b) and in the debates which existed between Lenin and Chayanov which had clear political implications for the development of the Soviet Union during the inter-war years. It was not until the late 1960s an early 1970s that academic sociologists in the West came once more to address the questions raised at the turn of the century. Initially this was in the context of studies of the Third World peasantry, but this soon spread into a reassessment of the position of the peasantry in Europe and thence to reconsideration of the role of the peasant in the development of capitalist agriculture.

From the 1970s onwards, therefore, The 'Agrarian Question' was resurrected. The work of Chayanov, for example, was rediscovered and considerable attention was paid to his observations that the peasant household was driven not merely by the exigencies of the market but by factors relating to household structure - for example the stage in the family cycle. This led to much speculation over whether a separate 'peasant mode of production' was identifiable which was reducible to neither feudalism nor capitalism, a view which is now generally rejected (ENNEW et al., 1976). The burgeoning literature of what became known as peasant studies allowed post-Chayanov investigations of the contemporary peasantry to be conjoined with insights gained principally from Marxist economic anthropology which emphasised the unity of production and consumption in a single peasant household. From this came the notion of petty or simple commodity production. The debate embedded in this literature contained many valuable insights, not least concerning issues of how to conceptualise 'the peasant'. As a result it became generally recognised that the category 'peasantry' disguised as much as it informed, and that however much there was a tendency to adhere to it at the descriptive level, it tended to cause greater confusion when employed theoretically. The internal transformation of the peasantry, recognised by Kautsky and Lenin, had created such a degree of differentiation that a new array of concepts was required (see LONG 1977, GOODMAN and REDCLIFT, 1981).

These debates still remained separated from the analysis of agriculture in advanced capitalist societies, however, and thus within the purview of the sociology of development' rather than 'rural sociology'. The individual who was, perhaps, primarily responsible for bridging this unfortunate divide was Harriet Friedmann, who in a series of articles during the late 1970s attempted to employ some of the concepts which had evolved from the peasant studies debate on an analysis of the persistence of the 'family farm' in the United States. The genesis of Friedmann's work was, however, rather more complicated than this. Her background had been in the study of 'world systems as a student of Wallerstein. Originally, therefore, the work sought to link the international political economy of food production with the persistence of family farms through a case study (in her doctoral thesis) in an area of North Dakota. Friedmann placed particular emphasis on the role of the state, which had for a variety of political reasons sponsored the establishment and the continuation of a family farming structure in the area. In particular state intervention had been directed towards a social democratic concern with upholding family proprietorship as the principal unit of property ownership and agricultural production.

Friedmann's major conceptual contribution was to develop the notion of 'simple commodity production'. She regards simple commodity production as an analytically separate concept from that of capitalism - and therefore with quite separate laws of motion. This is why she would accept that agriculture develops in quite different ways to capitalist industry. In effect Friedmann's work set a whole new research agenda for rural sociology in the 1980s, albeit one which, ironically, would have been easily recognised by the classical theorists of the nineteenth century. It has therefore provoked a spirited debate at both the empirical and the conceptual level. For example the suggestion by MANN and DICKINSON (1978) that the peculiarities of agrarian development are partly produced by the disjunction between labour time and production time in agriculture have subsequently been challenged on an empirical basis by MOONEY (1983).

Theoretical critiques of Friedmann's work have centred on two issues. The first concerns the fact that, rather like the nineteenth century theorists, she still regards the small farm as an anomaly - a case of arrested marginalisation - whose existence somehow needs to be explained. This is partly because Friedmann works within a Marxist political economy and therefore shares some of the assumptions, especially the more utilitarian aspects of Marx's political economy, referred to above. This leads on to a second source of criticism of her work, namely that operating within a Marxist political economy leads her theorising to stop, as it were, at the farmhouse door. The farm household or family remains in her work a kind of theoretical black box which political economy cannot penetrate because of its assumptions about the sources of social action. This criticism has arisen not merely as a theoretical issue; it also has empirical implications. For example subsequent empirical work has shown that not all family farms can be considered in the same way with reference to her conceptualisation of simple commodity production. Some family farms might, indeed, conform to her notion of petty commodity producers but it is clear that many do not. Many of them, indeed, turn out to be unambiguously capitalist. What one is observing in this case is the penetration of capitalist relations into agriculture which do not take the 'classic' form. That is, Friedmann mistakes a distinctive form of capitalist social relations for a peculiar, and analytically separable mode of production. This by no means undermines many of her insights, but it does suggest the need for certain modifications, particularly concerning her conception of simple commodity production. Once more, in an echo of nineteenth century writing on this subject, the recognition that agrarian capitalist development takes on a variety of social forms which do not conform to manufacturing industry is necessary in order to gain understanding of the direction of agrarian development. The persistence of peasants/family farms/petty

commodity producers, and their ability to reproduce themselves over generations, need not lead to the assumption that they represent pre-capitalist, or non-capitalist, social forms.

### **2.1.3 Emergent processes: agribusiness and pluriactivity**

It has become clear that the path of capitalist agrarian development is not a simple, nor even a unilinear, one. Although it may be an empirical oversimplification, there nevertheless is a good deal of evidence to suggest that theories of a dual farming economy are most appropriate in order to understand the separate and often divergent processes involved. Although the persistence of the family household as a unit of production in agriculture has, given the antecedents referred to above, continued to retain much of the attention of those interested in the sociology of agriculture, it should not be overlooked that, in the meantime, important structural changes have also been taking place in the large-scale, capital intensive, 'agribusiness sector of the farming economy. The classical tendency towards the concentration of production in agriculture has proceeded in a way which would be familiar to many nineteenth century theorists, albeit more slowly and in a way which has not eliminated the family farm as a social and economic unit. Throughout Western Europe and North America farms have become bigger in size, and agricultural production has been progressively concentrated on a very small minority of very large holdings. Nevertheless when we refer to the changing structure of agriculture it is vital to remind ourselves that we are not merely referring to this tendency, but also to the equally important tendency of agriculture (in the sense of farming) to become closely integrated into a food production chain, many stages of which now take place off the farm entirely. This was a development predicted by Kautsky and, although it is under-researched, the increasing integration of farming into the agro-engineering, agro-chemical and food processing, marketing, distribution and retailing industries is by now well understood. It is simply that for a variety of reasons, especially the importance of land as a factor of production, food producers have been content to allow farming to remain in the hands of formally free farmers.

On the other hand the capacity of the family farming sector to reproduce itself and to remain in being remains fertile ground for social investigation. Recently it has become apparent that some progress can be gained by taking the household, rather than the farmer, as the unit of analysis. In particular, in order to understand the driving forces which lie behind the action of the family farming unit, it is necessary to investigate all of the various component

parts of that household's income and how the necessary labour is divided between its constituent members.

This has led to the development of the notion of pluriactivity or multiple job holding. This is to be distinguished from the category of part time farming which refers only to the individual farmer, but rather stresses that the key to the survival of the family farm as a persistent social form in agricultural production depends upon the internal household work strategies (PAHL, 1984) which are adopted. The examination of pluriactivity offers a much more holistic approach to an understanding of the persistence of the family farm. For example, it recognises that market factors are important in establishing the parameters within which the family farm operates as far as its farming activities are concerned. However it also recognises that the family as a unit enters into a variety of relations with external capital in order to ensure its reproduction, some of which may be in agriculture and some of which may not. Moreover the examination of pluriactivity also recognises that, as a social unit, the farm household is partially driven by internal social relations (such as the division of labour within the family) and by household work strategies and is not merely the passive receptor of market forces.

What is probably required, therefore, is some kind of transactional model which examines the relationship between, on the one hand, the exigencies of the market (which may well include such familiar neo-classical matters as capital accumulation, cost efficiency and technological innovation) and on the other household work strategies (involving the internal division of labour and available sources of alternative income governed by the exigencies of the labour market). This transaction is, as Friedmann originally noted, mediated by the state which, through its agricultural policies, virtually governs the conditions of existence of the whole agricultural sector. Such a transactional model would seem to be able to accommodate both the utilitarian forms of economic rationality assumed by Marx, Weber and others which are often contained within the presumptions of agricultural policy and the 'hidden hand' of the market, while also allowing for the recognition that the household unit may well operate according to a very different rationality relating to its values and goals and its consequential assessment of risk.

The retention of such a dualistic approach to the study of agrarian development requires that a degree of flexibility be maintained. To be specific: it may be appropriate to treat certain branches of agriculture as if they were branches of industrial production, whereas in other branches such an analogy is wholly inappropriate. Therefore if analyses drawn from the political economy of industrial production are not automatically transferable to agriculture, neither are they completely irrelevant. They will be modified



more or less according to the type of commodity production and by the necessity of accounting for the factors outlined above. Tracing the particular pathways of capitalist agrarian development is difficult and complex. Nevertheless it is hoped that this paper demonstrates how a certain degree of lateral thinking is required. This paper, therefore, demonstrates many of the limitations, but also the uses, of nineteenth century political economy and sociological theory for contemporary concerns with a new sociology of agriculture.

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## 2.2 Inside the "Black Box": The Need to Examine the Internal Dynamics of Family Farms<sup>1</sup>

by Patricia O'Hara<sup>2</sup>

*Im Zuge der Erforschung des agrarischen Strukturwandels und der Persistenz der bäuerlichen Familienbetriebe sieht es die Autorin als sehr wesentlich an, daß den internen Dynamiken in den bäuerlichen Familienbetrieben besondere Beachtung zukommt, ohne dabei jedoch die Sicht auf die strukturellen Beschränkungen in der Landwirtschaft zu verlieren. Am Beispiel Irlands skizziert Patricia O'HARA zunächst die Entwicklung der Landwirtschaft in den letzten Jahrzehnten. Die fortschreitende Kapitalisierung des primären Sektors führte zu einer Konzentration der Produktion und der Einkommen auf einen relativ kleinen Anteil von Betrieben. Eine Folge davon ist, daß ein beträchtlicher Teil der irischen Landwirt/innen nicht mehr in der Lage ist, ein ausreichendes Einkommen aus der Landwirtschaft zu erwirtschaften. Man stützt sich vielmehr auf Einkommensquellen aus außerlandwirtschaftlicher Arbeit oder auch auf Transferzahlungen des Staates. Die Erwerbskombination wurde als "Überlebensstrategie" von Bauersfamilien gewählt, die es ihnen erlaubt, an dieser sozialen Lebensform festzuhalten. Die Erwerbskombination kann in manchen Fällen sogar als Strategie des "Neu-Erstehens" des bäuerlichen Familienbetriebes gesehen werden.*

*Sehr breiten Raum nimmt in weiterer Folge die theoretische Diskussion über den bäuerlichen Familienbetrieb im fortgeschrittenen Kapitalismus und über die geschlechtsspezifische Arbeitsteilung im Produktions- und Reproduktionssektor ein. Die Geschlechterverhältnisse stehen nach Meinung der Autorin im Zentrum des bäuerlichen Familienbetriebes, nicht nur hinsichtlich der Arbeitsteilung oder der Macht- und Lohnverteilung, sondern auch als Schnittstelle zwischen Haushalt und Familie und dem unterschiedlichem Zugang zu den Produktionsmitteln.*

*Die Schlußfolgerungen bezüglich der zu untersuchenden Forschungsfragen, die O'HARA aus diesen Überlegungen zieht, sind in die Forschungsmethode des Projektes eingeflossen.*

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<sup>2</sup> former TEAGASC, Dublin; now Callaghan Associates, Dublin

### **2.2.1 Introduction**

The panel studies in the EEC/Arkleton Trust research project on farm structures and pluriactivity afford a unique opportunity to subject the 'black box' of the family farm to empirical investigation. This paper is an initial attempt to contribute to the theorising necessary to guide the panel studies. I argue the need for a focus on the internal dynamics of family farms in the light of current debates on the changing nature of agrarian structures and the persistence of family farming as a social form. I propose that gender relations in family farming are the shadiest area within the 'black box' and that they can only be comprehended by a focus on the conditions of existence of farm families, how these create particular divisions of labour and how they are understood by farm families themselves.

### **2.2.2 The Irish context**

The most striking feature of Irish agriculture as it has evolved over the past few decades is the structural transformation which has occurred, particularly since entry to the European Community (EC) in 1973. This structural change has been characterised by the modernisation of primary production, involving expansion in output and aggregate incomes, and has been paralleled by capitalist expansion in the manufacturing, processing and service sectors based on agriculture. The associated adjustment process has led to considerable differentiation within the agrarian population. In 1985, 36 per cent of farms accounted for 79 per cent of total output and three quarters of total income (HEAVEY et al. 1986). The concentration of production and incomes in a relatively small proportion of farms is likely to continue and intensify given the numbers of farmers capable of generating a surplus to finance further development - estimated to be around 20 per cent of the total. There is however, little evidence of concentration of land or the emergence of capitalist farming.

While a substantial proportion of Irish farms are no longer commercially viable in terms of being able to generate a reasonable income from farming 'family farming' as a social form persists. Farm families increasingly rely on non-farm sources of income - primarily off-farm employment and state transfers - to supplement their earnings from agriculture.

Given these structural conditions, conceptualising the future of family farming presents us with an analytical challenge. It is not clear whether the increased reliance on non-farm income sources is part of the process of re-

creation of new forms of family enterprise or simply a stage on the route to eventual annihilation. Many 'family farms' do not appear to have a realistic prospect of social reproduction. A recent study undertaken in the west of Ireland revealed that in half the farm households of less than 12 hectares, there was no resident aged under 45 years. Forty four per cent of the farmers were over 45 years and unmarried (CONWAY/O'HARA 1985). These demographic adjustments (such as failure to reproduce) may be temporary discontinuities - redressed over time by inheritance leading to restructuring - or a stage in the decomposition of family farming.

The commercial farm sector has also undergone considerable change. Modernisation has involved capital investment, borrowing, increased reliance on purchased inputs - in short a leap on the 'treadmill' with its associated vulnerability. The active involvement of these farms in the dynamics of agriculture as a business may make them in some respects analytically distinct from those marginal to agricultural production.

Pluriactivity has been seen as a 'survival strategy' for farm families, a way of allowing them to persist in a social formation of considerable cultural and ideological importance. Pluriactivity or part-time farming can also be seen as a strategy for re-establishment of a farm family. In Ireland in the 1970s the 'demographic turnaround' was associated with the return of emigrants to family holdings with the income from non-farm employment being the key to the re-establishment of the holding as a 'family farm'. Survival is not necessarily of course a matter of 'strategies' as REDCLIFT (1986) has pointed out. The term itself implies a degree of voluntarism and conscious action which may not be justified and may obscure the importance of structural constraints. It is important therefore that we investigate pluriactivity in the context of continuity and its meaning for farm families themselves.

### **2.2.3 The family farm in advanced capitalism**

The resilience of family farming in advanced capitalism has been the object of considerable theoretical attention in recent years. The predominant perspective locates the social relations of production in agriculture within the context of capitalist society. Derived from Marxist analysis, this political economy approach (MARSDEN et al. 1986) to the analysis of agrarian social structures concentrates primarily on the way in which capitalism relates to rural economies and the links between capitalist expansion and agricultural restructuring. The emphasis is therefore on external relations - the forces acting on the family farm, especially capitalism, and the family farm's

relationship to these forces. One approach sees the future of family farming in terms of its eventual subsumption by the forces of capital as soon as technological development permits capital to take over primary production. (In some sectors such as poultry production technological advance has already allowed capitalist penetration.) DE JANVRY (1980), MANN and DICKINSON (1978) and GOODMAN and REDCLIFT (1985) are among the theorists who have put forward this argument.

An alternative view is that capitalism has succeeded in exploiting family farmers (or simple commodity producers) by controlling the sphere of circulation (inputs and markets) thus effectively reducing the farmer to the status of proletarian who works at home (AMIN/VERGOPOLOUS 1974). DAVIS (1980) argues further that the labour of primary producers is exploited in much the same way as a piece-worker in industry because of capitalist control of the marketing and input sectors.

While these approaches have lifted understanding of agrarian change and adjustment out of the theoretical doldrums, they do have certain shortcomings when we consider them in the light of empirical observation of the Irish case. In the first place theories of the relentless logic of capitalist development do not allow for specific adaptations reflecting regional or local conditions, or take account of historical events which create distinctive adaptations and mediate external forces. In Ireland's case the land structure resulting from the abolition of the landlord system in the late nineteenth century had a crucial effect on the subsequent pattern of farming, class structure of farming and strong ideological commitment to the 'family farm'. Secondly, the heterogeneity within the farm population, especially the persistence of a majority marginalised sector without an apparent commensurate concentration of land or evolution of a capitalist class of farmers suggest that unitary explanations of capitalist development cannot adequately explain the complexity of the Irish agrarian structure. Thirdly, theories of capitalist development offer little insight into the internal relations of production within family farming as a social form or the relationship between the members of the 'farm family' and the external economy and policy.

FRIEDMANN (1978, 1981) has put forward a theory of family farming (which she characterises as Simple Commodity Production - SCP) as a social form, arguing that what distinguishes it is its relations of production at the enterprise level. SCP has advantages over capitalism as a form of production specifically because of its internal relations. Profit is not a condition of reproduction and personal consumption can be adjusted, unlike wages, when production conditions are unfavourable. When family labour is scarce workers can be hired and production can be expanded by individual family

members engaging in off-farm employment. Despite economies of scale associated with capitalism, the nature of the agricultural enterprise (in which SCP is so prevalent) and even the technological innovations associated with it, may favour SCP - hence its persistence.

Friedmann's theorising has stimulated a debate about SCP as a concept, the main points of contention being whether SCP is a stage in the process of subsumption or whether it is a uniquely different 'form of production' as Friedmann argues. It is this emphasis which distinguishes her approach from those cited above and which has brought most criticism. WHATMORE et al. (1986) accuse Friedmann of being preoccupied with form (particularly her emphasis on the presence or absence of wage labour) precluding her from examining process particularly the analysis of unique sets of internal relations and the relationship between SCP and external capitals. However the reverse argument is also the case - undue emphasis on process results in form becoming the 'black box'.

In a more recent article FRIEDMANN (1986) has argued that there is nothing specific to agriculture which accounts for the persistence of forms of production such as SCP. Rather, to understand SCP in capitalist economies we must look at its distinct characteristics as a form. These are the labour process - the organisation of labour through kinship, gender and age - and, property relations, involving the unity of property and labour. Unequal relations within the enterprise are associated with age and gender and often reinforced by property rights. It is the interplay of household and business that gives family enterprises their essential dynamic.

She draws attention to the issue of succession and its centrality as well as the influence of internal relations such as conflicting expectations by spouses or children. The family enterprise is subject to pressures both as a family and an enterprise (p. 46). In the resolution of tension between investment and consumption goals, women's involvement as managers of the domestic domain is critical. Friedman has not however taken the conceptualisation of the farm household very far, merely referring to its key constituents especially the patterns of relationships in which gender is central.

BERNSTEIN (1986) for instance has questioned whether 'family' can be theorised as a unity. In what sense can 'family' farms be characterised as SCPs (or vice versa) if the internal divisions of labour and gender relations are unknown. It may be the case that contemporary commercial farming, while having many SCP characteristics, includes a substantial proportion of production units in which the coincidence between farm and family is one of location rather than productive involvement.

There is also the question of the relationship between production and reproduction and the association of the latter in its widest sense with women's labour. Is the domestic sphere and its associated reproductive aspects to be conceptualised differently in family enterprise because it is less distinct from 'productive activity' or labour which has a 'value'. How can we conceptualise women's labour in 'family' enterprises.

#### **2.2.4 Gender issues: production and reproduction**

It is easy to fall prey to conceptual confusion when discussing gender relations in farm families and use terms like farm household, family business, and domestic economy interchangeably. From this point, I wish to define the family farm broadly as a production unit in agriculture which uses mainly family labour, which is generally acquired and disposed of through family and kinship ties and sells its product in the market. In Irish family farming there is generally no wide spatial or functional separation between the farm and the household. The latter is the unit in which food is provided and consumed, child bearing and rearing and maintenance of family members takes place. The labour associated with this domestic unit is most frequently carried out by women and unpaid. The family farm may include more than one woman and some farm operators are female, but in the Irish stem-family patriarchal kinship system most farm operators are male.

The concepts of production and reproduction are central in much of the debate concerning family farming and also women's work in the household. With regard to family farming, while the concept of production as involving the transformation of raw materials into goods for consumption or exchange has been relatively unproblematic that of 'reproduction' has been much more controversial. Friedmann defines it thus:

Reproduction is both social and technical. Reproduction requires in all cases the creation and distribution of the social product in such a way that, first, the direct producers have sufficient articles of consumption to participate in a new round of production and, second, tools, land, animals, seed, fertilisers, machines or other means of production are maintained or replaced for the new round of production ... The first I shall call *personal consumption*: the second *productive consumption* ... (FRIEDMANN 1978, p.555)

or, more succinctly, reproduction is:



The renewal from one round of production to another of the social and technical elements of production and of the relations among them (FRIEDMANN 1981, p. 162).

Feminist theorists have used the concept of reproduction in a number of ways. Narrow definitions confine the concept to human reproduction - i.e. the reproduction of the species (McDONOUGH/HARRISON 1978). Reproduction of labour involves the reproduction of people but not just biologically (MACKINTOSH 1981). It also involves the whole process of care and socialisation which ensures the continuation of society. Social reproduction is yet a wider concept which involves the process by which relations of production in society are perpetuated. This last definition is closer to Friedmann's broad all inclusive concept.

However broadly defined, women's role in reproduction is central because of biology. However, it is not, REDCLIFT (1985) has argued, necessarily determinate of the sexual division of labour which varies greatly in different societies and modes of production. She also draws attention to the fact that in stratified societies some groups are 'reproduced' less adequately than others in terms of the adequacy of their material means of survival so we must be aware of differences in levels and styles of reproduction as the markers of class.

While production and reproduction are conceptually separable one is faced with the problem of distinguishing them at an empirical level. To see either one as determinate is, according to Redclift, problematic. Even though women's work is associated widely with reproduction, the explanation for this must lie in the relationship between the two spheres. This is not an easy dilemma to resolve particularly if contemplating an empirical examination of gender relations in farm households. Reproductive work in relation to family farming involves a process by which farm and family is enabled to persist within a given context. This does not always involve biological reproduction but may be a matter of maintaining the 'farm family' as a social form for eventual transfer to someone not immediately part of the original farm family, as in the case of transfer to an indirect successor. In this context, Friedmann's 'personal' and 'productive' consumption concepts are helpful as a way of conceptually separating 'farm' and 'domestic work' without equating either wholly with 'farm' and 'household' or with gender. It also allows for inclusion of the work of women who are at different stages of the family life cycle, rather than the wife/mother role upon which many of the debates are centred.

DELPHY (1977, p. 63) has argued that women's domestic work is no different from other "so-called productive goods and services produced and consumed by the family". The ultimate goal of the farm family is consumption and this

is mediated by exchange, not that some activities are inherently productive and some are not. Women's work is regarded as 'unproductive' (and thence not included in GNP statistics) only when it occurs within the family. All women's work within the family is unpaid regardless of its ultimate outcome. Hence it is in the family *mode of production* that what Delphy calls patriarchal exploitation occurs. Delphy sees the family mode of production as being distinctly different from capitalism and essentially outside of it because the relations of production within the household are distinctly different from the wage labour relations of capitalism. The significance of Delphy's work is that she conceptualises women's labour differently and attributes exploitation not to what women do but to the relations of production in which they work and the fact that their work is unpaid. The implication for empirical research is that we first look at the nature of the farm family as a unit of consumption, focusing on the way in which consumption needs are met by production.

This is not to suggest that the farm family be conceptualised as apart from wider productive forces/processes, but that the internal dynamics of the farm family be a focus for study. We need to know exactly how the conditions of existence of farm families create particular divisions of labour and how this is understood by farm families themselves. The process of subsumption is of course important but the adaptive strategies of farm households are, I believe, at least as significant in understanding the present configuration of Irish agriculture. Gender relations are at the centre of family farming, not just in the division of labour or distribution of power or rewards, but in the interface between home and family and differential access to the means of production. The flexibility of the labour force on farms is undoubtedly bound up with the gender division of labour. Bouquet (1984) in a study of dairy farms in south west England has shown how the commercialisation of the domestic sphere - the taking in of visitors - ensures the reproduction of the farm household. The modernisation of agriculture confined women to the domestic sphere initially. However, women have been able, according to Bouquet, to cover any shortfalls in personal consumption due to farm modernisation, through the taking in of visitors. The work activities of women are therefore crucial in understanding household strategies which can explain the resilience of family farming.

### **2.2.5 Research issues**

Friedmann's work has led us to the door of the farm household and suggested that gender relations are central. Delphy has suggested that the farm household as a family mode of production is the locus of exploitation of women's labour. The centrality of gender relations as part of the way in which farm households adjust to changes in external conditions is clear. There have however been few attempts to uncover the relationships involved by an empirical examination which links consumption/reproduction and production.

The following are examples of what such an investigation should include:

- Clarification of the 'family farm' as a concept; use of terms like 'farm household', 'domestic group', 'farm family' interchangeably gives rise to conceptual confusion. There is a clear need for an adequate conceptualisation of what the key social formation in relation to small scale agricultural production with all its correlates is. This may vary considerably between different cultural settings.
- The family farm is the locus of sets of reproduction, consumption, production and decision-making relationships, all of which are differentiated on the basis of gender. The interpenetration of these relationships must be understood.
- Family farm survival strategies must be identified through analysis of the division of labour and decision-making on family farms, but also by the way in which the participants themselves give meaning and value to their activities.
- Inheritance and succession as the main mechanisms of continuity must be investigated, particularly the virtual exclusion of women from direct inheritance/continuity.
- Gender differences in access to and control over resources, as well as the division of income within the 'farm family'/farm household and their links to women's subordination, need to be examined.

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### **3 THE IMPORTANCE OF PLURIACTIVITY**

#### *Die Bedeutung der Erwerbskombination*

### 3.1 Farm Family Pluriactivity in Western Europe<sup>1</sup>

by André H. BRUN<sup>2</sup> and Anthony M. FULLER<sup>3</sup>

*Die Erwerbskombination - im anglo-amerikanischen Raum als "Pluriactivity" bezeichnet - als Kombination von landwirtschaftlichen und nicht-landwirtschaftlichen Tätigkeiten in bäuerlichen Haushalten, ist eine Lebens- und Arbeitsform, die in ganz Westeuropa und darüber hinaus weit verbreitet ist. Die generell feststellbare Tendenz einer verstärkten Einbindung von Personen landwirtschaftlicher Haushalte in nicht-landwirtschaftliche Beschäftigungen unterstreicht die steigende Rolle der Erwerbskombination im Zuge regionaler Entwicklungsprogramme. Mit der Diversifizierung landwirtschaftlicher Aktivitäten und der Erwerbskombination sind auch Hoffnungen verbunden, negativen Entwicklungstendenzen und Problemen ländlicher Gebiete teilweise entgegenzutreten zu können.*

*Dieses Paper veranschaulicht die Situation der Erwerbskombination in Westeuropa anhand von Auftreten, Art und Niveau der Erwerbskombination in den teilweise sehr unterschiedlichen Regionen. Ein wesentliches Ergebnis dabei ist, daß es sich bei der Erwerbskombination nicht um ein neues Phänomen handelt, sondern vielmehr diese Art der Einkommenskombination weit verbreitet, ihre Bedeutung aber von den sozio-kulturellen und ökonomischen Bedingungen abhängig ist. Einen Schwerpunkt stellt die Erwerbskombination in den mitteleuropäischen Studienregionen (v.a. Alpenländer) und auch in Südeuropa dar.*

#### 3.1.1 Pluriactivity in context

Pluriactivity does not exist in a vacuum. It represents a fundamental interaction between farm people and the labour market and is therefore influenced by the conditions which govern agriculture on the one hand and the conditions of the labour market on the other. These conditions,

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<sup>1</sup> Based on the publication by the Arkleton Trust (Research) Ltd, United Kingdom, with assistance from the French Ministry of Agriculture and Forestry, Oxford 1992

<sup>2</sup> Institut National de la Recherche Agronomique in Orléans, France

<sup>3</sup> University School of Rural Planning and Development in Guelph-Ontario, Canada

geographic, demographic, administrative and political form the essential features of the context in which patterns of pluriactivity emerge. In order to understand the broad and variable context of pluriactivity in Western Europe, some characteristics of the areas selected for the Arkleton Trust project are presented.

The Arkleton Trust farm household survey 1987-1991 was based on twenty-four Study Areas selected from twelve countries in Western Europe: nine EC member states and three non-EC countries.

**Table 1: The Study Areas**

France	Picardie (PIC) Savoie (SAV) Languedoc (LAN)	Spain	Sevilla (SEV) Asturias (AST) Catalonia (CAT)
Greece	Korinthia (KOR) Fthiotis (FTH)	United Kingdom	Buckingham (BUC) Grampians (GRA) Devon (DEV)
Ireland	Dublin (DUB) West Ireland (WIR)	West Germany	Euskirchen (EUS) Freyung Grafenau (FG)
Italy	Udine (UDI) Southern Lazio (SLA) Calabria (CAL)	Austria	Salzburg (SAL) Styria (STY)
Netherlands	Maas en Waal (MW)	Sweden	Bothnia (BOT)
Portugal	Agueda (AGU)	Switzerland	Chablais (CHA)

An examination of the Study Areas on a comparative basis shows the degree to which they represent the great diversity of farming and rural conditions across Western Europe. The essential character of the twenty-four Study Areas is revealed by a few indicators selected from the Arkleton Trust surveys (1987-89) and general statistics from Eurostat. They include population and agriculture, farms and farm families. Descriptions of labour market and policy structures are not included here as information is not readily available. The importance of policy and labour markets is an outcome of the project and lie beyond the scope of this paper.



### ***Population and agriculture***

The variation in population density across rural Europe is well captured by the distribution of Study Areas. High population density occurs in rural areas near to cities (peri-urban areas) and in Mediterranean Europe. Rural population increases (annual average rate of variation of population in recent years) also occur in the South, but are not always associated with major urban centres; Calabria (Italy) and Agueda (Portugal) being cases in point. Reciprocally, population decreases do not mean necessarily that the area is a remote one (cf. Languedoc (France) and Styria (Austria)). Concerning population engaged in agriculture, in most cases, active agricultural population represents less than 20% of the total active population. The most agricultural areas are all at the geographical periphery of Western Europe, with the exception of Languedoc (France).

### ***European farms***

#### **SIZE:**

The great range in farm size, measured by the average size in hectares of Utilizable Agricultural Area (UAA) reflects the differences of physical, structural and cultural features in Europe. Large units predominate in the North and small units prevail in the South.

#### **CHANGE:**

In terms of the change in farm numbers, it is interesting to note that the greatest declines occur generally where farm structures and conditions are more favourable for modern production, and in peri-urban locations, rather than in the poor farm structures areas and particularly in the South of Europe where several Study Areas reveal some growth in farm numbers.

The Study Areas reflect different systems of farming in which livestock raising generally occurs on large structures (grazing), on commons and in stables; the size of UAA is influenced by climate and topography, as well as by past and present cultural conditions such as population pressure on land and systems of inheritance.

The great variety of farm structures, mirrored by farm size, is one of the remarkable features of Western Europe and raises the question of how farm families continue to derive their livelihoods from such diverse backgrounds. It also raises the question of how best to apply common measures of agricultural policy to such diverse conditions.

### ***European farm families***

#### **SIZE:**

Farm families vary in size across Europe. Household sizes are generally larger in Iberia, Austria and Ireland which may reflect the more traditional Roman Catholic areas of rural Europe. In terms of the proportion of households with five persons or more and the proportion of households with four persons older than 16 or more, again the areas with the largest family sizes are among the traditional Roman Catholic regions (limited birth control and access to abortion).

This basic pattern may be interpreted from another perspective. The differential in the size of family reflects the decline of family size as the standard of living increases. Thus, Italy and France with predominant Roman Catholic populations have small average sizes of farm family which are consistent with other areas where high average standards of living have been obtained (Germany and the UK).

Although farm family size is still a variable across rural Europe, it is probably not as significant for our purpose as the functional relations between families that have members in close proximity. In nucleated farm settlements (hamlets and villages) which predominate in the South of Europe, families occupy separate dwellings, but are in close proximity for the sharing of farm labour, domestic activities and general decision making. Measuring single family dwellings may not reveal the actual size of the farm family as a functional labour force in many parts of Europe.

### **3.1.2 Pluriactivity in reality**

Having outlined the conditions in selected rural areas in Western Europe, it is now our intention to describe pluriactivity from the Arkleton Trust data base. This draws mainly on the results of the 1987 Baseline Survey of 300 farm households per study area and the merged data set of households weighted according to farm size in order to represent the universe of farms in each area. Moreover, data have been merged for the 20 EC study areas.

Three aspects of pluriactivity will be explored to answer basic questions on the reality of multiple-job holding among West European farm families:

**INCIDENCE:**

- What is the proportion and distribution of pluriactive farm households in Western Europe ?
- Does this vary by farm size ?

**LEVEL:**

- Who in the farm household is involved in pluriactivity ?
- Are combinations of participants important ?

**TYPES:**

- What types of pluriactivity are there (on-farm, off farm, on another farm) ?
- In what sectors do those with other gainful activities (OGA) work (other than farming their own farm)?

For all three measures, variability in the distribution will be examined across the 24 study areas and through the merged data set. Involvement of household members in Other Gainful Activities (OGAs) is the base for the definition of pluriactivity. Pluriactivity is recorded as being held full-time or part-time. A "regular" OGA is one held full-time or part-time on a regular (annual) basis.

In a final part, a general appraisal of the income structure of farm households is provided to form a summary of the significance of pluriactivity among farm households in Western Europe.

***Incidence of pluriactivity***

Over sixty percent (62%) of all sample farm households are pluriactive in the 20 EC areas<sup>4</sup> on the definition of at least one household resident having another gainful activity (OGA), that is being employed full-time or part-time (regular or seasonally) in an activity other than primary agricultural production on the farm. (If we consider only the farmer and his/her spouse the proportion falls to 51%).

This proportion varies considerably - from 36% to 88% - (27% to 80% if only farmer and spouse considered) when the distribution of pluriactive farm households is considered by looking at the 24 study areas. There is no apparent regional pattern in the distribution of pluriactive households.

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<sup>4</sup> If not otherwise stated, the results are those of the merged 20 EC areas

Importantly, there is no strong association between the proportion of pluriactive farm households and farm size as long as we keep to this broad definition. Utilizing the merged data set (20 EC areas) the difference between the one fifth of the largest<sup>5</sup> (58%) and the one fifth of the smallest<sup>5</sup> farms (64%) is minimal. Although there is a considerable difference between what is "small" (or "large") in the different study areas, the general association with relative size across all study areas holds true.

By exploring this aspect further an important variation does emerge. Of the pluriactive farm households, 66% have at least one member with a full-time OGA. These may be referred to as "hard core" pluriactive households and their proportion varies considerably by study area (from 48% to 91% of pluriactive households). Importantly, "hard core" pluriactive households are associated with small farms, while part-time, regular or seasonal, pluriactive households are found more on large farms. The incidence of pluriactivity measured by the full-time or part-time work status of at least one household member is summarised for the 20 study areas in the following figure 1.

### *The level of pluriactivity*

The degree of farm household pluriactivity is measured by the number and combination of activities held by household members.

#### a) Who is involved ?

About 40% of the farmers (mostly male) are involved in other gainful activities, whereas the share of the spouses (mostly female) as well as other members of the household involved in OGA is merely about 20%.

It is evident that farmers and spouses, when holding an other gainful activity, are less involved full-time than their children, except when on farms that are small. This reflects their involvement in running the farm and the family.

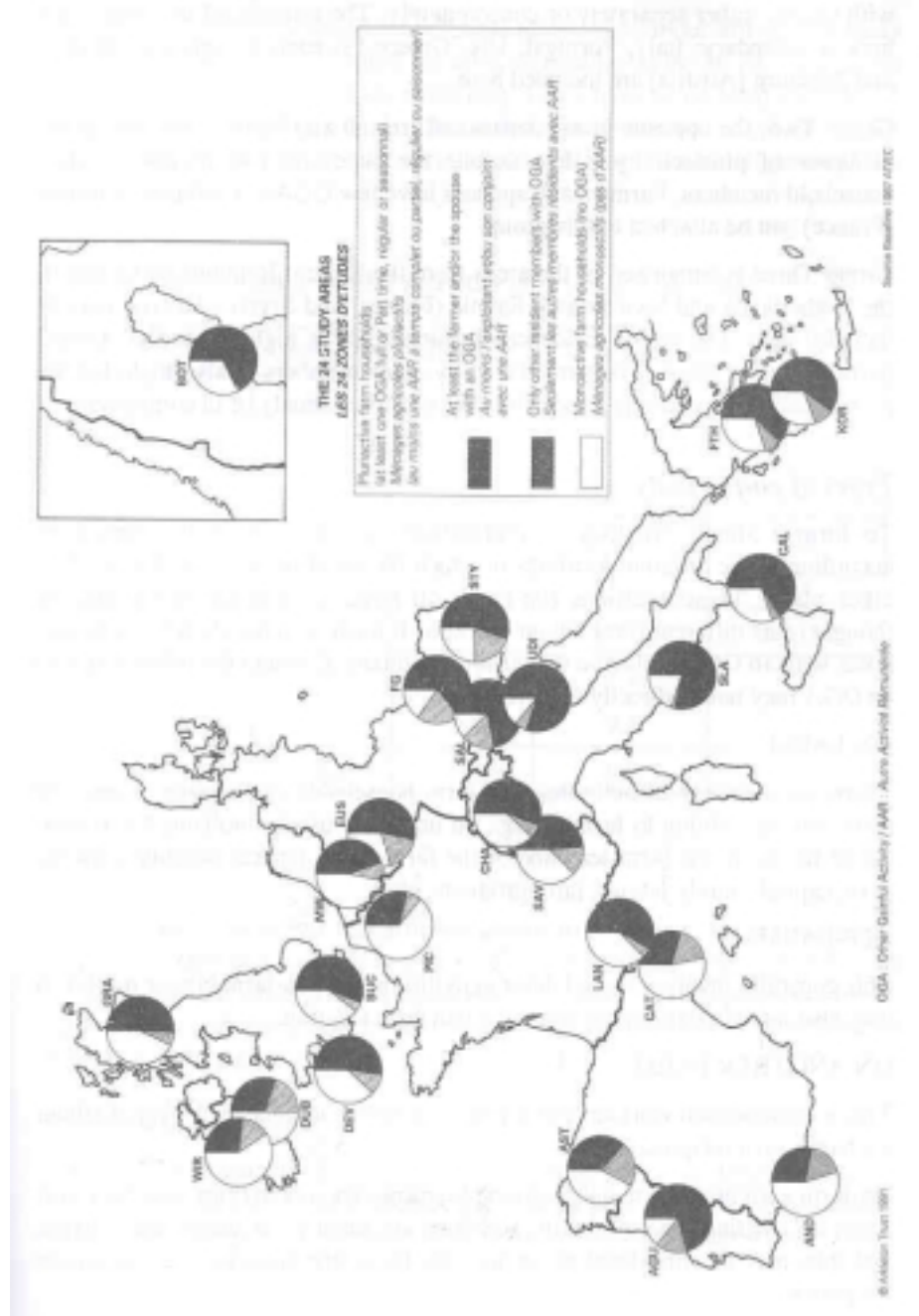
#### b) Regional variations

It is possible to distinguish three groupings with different characteristics of pluriactivity based on OGA combinations. As a result the study areas appear grouped by country because of the strong cultural factors that seem to influence the distribution.

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<sup>5</sup> measured by Economic Size Unit

Figure 1: Incidence of pluriactivity among farm households



Group One includes areas with high or very high levels of farmers and spouses with OGAs, either separately or concomitantly. The role played by other members is secondary: Italy, Portugal, UK, Greece, Sweden, Languedoc (France) and Salzburg (Austria) are included here.

Group Two, the opposite group consists of Ireland and Spain where the global incidence of pluriactivity is low despite the important role played by other household members. Farmers and spouses have few OGAs in common. Picardie (France) can be attached to this group.

Group Three is comprised of the areas from the Federal Republic of Germany, the Netherlands and Switzerland. Savoie (France) and Styria (Austria) may be included here. The global incidence of pluriactivity is high due to the farmer's participation in OGA. The part played by other members is also high, but the participation of spouses is noticeably low, either separately or in combination.

### ***Types of pluriactivity***

To form a simple typology of pluriactivity we may divide the population according to the different locations in which the OGA of farm family members takes place. These locations (on-farm, off-farm, on another farm) may be thought of as different rural labour markets. It must be remembered that households with an OGA still have the farm to maintain, although the individual with an OGA may not be directly involved.

#### **ON-FARM:**

There are a variety of activities that farm households can engage in on their own farm in addition to farming e.g., an on-farm business utilising the resources of the farm, the farmstead and/or the farm house (space, buildings, machinery, capital, family labour, farm products, etc.).

#### **OFF-FARM:**

This generally involves wage labour activities in the non-farm labour market. It may also include self-employment in a non farm location.

#### **ON ANOTHER FARM .**

This is remunerated work on another farm or farms with the exclusion of labour exchange on a reciprocal basis.

On-farm activities are mainly self-employment. These activities may be considered as creating jobs. Off-farm activities are mainly for wages and salaries and thus may be considered as taking jobs. These are important considerations for policy.

## a) Relative importance of activity types

There is a very clear preponderance of off-farm wage labour among European farm families (table 1). Over half the farm households in the 20 EC study areas have at least one off-farm OGA, while only 1 in 5 have an on-farm OGA and 1 in 10 have work on another farm. Although the predominance of off-farm wage labour is not a surprise, it is found in all sizes of farm, with a slight emphasis on small farms.

**Table 2: Types of other gainful activities** (in % of farm households)

Type	Intensity	All farms	20% smallest	20% largest
Off farm	(a)	32,7	47,2	26,5
	(b)	9,2	6,4	12,0
	total	47,9	53,6	38,5
On the farm	(a)	1,6	2,5	1,4
	(b)	18,0	11,2	23,6
	total	19,6	13,7	25,0
On another farm	(a)	1,4	1,7	2,0
	(b)	9,2	7,3	9,9
	total	10,6	9,0	11,9

(a) At least one full-time OGA

(b) Only part-time OGAs

20 EC study areas merged

It is important to note that off-farm work tends to be more 'full-time', while on-farm activities tend to be part-time. This suggests that part-time enterprises on the farm are more compatible with farming and household maintenance. In this respect, it is surprising that on farm OGAs are not more well developed on West European farms.

## b) Combination of OGAs

There is a large number of combined OGAs among European farm households. For example, 28% of households with full-time or part-time OGA have another OGA as well. This is as high as 54% for 'on-farm' OGAs and 64% for OGAs

'on another farm'. It is possible to conclude that 'on farm' and 'on another farm' OGAs are most often combined with other OGAs, mainly because they are part-time.

#### c) Regional variations

The global incidence<sup>6</sup> and distribution of households with different OGAs per study area is seen in Figure 2. It is evident that off farms OGAs predominate in all regions (from 58% to 95% of the work devoted to OGAs). The greater regional variation is in the incidence of 'on-farm' and 'on an other farm' activities.

In Italian, Greece and British areas, on farm OGAs are more developed than elsewhere. In the areas of South of Europe these on-farm activities are associated with para-agricultural activities (traditional processing and retailing farm products) while in the UK and the Alpine Study Areas, the OGA is more often associated with agro-tourism.

Work 'on another farm' is found in the South of Europe (with permanent crops of vines, fruits and olives) and in the North West where large farm structures prevail that demand farm labour.

#### d) Characteristics of off-farm work

Seventy-seven percent (77 %) of farm household labour expended in other gainful activities is devoted to off-farm work. Two characteristics of off-farm work are the gender division of labour and the general status of the jobs held (crudely defined).

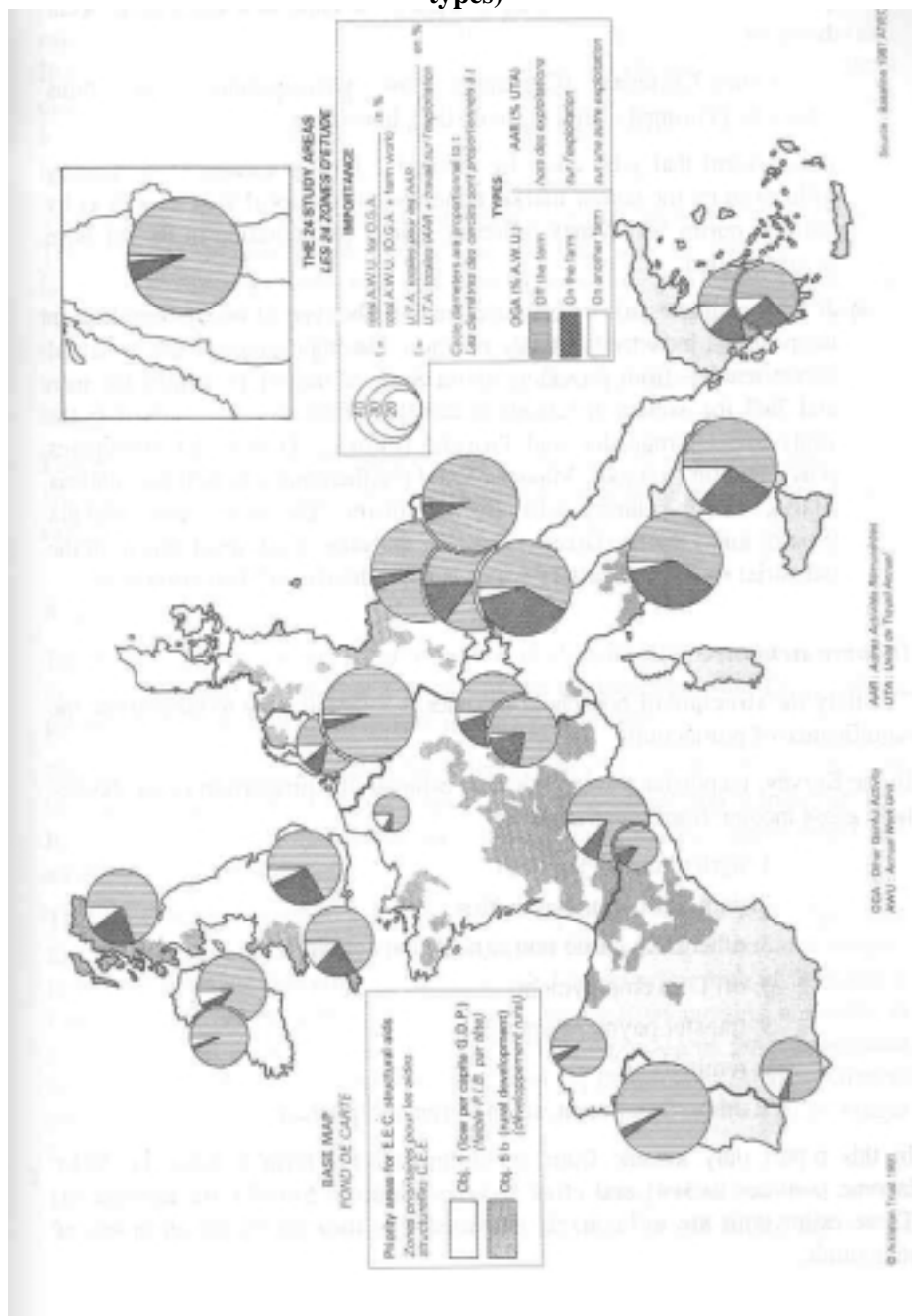
- 1) A clear feature is the differential participation of women in the off-farm labour market. It is very low in the areas of Germany, Netherlands, South of Italy, and Greece and high, that is equal to or higher than men's, in study areas as different as Picardie (France), Agueda (Portugal), the UK areas, Asturias and Catalonia (Spain). In the Alpine zone, women's participation in off-farm work is above the European average: Salzburg and Styria (Austria), Udine (Italy), Savoie (France) as well as in Bothnia (Sweden), and West Ireland.

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<sup>6</sup> Here the incidence of pluriactivity in the households is measured on the basis of summing the Annual Work Units for each activity type for the whole sample in each study area.



Figure 2: Farm family pluriactivity (importance and types)



2) The relation between job status and women's work is positive with high status jobs being held by women in most areas where women's participation (relative to men) is high. Two important exceptions occur however:

- Freyung-Grafenau (Germany): low participation, high status
- Agueda (Portugal): high participation, low status

It is evident that jobs taken by the active farm population are strongly influenced by the labour market conditions in the local area as well as by cultural norms which may influence gender participation in the off-farm labour market.

3) A third characteristic of off farm work is the type of occupation held in the primary, industrial or tertiary sector. The importance of the industrial sector reaches from providing about 86% of the off-farm jobs for men and 76% for women in Agueda to less than 40% respectively 30% in the study areas Languedoc and Picardie (France), Devon and Grampians (UK), Dublin (Ireland), Maas en Waal (Netherlands) as well as Calabria (Italy), where primary jobs are significant. The study areas Sevilla (Spain) and Fthiotis (Greece) showing the same weak involvement in the industrial sector, the tertiary sector is more developed than elsewhere.

### ***Income structure***

To study the structure of household incomes is a simple way to summarise the significance of pluriactivity.

In the Survey, respondents were asked to estimate the proportion of the household gross income from seven sources.

- 1: agriculture on the farm
- 2: para-agricultural activities
- 3: other farm based non agricultural activities
- 4: off farm employment
- 5: transfer payments, pension
- 6: remittances
- 7: other (investment, savings, rents, capital...)

In this report only income from agriculture on the farm (source 1), OGA income (sources 2+3+4) and other incomes (sources 5+6+7) are referred to.

These estimations are to be taken, cautiously, as they are based on orders of magnitude.

The results reveal a gap between the number of households reporting at least one of their members participating in an OGA regularly or seasonally (62,1% cf Fig. 1) and the number of those who report having OGA income (56%). We can probably interpret this gap as due to less rigorous income criterion. However in some cases the gap is reversed: in Savoie (France) and in the areas of Switzerland, Austria, Sweden and Italy. That is in cases where pluriactivity is common. Forestry income can also be calculated differently in some situations (Austria, Sweden).

There is a strong expected association between income structure and farm size. The proportion of households with over 50% of their total income from farming increases as economic farm size increases. This is irrespective of whether the household has income from OGA or not. When over 50% of the household income comes from OGA, the proportion decreases with economic farm size, but is nevertheless substantial, especially for those households with other farm businesses.

Finally, a number of farm households do not derive 50% of their incomes from farming or OGAs. In these cases, transfer and investment incomes are significant.

### ***Regional variations***

The highest dependence on farm income is in Picardie (France) where in 84% of the households farm income is dominant and minimum in Udine (Italy) where for only 12% of the households farm income is dominant.

The structure of pluri-incomes reflects the pluriactivity of farm households and the many variations and combinations of deploying labour and earning income. It also includes unearned income such as transfers and remittances which are significant in some areas.

The relationship between pluri-income and pluriactivity is less tight than thought. For instance, Devon (UK), and Savoie (France) have the same proportion of farm households with an OGA (61%), but the proportion of households that do not derive more than 50% of their income from farming is double in Savoie (France) than that in Devon (UK). The proportion of farm households with at least 50% of their income from the farm is the same in Fthiotis (Greece) and West Ireland (49%), but the proportion of households with an OGA ranges from 70% to 41% respectively.

Figure 3 illustrates the distribution of pluri-incomes per study area across Western Europe. It shows the dominance of farm income in the household income structures of the study areas in the UK, Ireland, the Netherlands, Spain, Switzerland and Greece. Picardie (France) is part of this group. The dominance of income from OGAs is evident in the study areas of Italy, Portugal, Austria, Sweden and Germany. Savoie and Languedoc in France are study areas where no one category of income dominates.

### 3.1.3 Conclusions

From these explorations, it emerges that farm household pluriactivity concerns the majority of households in most contexts. However, it is important to recognize that the reality covered by pluriactivity is quite complex.

It is necessary to consider all income sources in order to understand household behaviours, their needs and their futures. In this perspective it is necessary to consider all farm household pluriactivity, whether combined or shared by different household members, whether on or off the farm, whether wage-labour or self-employed.

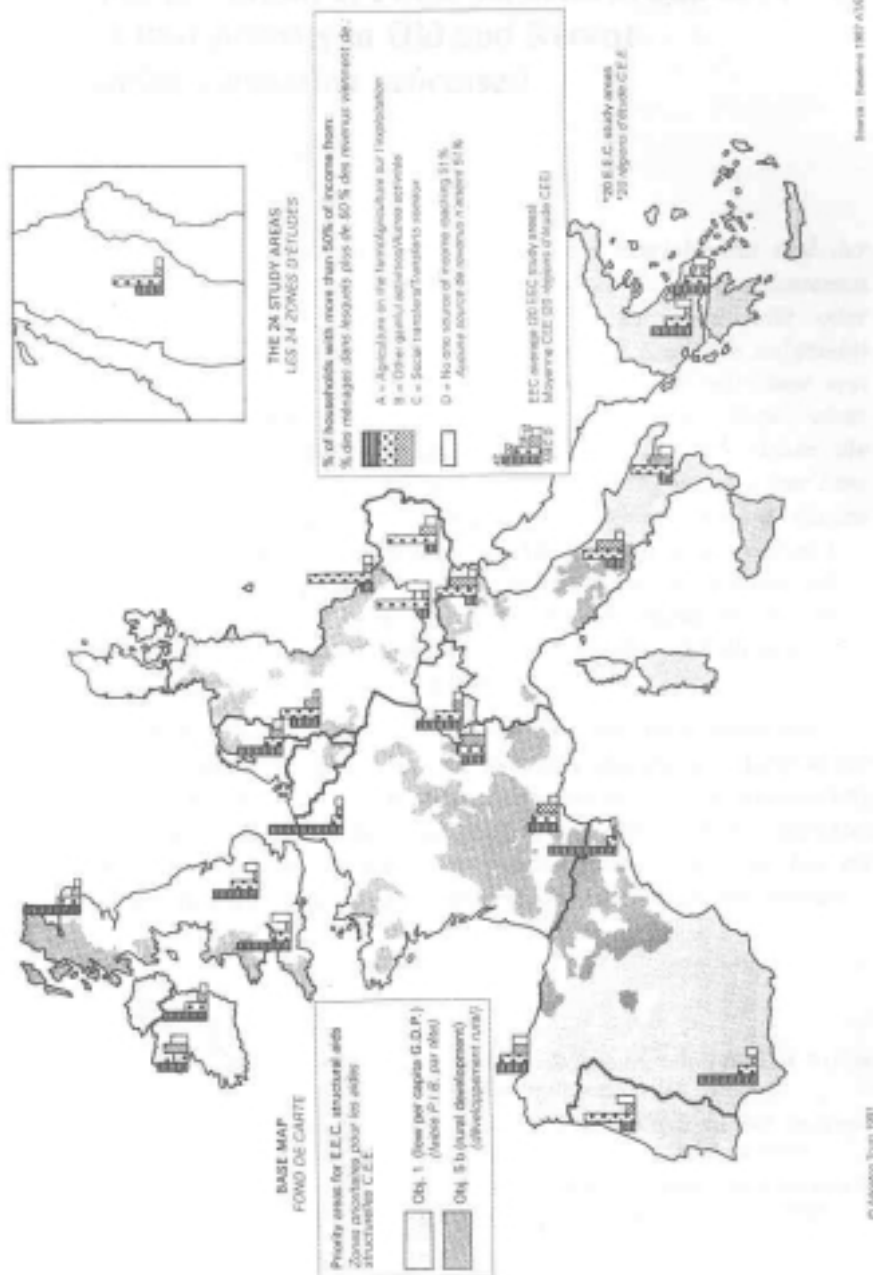
Finally, a still broader view encompasses pluriactivity as a central component of rural development. Diversification of activities within local economies follows the same principle as diversification of activities in the household or for individuals. Although this is not the focus of the study, communities are diversifying their economies where possible, which represents pluriactivity at the "meso-economic" level.

With all these views in mind, the preceding study was made to allow readers to abstract from the data their own information according to their needs. The data base is consistent across the 24 study areas in western Europe, which allows for the first time a unified picture of pluriactivity and the avoidance of mistakes made by previous attempts using secondary data<sup>7</sup>. This permits users to select their own definition according to their questions, situations, and culture and to compare their impact across Europe within the limits of 24 case-studies.

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<sup>7</sup> cf.: Peat Marwick Mitchell (Management consultants) Study of outside gainful activities of farmers and spouses in the EEC. Commission of the European Communities. Document. 1986.

Figure 3: Household income structure







### **3.2 The Evolution of Farm Structures and the Role of Pluriactivity in Old and Recent Industrialisation processes<sup>1</sup>**

by Elena Saraceno<sup>2</sup>

*In diesem Beitrag stellt die Autorin die Rolle der Pluriaktivität und der strukturellen Entwicklung in zwei grundsätzlich unterschiedlichen Systemen der Wirtschaftsentwicklung gegenüber: einerseits wird das alte oder "klassische" Modell der Industrialisierung am Beispiel Englands aufgezeigt und andererseits fungiert Italien als Beispiel für ein Land mit einer erst "kürzlich" aufgetretenen industriellen Entwicklung. Im Zuge einer historischen Betrachtung zeigt sie auf, daß in Ländern, in welchen die agrarische Revolution der industriellen Revolution vorausgegangen war bzw. diese begleitet hat, die Pluriaktivität unter den Landwirt/innen auf Kosten einer sektoralisierten und professionellen Landwirtschaft abgenommen hat. Im Vergleich dazu finden sich in Ländern, wo die industrielle Entwicklung erst später einsetzte, verschiedenste Typen von landwirtschaftlichen Betrieben - von solchen mit Pluriaktivität und Subsistenzcharakter bis zu jenen mit modernen integrativen Formen der Pluriaktivität.*

*Die Autorin kommt zum Schluß, daß die dualistischen Interpretationen der Größe landwirtschaftlicher Betriebe - die Polarisierungsthese sowohl in der Neoklassischen als auch in der Marxistischen Theorie - einer Revidierung bedürfen und daß erkannt werden muß, daß sich kleinstrukturierte Betriebe, welche Pluriaktivität betreiben und modern und effizient geführt werden, als Arbeits- und Lebensform über lange Zeiträume durchaus behaupten können.*

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<sup>1</sup> Paper published in "Proceedings of the Montpellier Colloquium", July 1987 (1st Review Meeting), see also more recent articles on this issue by the author:

Saraceno, Elena: Recent Trends in Rural Development and their Conceptualisations. Paper at the 35th EAAE-Seminar "Rural Realities - Trends and Choices". Aberdeen 1994

Saraceno, Elena: Contesti territoriali e pluriattività: un'analisi comparata delle tre aree di studio. In: INEA (ed.): Strategie familiari, pluriattività e politiche agrarie. Roma 1992

<sup>2</sup> Centro Ricerche Economico Sociali (CRES), Udine



Pluriactivity has always existed but has become a controversial issue only after the industrial revolution (FULLER 1984, BARBERIS 1970, SARACENO 1985). In pre-industrial times pluriactivity was widespread and it would have been considered nonsense to try to eliminate it: different activities were well integrated into the predominantly agricultural mode of production. Some transformation of agricultural produce, some manufacturing for domestic or local needs, some commerce and other services were done without even being perceived as pluriactivity but as a continuum with farming, and perfectly complementary to it.

After the process of industrialization this integration starts to break up into a variety of different, more or less pluriactive situations. In real terms for some farms it could be a case of a very slight difference with the previous situation, but the fundamental difference lies in the negative perception that became predominant about such lack of specialization. Thus pluriactivity became an anomalous organization of production at the time of the industrial revolution due to the fact that it went against the increasing sectorialization of production, which was considered the most efficient for growing markets. However, the purely agricultural sector hypothesized to counterbalance and imitate the industrial sector, has had increasing difficulties of implementation, the more so when it was associated with social policy objectives such as comparable incomes or the necessity for strategic or balance of payment constraints dealing with food supply.

As a consequence, and until we are able to understand better what type of changes have been taking place, we should assume that in those countries where the agrarian revolution preceded or accompanied the industrial revolution pluriactivity among farmers tended to diminish in favour of a more sectorialized and professional agriculture. This situation however, has not proved to be the last and definitive stage of development that was expected; for different reasons, such as rising income expectations and/or a new demand for a different quality of life, pluriactivity has tended to creep back into professional agriculture.

On the other side, in those countries where the agrarian revolution did not take place and industrial development occurred only recently, following a different pattern from classical development, we find several types of evolution from the old forms of pluriactive subsistence farming to the newer forms of modern integrated pluriactivity. Of course the simplistic schematization proposed here has only the purpose of clarifying two points:

(a) that there is a plurality of ways in which structural change occurred with all the unmentioned intermediate or mixed situations and their related forms of pluriactivity

(b) that there have been both pluriactivity types that tended to disappear with development, as well as new forms of pluriactivity which appeared: if little has been said about the first kind, since an attitude of "benign neglect" was prevalent, nothing at all has been said about the second since nobody expected that what was considered a survival of the past could acquire a function within modern society or a modernized agricultural sector.

### **3.2.1 The case of classical agrarian revolutions**

The English agrarian revolution will be taken as an example of early industrial development. This specific case has indeed turned into a model, theorized and applied to developing countries<sup>1</sup> accepted as reference for development policies with the assumption that it will get the process of industrialization under way. From the early description of how the English agrarian revolution actually produced the conditions for industrialization (MANTOUX 1928) to its later more generalized versions (BAIROCH 1976) the process of agrarian change was described as a sequence of events which followed a recognizable pattern in relation to developing industry.

The process got started with an increase in the internal demand for goods due to population and urban growth. In order to achieve higher outputs to satisfy the increase in demand for primary products new techniques were developed to increase productivity. In the case of England these techniques were copied from Holland, where higher productivity was pursued due to the high density of population, and applied in the English countryside, characterized by a relatively lower population density, thus producing the surplus needed together with higher productivity. Profits and perspectives appeared very good and as a consequence landowners tried to reclaim land from tenants, closed open fields or bought land in order to increase farm size, and absentee landlords returned to their farms. The "gentleman farmer" figure became a new social type. Those who sold their land undertook non agricultural activities already known, such as textile manufacturing, pottery or food processing, employing the labour pushed out from agriculture. The more people left the primary sector, the more the demand for market goods increased; thus a double kind of specialization took place: on the one side a sectorial differentiation between agricultural production and manufactured goods, on the other a spatial differentiation between the rural countryside

where agricultural production took place and the urban centers where the new manufacturing tended to concentrate, close to its consumption markets.

As the system expands the agrarian structure changes: different plots of land formerly tenanted by the landowner without any pattern are amalgamated when tenants leave and large holdings start to be managed directly as a unit; production is geared mostly to the urban markets or for export and no longer mainly to the subsistence of the rural population. Specialization in certain crops and breeding livestock becomes widespread. The whole process takes place spontaneously with the free play of market forces. With the subsequent maturation of the industrial revolution, when heavy industry and transportation infrastructure become the leading sectors, the system just described consolidates its spatial urban-rural differentiation and its sectorial agriculture-manufacturing specialization, even if there are important changes among declining and growing regions (POLLARD 1981).

A virtuous circle has established itself between agricultural modernization and industrial growth: labour and entrepreneurs shift from agriculture to manufacturing, productivity rises in agriculture, growing industry has capital and cheap labour available. Markets grow for both sectors. The process is perceived as positive for everybody and as a progress from the previous situation. Social problems and conflicts are seen as necessary consequences of such progress, which can be corrected in various ways according to the various existing political class perspectives, but nobody challenges the superiority of the new system of production. It is in such a context that farmers' pluriactivity starts to be perceived as a survival from the past inefficient organization of production and acquires its negative and transitory connotations.

### **3.2.2 The case of recently developed countries**

The Italian process of industrialization will be taken as an example of a very recent type of development which seems to have followed a quite different pattern even if ending up with an unquestionably industrialized situation. Descriptions of such a model were first attempted in the second half of the 1970's (BAGNASCO 1977) and acquired a more consolidated and formal explanation in the 80's (FUA 1983, BECCATINI 1985). However, agrarian economists have been slow in drawing out the implications of such a new type of development for farm structural evolution and current perceptions of pluriactivity. The description of this model will take a little longer since its elements have not yet been typified in a generalizable pattern.

Italy is a latecomer in its industrial evolution. The process of industrialization has been characterized as being particularly slow and promoted originally by the State following what has been called a top down approach (BONELLI 1978). In late development contexts the agricultural sector has come to play a totally different role from the classical one just described, and it may be hypothesized that other late development mediterranean countries might be following a quite similar pattern.

During the XIXth century Italy became an exporter of agricultural produce (cereals, wine, oil, fruits, silk) in response to the growing demand of Northern European countries. A first difference is then that the process in Italy does not get started by an increase in the internal demand but has been - so to speak - export lead. In the second place the added income from such exports did not initiate investments in manufacturing, as a consequence the demand for non agricultural labour remained at low levels. The population however did grow and this increased the pressure of available labour on land. As a result, landowners found that they could only extend the farmed area without changing the traditional tenant system since the weakness of the manufacturing sector was not acting as an incentive to increase agricultural productivity nor as an attraction for labour. Applying new technologies appeared in such conditions to most landowners to be a waste of money: the closing of open fields and the reclamation of land led in most cases to the reproduction of absentee ownership and more tenants with smaller plots, or to an extension of farming into hill and mountain areas where productivity was much lower. Italian "gentlemen farmers" were an exception and concentrated geographically along the Po Valley. After the political unification of Italy (1860), the State starts drawing away resources from the agricultural sector (fiscal policy, forced savings, sale of the clergy property) and investing the revenue in basic infrastructure (railway and road system) and heavy industry (mainly for military purposes). During this period the agricultural sector acts as the main source of financing for the State and its industrial initiatives. The originality of this first attempt at industrialization is that it was based on the intervention of the State as the promoter of development.

The arrival of cheap American grains by the 1880's brought an end to this equilibrium. Foreign debt increased and the role of the agricultural sector changed significantly: no longer able to provide capital to the State it turned into a "buffer" sector responsible for keeping a "low consumption equilibrium" which made a gradual and slow process of industrialization possible (BONELLI 1978). The resources available to the Italian State were limited and did not allow for a very high level of imports, consequently instead of promoting development through an increase of internal demand, the

State chose to invest its scarce resources in heavy industry, keeping internal consumption at subsistence levels. It was a strategy which implied the impossibility of establishing that virtuous circle which had worked in early industrialized countries since it interrupted the positive exchange of labour, capital and products between agriculture and industry and did not stimulate an increase in productivity or the use of new technologies on a large scale.

There were nevertheless some other advantages to this alternative model: the agricultural sector went on producing mainly for the subsistence of the rural population, which remained throughout this period the majority of the population; it did not waste imports on foodstuffs, leaving them for essential raw materials necessary for industrialization, of which Italy was badly in need; it reproduced artisan local economies and services with whom the type of industrialization promoted by the State did not compete. By allowing the reproduction of the labour force at subsistence levels the agricultural sector gave the State a chance to develop slowly and gradually, apparently employing all the excess population but remaining able to supply labour to other sectors as it was needed adapting it to the slow increase of the industrial labour demand. Furthermore out-migration which grew in intensity since the end of the XIXth century acted favourably in two ways, as a safety valve for surplus population thus easing the pressure on land, and as a new positive contribution to the balance of payments through migrant remittances. Migration flows integrated itself perfectly with the "low consumption equilibrium" model and the labour intensive organization of agricultural production.

The convenience of technological innovation and structural change was even more discouraged than before by such a system: internal demand was stagnant, external demand had considerably fallen as well as profits, labour was abundant and cheap. Even with the protectionist policy followed by the State a dual process of land sales started giving access to former tenants and the bourgeoisie. Thus instead of amalgamating farms, large landowners sold off pieces, so increasing the fragmentation of property.

This system, established at the end of the nineteenth century lasted until the second world war (in the South and in some mountain areas until the end of the sixties) and explains the main characteristic of the Italian farm structure: the persistence of the small farm for subsistence purposes in most regions, on the one hand, and a few modern large farms limited to the more developed areas on the other. It was the predominance of subsistence agriculture and demographic pressure on land which consolidated an agrarian structure which could not eliminate the small farm and was characterized as dualistic.

A similar dualistic situation presented itself in the industrial sector (LUTZ 1962). The top down approach followed by the State had given rise to a few big enterprises, but only in some sectors and highly concentrated from a territorial viewpoint. On the other hand small artisan enterprises had survived in the rest of the country, with local markets and mainly active in light industry manufacturing.

Such a dualistic structure, typical of the State directed attempt at industrialization, starts to change quite significantly during the seventies. The liberalization of the economy in Italy after the second world war has strengthened some of the local artisan economies. At the same time the characteristics of international consumption patterns change towards an increase in the demand for small scale, short series manufactured products at the expense of mass production markets, predominant until the end of the sixties, both nationally and internationally. New possibilities of expansion open up as a result for the local artisan economies that had a relative advantage in that kind of product. On the other hand, the sectors in which the State had invested start to loose markets and competitiveness (steel, shipyards). While some of the old industry starts to decline, a process of diffused industrialization, this time from the bottom up consolidates itself in a highly flexible system of small and medium sized enterprises, dispersed in small towns and rural areas, quite active in foreign markets, growing step by step through reinvestment of profits (FUA 1983).

This process of recent change has been characterized, in opposition to the previous type of development as diffused industrialization. It does not have the same sectorial and spatial differentiation since it has developed in a dispersed pattern, in formerly rural-agricultural areas. It has had a remarkable impact on the "low consumption equilibrium" which had reproduced itself for such a long period of time in most Italian regions. Out-migration has stopped and return-migration flows have been attracted by new local job opportunities. Precarious and occasional jobs have become secure and stable. Internal consumption has been at last growing substantially. For the agricultural sector the change has also been very significant: the small farm with a subsistence function loses its importance since family income now depends on secure outside jobs. This process is clearly evident in Central and Northern Italy, its presence in the South is however more controversial.

Differently from the classical English revolution, labour does not move out from rural areas because the location of industrial demand for labour is not concentrated in urban centres and commuting from the farm is possible and convenient. On the other hand there is no landowner pushing them out since most farmers own their farms. At the same time agricultural occupations

continue to decrease since people consider their main occupation their off-farm job.

Structural change in such a context may take several directions and it is not certain which one will prevail since change has been very recent. Selling the land is one possibility which doesn't seem to happen very frequently: fragmentation is high and fractioned sales are more common; another option is the residentialization of the farm: use the residence and rent or let other people use the land; still another possibility is to use off-farm income to buy more land and then become professional farmers; another strategy is to minimize labour relying on contract work, thus simplifying farm activities; integration into larger production cycles seems also to be present with various forms of complementarity and exchange with relatives, professional farmers, cooperatives, processing companies. All this indicates that a clear process of land amalgamation is not taking place, that there are no objective push factors out from agriculture, on the contrary, pull subjective factors seem to have, at least for the present generation, a strong weight. If this is true, even if it is too early to say, it may be expected that small farms will not disappear as fast as policy makers or agronomists would like them to, for the sake of efficiency and modern agriculture.

This implies that pluriactivity in recently developed areas has evolved from the old subsistence function to a more modern organization with a rationality of its own and which cannot be understood just from an agricultural production perspective. Field research (GRANDINETTI/SARACENO 1980) has pointed out that new functions such as lowering the cost of living, added income, quality of life, explain the survival of the small farm within an industrialized area. Of course the organization of production has deeply changed: mixed productions are yielding to more specialized objectives; it is common to find the elimination of the few head of livestock for self consumption and starting of one or more crops, which are less labour demanding, for sale on the market.

A new kind of virtuous circle has established itself between this kind of agriculture and diffused industry: many recent entrepreneurs come from small farms, consider themselves in the same social class as the workers they employ, are flexible for absenteeism due to harvesting and have little conflict with workers or unions, since they share a common work ethic; the social costs of development are very low since previous housing, roads and services are already there and don't have to be created anew, families are able to save a higher proportion of their income since their cost of living is lower than for a comparable job in a city where moving the whole family would be involved.

As a result social conflict is relatively low and modernization is not perceived as a break with the past.

In this context both pluriactivity and small farms may be expected to take a multiplicity of forms and types of evolution of which selling the land is just one of them. But what might be even more significant from an agrarian point of view is that diffused industrialization influences the behaviour not only of small farmers for which pluriactivity has always been a structural feature, but also of professional farmers which even with larger and more modern farms might consider the opportunity of establishing a different mix of incomes within the family, since such a choice no longer implies leaving the farm. Medium professional farmers are better able to judge the relative economic convenience of a farm enterprise since they have had stable relations with the market and know the limits and advantages of the various existing policy measures.

The close correspondence between subsistence pluriactivity and small farms might therefore be decreasing in areas of diffused industrialization. This requires that the old terms in which the dualistic farm structure was characterized in late development areas will lose its significance: small farms and large farms can no longer be considered as indicators of different stages in the economic development. The new terms in which the present situation should be looked at takes into account the possibility that several rationales may be present within a diversified farm structure and these may allow different economies of scale to be achieved. The issue of farm size should therefore be reconsidered when the agricultural sector is being evaluated - at least as it had usually been done by policy makers and planners.

### **3.2.3 Conclusions**

The comparison of the sequence of events that took place in old or "classical" industrialization processes and in recently developed areas has helped to make clear that there has at least been more than one type of sequence. Therefore current theories about the evolution of farm structures during the process of industrialization should be revised in order to take into account such differences in the type of economic development in a region or country.

Such a revision helps enormously to clarify and understand some of the key issues in the pluriactivity debate. The very brief and schematic description of two different types of development shows that pluriactivity might have very different roles according to the context: not only differentiating between preindustrial and developed areas, but also between areas that have followed



different industrialization processes. If this is true then it could be hypothesized that there is a necessary interrelationship between the context and the typologies of pluriactivity that may be found in it.

The presence of pluriactivity should be considered a structural feature for any context, and no longer a transitory one, but this is an inadequate way in which the issue of pluriactivity has been discussed in the past. The real issue is how many types of pluriactivity there are, when some become transitory and tend to disappear and when others tend to appear; how when and why one type is likely to change into another. In this paper the importance of the type of development of an area has been focused as a central variable, because we are dealing with comparative research in very different areas. Within a homogeneous area, however, the context may stay as a general framework of reference in the background and other differentiating variables might be in the forefront; such as policies, stage in the family life cycle, farm resources.

A second point that could be made is that a more flexible approach is needed in the understanding of how farm size and structural change works in the agricultural sector. The assumption that economies of scale operate in relation to size which was considered to hold for industry does not seem to apply in agriculture. Not only has it been questioned for industry, given the economies of scale achieved by a coordinated group of small enterprises which become in some cases even more competitive than larger units, but also for agriculture from various viewpoints.

From a historical perspective it has been argued that the modernization of agriculture (new and more advanced crops, rotation practices) was not significantly delayed by a fragmented farm structure (DOVRING 1974). From a theoretical viewpoint it has been argued that farm size does not allow for economies of scale, and that an optimum size cannot be defined, therefore, both a small and a big farm may be equally efficient in their growth (BOUSSARD 1976). If this is true then pluriactivity is a solution which gives to the small farm those advantages that the professional farm which wants to remain so must look for in an increase in size (JACOPONI 1975). Furthermore, since expected incomes tend to increase with time a farm size that was considered "sufficient" after the second war is no longer so today. This process creates the necessity for continuous farm structure adjustments and results in increasingly fewer farmers, with all the implications that this may have for services to the rural population if we go on assuming that rural areas should be preserved for agricultural activities. Diffused industrialization and the opportunities it gives for movement in and out of pluriactivity should then be considered as a positive factor which allows a farm structure characterized by different farm sizes to remain efficient and flexible.

A third point is that dualistic interpretations of the farm structure (the polarization hypothesis in both its neoclassical or marxist form) need to be revised in order to make room for the possibility of a small modern and efficient farm based on pluriactivity and which is not a residue from feudalism nor needs to turn into a large farm following the free play of market forces or existing policy measures and State intervention.

A final point that could be made is that the emphasis that has been placed on the need to achieve increased levels of professionalization in agricultural activities has acted in fact as a selection criteria of what has been increasingly turning into a smaller fraction of the farming population. Competence and working time should be considered as two very different aspects of farming which do not necessarily go together: pluriactive farmers have probably both specific and common problems with the rest of the farming population and it serves no purpose to try to ignore their existence. This general statement could be made more context-specific considering the different types of pluriactivity within a single area. Considering the professional needs of pluriactive subsistence farmers with their mixed productive orientation or those of labour minimizing farmers in an area of diffused industrialization or again those of hobby farmers, should be at least as relevant as those of non pluriactive farmers. This also implies that increased levels of professionalization, understood as the amount of time spent on agricultural activities should not be a central issue.

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## **4 DEVELOPMENT STRATEGIES OF FARM HOUSEHOLDS**

*Entwicklungsstrategien landwirtschaftlicher  
Haushalte*

## 4.1 Policies and Farm Household Adjustment in the U.K.<sup>1</sup>

by Mark Shucksmith<sup>2</sup> et al.

*In diesem Paper erörtert das britische Forschungsteam einige maßgebende Schlußfolgerungen, die aus den Ergebnissen der Untersuchung im Vereinigten Königreich abgeleitet worden sind. Der Schwerpunkt liegt in der Analyse des politischen Kontextes agrarpolitischer Maßnahmen und der Rolle des ländlichen Raumes. Dabei werden die gerade zwischen Großbritannien und den meisten übrigen europäischen Ländern erheblichen Unterschiede in den politischen Ansätzen hervorgehoben und aus der Entwicklung der nationalstaatlichen Politik analysiert. Der Beschreibung der jahrzehntelang produktivistisch ausgerichteten Agrarpolitik wird die Analyse und Interpretation der durch die Panel-Erhebung belegten charakteristischen "Weltanschauung" vieler Betriebsleiter/innen und landwirtschaftlicher Haushalte gegenübergestellt. Zur Lösung des Spannungsfeldes zwischen den tief verwurzelten traditionellen Werthaltungen und neuen Anforderungen post-produktivistischer Politiken sind umfassende regionale Ansätze erforderlich, die nicht durch die Agrarpolitik allein bewerkstelligt werden können.*

### 4.1.1 Introduction

Effective food production, cleaner environments, sustainable rural populations, fewer regional disparities and more coherent diversification of the rural economy, are now becoming the strategic European priorities regarding agriculture and rural development. These have been identified in the context of farm household dynamics as significant policy concerns likely to

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<sup>1</sup> Paper prepared by the UK team for the 5<sup>th</sup> Review Meeting, Calabria, Italy, September 1991. This paper derives from research funded by the EC Commission, the HIDB and the SDA. In Britain this research has been undertaken by Mark Shucksmith, Angela Morris and Richard Smith (Upland Grampian/Badenoch and Strathspey; North West Sutherland); Michael Winter, Pamela Rosenthal and Alistair Shaw (Mid and East Devon); and Terry Marsden (Buckinghamshire).

<sup>2</sup> Department of Land Economy, University of Aberdeen, Scotland

affect, and indeed be affected by, the farm household over the course of the next decade or so (see ARKLETON TRUST 1989). The detailed empirical experience of the Arkleton research project is, amongst other things, exposing the uneven application and constraints involved in the degree of success of these goals, through both the institutions and market mechanisms.

Empirical analysis of farm household data is emphasising the variable degree to which farm families are responding to the changing policy frameworks. However, we also recognise that the nation-state still represents a major "passage-point" for European-based policy which holds the potential to redefine broader level goals, and to specify their implementation in varied ways. This can lead not only to the uneven "adoption" of certain policies, but it can bestow different costs and benefits on sub-groups of the rural population. Hence, there are considerable structural and, indeed, cultural constraints operating which are being expressed at the national level.

So far, policy analysts have yet to derive coherent or comprehensive models through which to incorporate the interactions of European policy making on nation state institutions, agricultures and rural areas. Moreover, whilst considerable effort has been placed on delimiting the precise role of agricultural policy (*sensu stricto*) on the welfare of farming communities, this has tended to both unduly marginalise the concerns of the non-agricultural rural populations, and assume, increasingly falsely, that the farm families to whom such policies are directed are 'policy dupes' waiting to be served up with repackaged agricultural policies exclusively. The gradual and politically pragmatic steps about to be taken at the EC regarding agricultural support, for instance, are only one form of policy change which is likely to influence the 'future of rural areas'. Indeed it is the combined effect of agricultural regional economic and, indeed, social welfare policies which will instill a level of change and sustainability in the majority of European rural areas. For instance, the adoption or otherwise the rejection by Britain of the EC proposals regarding the social charter (in the context of financial economic and political integration) is likely to be just, if not more, crucial for the majority of rural workers than is the reformulation of the CAP under some modified MacSharry proposals. The combination of both will negatively effect some areas more than others, and it will be a major preoccupation of social scientists to identify these potential disparities.

Whilst farmers, and some institutions, are being made increasingly aware of these potential combinative effects and contingencies, academic analysis has still some way to travel before it develops acceptable interdisciplinary and holistic interpretations of these.

Some now argue that due both to the progressive weakening of farmers politically and economically within the food chain and within government, farmers as a policy targeted group and as a focus for scientific inquiry are becoming increasingly marginal. Nevertheless, the traditional point of production (the farm) will remain a focus where the interactive effects of these varying policy goals have to be synchronised and implemented. For instance, environmental conservation, farm diversification, as well as price support policies are all impinging differentially upon the farm and, it remains, at least for the time being, the farm family who delegated the responsibility for participating and acting on these. The increasing relevance of environmental and pollution concerns presupposes farm families will unevenly and gradually adopt new custodial practices which may be culturally quite opposite to those associated with the accumulation or survival agro-ethic.

As nation states and, particularly as Europeans, we are revaluing the farm family not just as a productive unit, but as a social locus which we assume can economically and socially resolve the inherent contradictions of a revised and less productivist farm and rural policy. The extent to which the relevant nation state institutions, as well as farm families themselves, will be able to carry this burden will be highly variable over time and space; and it will be partly conditioned by their previous, largely agricultural experiences, options and constraints.

Hence, the moves towards a revised set of European policy objectives places renewed rather than less emphasis on exploring the dynamics of family farming, on the one hand, and a need to examine, in the context of these over all goals, the relationships and disjunctures between farmers, their immediate institutions and state structures and ideologies. Evidence would suggest that national based institutions charged with some responsibility over the rural are likely to go 'kicking and screaming' into the overall Europeanisation and globalisation of national economies. They thus represent an important area of concern and study as producers and legitimators of policy dissonances and contradictions. Nation state institutions, their ideological bases, structures and processes, will remain an important influence in the moulding of uneven rural change over the next decade.

Before we embark upon a discussion of the constraints likely to be imposed on European policy development by tensions between British and European institutions and by differences between British and European perspectives, it will be helpful briefly to sketch in the historical context to agricultural and rural policy in Britain.



## 4.1.2 The UK policy context

### *Changing agricultural policies*

Agricultural policy in Britain derives largely from the deliberations of the wartime Scott Committee, and was framed in the context of immediate post-war food shortages and rationing. During the 1920s and 1930s agriculture in Britain had suffered a severe depression, with low output prices and consequently low farmland values, due to an absence of government support and the availability of cheap food imports. "Everywhere land reverted to grass; many farms bore an air of neglect and decay; rural poverty was endemic" (CAMPBELL 1985, 108). With the onset of war, agriculture became a high priority and output rose rapidly. The farmers' contribution to the war effort thus provided them with "a moral account on which they were able to draw heavily when the war had ended" (BOWERS / CHESHIRE 1983, 59), as well as bolstering the strategic argument for farm support. All parties became committed to permanent agricultural support.

The 1947 Agriculture Act therefore contained a commitment to ensure proper remuneration of farmers and farmworkers and an adequate return on invested capital in agriculture. This was achieved initially through fixed prices paid by government to farmers, then from 1953 by a system of deficiency payments to farmers which allowed consumers to buy food at world prices while farmers received an additional subsidy from government to maintain their guaranteed prices. In the 1950's, also, a plethora of capital grants schemes were introduced to encourage farmers to increase output through capital investment and capital-labour substitution. By 1960 such payments constituted nearly 40% of all public expenditure in agriculture (CAMPBELL 1985), and this rapid mechanisation allowed output to expand sharply despite a reduction in the cultivated area. As world food prices fell in the 1960s, efforts were made to contain the spiralling costs of deficiency payments through the imposition of 'standard quantities', for example, but in essence this system remained in operation until accession to the EC.

The objectives of the EC's Common Agricultural Policy (CAP) are very similar to those of the Agriculture Act 1947, and so the entry to the EC in 1973 brought no fundamental change in the direction of British agricultural policy. The system of supporting farm incomes differed, however. In highly simplified terms, deficiency payments made by government were replaced by higher food prices paid by consumers, prices were maintained at high levels by intervention buying of any surplus production by the EC and by variable levies on food imports. So long as the EC remained a net importer, such policies could, in principle, be self-financing with the income from variable

levies on imports offsetting the expenditure on surplus storage and disposal, and with the major cost of farm support borne by consumers.

Following entry to the EC, guaranteed prices tended to be higher and the incomes of British farmers rose sharply until the end of the 1970's (BOWERS / CHESHIRE 1983). During this period the British government maintained its commitment to the support of farming in two White Papers (Food From Our Own Resources, 1975; Farming and the Nation 1979), stating that "a continuing expansion of food production in Britain will be in the national interest". Yet, even in 1979, agricultural economists were pointing to "urgent and seemingly intractable problems" (ASHTON et al. 1979, 1) arising from the rapidly rising costs of financing the CAP, as internal prices rose farther above world prices and output increasingly outstripped consumption. Since 1973, grain production had risen by 1.3% per annum and dairy production by 2.0% each year until 1984, on average, while consumption had altered little. The EC had become self-sufficient in all temperate commodities except sheepmeat and oilseeds.

Since 1979, the members of the EC have attempted various strategies to contain farm spending in order to avoid budgetary crisis. At first they were largely ineffective (TANGERMANN 1984), but in 1988 a package of reforms was agreed which combined a system of price 'stabilisers' with physical controls on some commodities and measures intended to encourage diversification of income sources. As a result, in 1988 for the first time the share of EC expenditure taken by price support has fallen to under 60% although this element still dominates the EC budget. Since then, however, renewed budgetary pressure has exerted itself as surpluses have reemerged. Further pressures for change have derived from the breakdown of the GATT negotiations over demands for 70% reductions in EC agricultural subsidies, and from the increasing political influence of environmental interests.

These pressures were reflected in the EC's 1989 paper on The Future of Rural Society, and led to draft proposals for the reform of the Common Agricultural Policy (the MacSharry proposals) in February 1991. The revised proposals in July 1991 on The Development and Future of the Common Agricultural Policy seek to control production and so to impose budgetary discipline through substantial cuts in price support, with subsidies redirected through direct payments to cushion the impact upon small and medium sized producers. It has been noted by BRYDEN (1991) that the proposals amount to a fundamental shift from the import levy and intervention buying system towards a system resembling the former deficiency payments system. Accompanying measures include an environmental action programme in agriculture and an improved rural development policy in due course.

***Relationships with land use policy***

In Britain, land use policy since 1945 has emphasised the protection of agricultural land from development and the containment of urban pressures. "The 1947 Act framed the objectives of rural planning in terms of the protection of an inherently changeless countryside" (NEWBY 1980, 239) in which agriculture would remain the mainstay of the rural economy. Restrictive planning policies have been applied towards these objectives, however unrealistic, and so have tended to obstruct the development of non-agricultural enterprises and alternative employment opportunities in rural areas.

In future, however, as the revenue available to farmers is diminished, either through price cuts or through quantitative restrictions, it is expected that resources will leave agriculture. By a curious logic, examined by LOWE and WINTER (1987), this expectation that resources will leave agriculture has been presented in Britain in terms of land surplus to agriculture, rather than in terms of over-capitalisation. Several studies in recent years have attempted to estimate the quantity of surplus land that exists, based on the amount of land needed for Britain to remain just self-sufficient in basic foodstuffs. Estimates of surplus land in Britain by the year 2000 range from 2.6m ha (GOULD 1986) through 4m ha (EDWARDS 1986) to 5.5m ha in 2015 (NORTH 1987), while CAS (1986) estimates that under different policy scenarios of free-trade, quotas or co-responsibility levies the amount of surplus land would be 22%, 18% or 12% of the total agricultural area respectively.

In LOWE's view, though, "talk of a land surplus is a contrivance". If all support through the CAP were withdrawn, he argues, it is unlikely that there would be any great surplus of land, since a reduction in capital investment would also occur. However, "such a radical solution to food surpluses finds little favour in agricultural circles" (LOWE 1988, 37) because of the threat it poses not only to farmers' incomes but also to agrochemical input suppliers and to land values.

At present, the Government is attempting to walk a tightrope between the demands of housebuilders for more land and the demands of Conservative voters in the shire counties for the protection of their environment, while also mindful of its green image and the 'village homes' lobby. This balancing act involves headline-making ministerial decisions against high-profile new settlements, while county and local plans are less noticeably amended to ensure more land is zoned for housebuilding. The current severe slump induced by high interest rates assists in that it has temporarily alleviated pressure for development in the south of England. Village housing needs are

acknowledged in a well-publicised programme of building by village housing associations, which critics suggest is so inadequate in scale that it must be regarded as essentially cosmetic.

Farm households in Britain are affected by these changes in a number of ways, beyond the redirection of subsidies itself. Opportunities are created by these policy changes for farm households both to sell land and buildings for residential or industrial use and to obtain grants to help them embark upon new on-farm enterprises (including woodland schemes, environmental schemes and farm diversification activities).

The evidence from our studies is that farmers have little enthusiasm for non-agricultural enterprises, often heaping ridicule on set-aside and farm diversification schemes, which do not conform to their self-image of "being a good farmer". While relaxation of planning controls may have helped a minority of farmers to diversify their on-farm activities, the overriding effect has been to encourage the sale of farm buildings for residential conversion. Especially in the Devon study area this has hastened the break-up of farms as the buildings are sold for residential conversion and the farmland is sold in plots to neighboring farmers. The ultimate effect is then, far from cushioning farming communities, to hasten the process of structural change and to restrict opportunities for new entrants.

A majority of farm households see little need or little opportunity to diversify and have even less inclination to do so. They will continue to farm as they have in the past whilst perhaps making minor adjustments on the margin. Any redeployment of on-farm resources is most likely to occur on the sale or transfer of the farm, rather than through any reorientation of the existing occupier. Moreover, such a change is likely to lead to the use of those resources as consumptive rather than productive, particularly in respect of residential conversion of farm buildings. The redeployment of land and buildings is therefore unlikely to offer a source of alternative income for poor farmers, in most cases, although receipts from the sale of assets may be extremely useful in reducing a household's burden of debt.

Having sketched out the British policy context, the paper now turns to focus on a number of policy dissonances between Britain and Europe, arising either from competing national and supra-national institutions or from differing perspectives on farming and rural society.

### **4.1.3 A different drummer: policy dissonances for the UK and Europe**

The current debates throughout Europe concerning the protection and maintenance of a vibrant family farm sector are very much at the heart of broader concerns about the future of a rural Europe (see Future of Rural Society, 1988). Indeed, the protection of the family farm principle is still regarded as a crucial element in protecting the distinctiveness of rural society and in producing economic diversification more generally. From a British perspective, we can identify a set of important policy dissonances here concerning:

- (1) agricultural vis a vis rural society;
- (2) different cultural and political visions of rurality between nation states;
- (3) structural differences in the agro/food sectors;
- (4) differential role of property in rural society.

First, it is increasingly apparent that there remain considerable disjunctions in our policy discourse concerning the differential role agriculture plays in different rural spaces. Whilst adjustments to policy may allow farmers to deliver the environmental goods society increasingly demands, if only because agricultural land use still dominates rural areas in the UK, and farmers hold the key to property rights; they cannot maintain their position as the ideological backbone of a distinct rural society. Those employed in farming constitute less than 20% of the workforce in even the more 'rural' areas of the UK. Moreover, they are progressively incorporated into the national and international economy through their dependence on an integrated global food system and capital markets. In some regions experiencing regional economic growth, they can become increasingly influenced by their local economy through involvement in non-agricultural markets (see MARSDEN and MURDOCH, 1990, 1991). Nevertheless, despite the welter of policy initiatives presently designed to encourage extensification, diversification and environmental protection, (as well as future proposals for income supplementation combined with supply management) these schemes are by no means sufficient to arrest the process of agricultural intensification and concentration in large tracts of the country, including many parts of the uplands. Whilst farmers become more reliant both on the non-farm parts of the food chain and upon the local economy for the purposes of generating extra income, rural society is becoming increasingly less reliant upon them or their increasingly diverse set of activities. The suburbanisation of rural areas

is rendering farmers relatively economically and politically powerless to effect rural change more broadly.

The coincident decline in farmer hegemony, on the one hand, but the continued reliance upon them to effect broadly based rural policy, on the other, provides a major disjuncture in current debates and policy formation.

Secondly, the recent debates concerning GATT and the MacSharry proposals within the UK, as well as between representatives of the British government and their equivalents in Brussels, expose an underlying difference in the ideological and cultural values placed on notions of rurality; and, indeed, into its relationship with national economy and culture. The heavy emphasis placed on size economies and productive efficiency in the British case stem back to the war-time agricultural experience. The development of a productivist agricultural policy in Britain, whilst broadly resembling those of other European countries, placed a stronger emphasis on improving productive efficiency, technological push and necessary farm concentration. As a consequence, welfarist aspects of agricultural policy were kept to a minimum (e.g. Hill Farming Act, 1948) even in the uplands where small farming and low incomes predominated.

After the free trade period of capitalist high farming, followed by the onset of agricultural depression from 1870 to the 1930s, Britain adopted a more colonial rather than European form of agricultural policy. This was designed to integrate the agribusiness with capitalist agriculture and support an active agricultural commodity inputs sector for the burgeoning processing and manufacturing sectors. State support for agriculture was never designed just to keep the farmers lobby happy: it had a particular function in stimulating agribusinesses and food manufacturing and it could only do this successfully by allowing the farm concentration process to far outstrip that occurring in other parts of Europe (see GRIGG, 1988). Moreover, more generally state support to stimulate the competitiveness of the agricultural sector could contribute to the Keynesian necessities of providing relatively cheap food whilst also contributing to the paying off of the considerable post-war national debt. The conjunctions of post-war agricultural policy (stimulating production and regulating markets) and planning policy (protecting agricultural land whilst allowing landowners and farmers freedom to accumulate assets and develop outside the planning controls) were the key instruments which were to operationalise these priorities and ideologies in Britain. By definition they tended to render rural space as effectively productive space and obscure welfare considerations of the traditional rural population.

Whilst the basic tenets of agricultural support had many parallels with those in mainland Europe as elsewhere after the war, the rise of Fordist production in agriculture at the global level (particularly in North America and other ex-colonies) provided a stimulus for Britain to regain many of its first ideological principles regarding efficient capitalist agriculture. Whilst the period of 19th century high farming had been built on principles of free trade, unregulated markets and imperial power; the second agricultural revolution called for the state to embody that accumulative ideology. The post-war 'fordist' food system and a highly concentrated and owner occupied agriculture were to be the beneficiaries.

So deep ran the waters of this capitalist ideology in the British case that once the post-war productivist food order began to slide in the 1980s, it was to only reaffirm the differences in policy roots between Britain and much of the rest of Europe. The structural changes engendered by these meant that, by the late 1980s, only 55% of farms in the UK would be likely to benefit from direct income subsidies to farms under 30ha (the MacSharry proposal) compared to 88% for the EC as a whole. In addition, the rising power of the non-farm parts of the food system in the UK, in addition to increasingly public anxieties concerning the quality of food and the environment, encouraged national institutional concerns (through the central government departments for agriculture and environment) to further avoid issues concerning rural welfare and the social problems facing many rural communities.

Hence, the notion of rurality in the British context has been largely conceived of in terms of its productivist opportunities, providing a space for the development and maintenance of an increasingly efficient agriculture or more recently the successful market oriented farm diversification. The social marginalising consequences of these processes have remained politically peripheral even when the very bases of a productivist agricultural framework are in decline. As a result, to propose the positive maintenance of small-scale farming, or strategies for the protection of particularly vulnerable rural areas, fails to gain political or ideological support, particularly within the last decade of neo-conservative economic philosophy.

There are then, significant reasons for the continued preeminence of 'agriculture' in debates concerning the future of rural areas and societies in the UK context. In addition, the high level of structural concentration in agriculture together with relatively lower levels of farmer immobility within the industry, ensure the marginality of populist agrarian questions being promoted by any 'awkward class'. Indeed, as BONANNO (1990) proposes, the rising eminence of the not exclusively rural 'food' and "environmental" questions are tending to extinguish any rise of agrarian questions in the UK as

collective class or politically based forces. With the number of full-time farms falling by 25% between 1980-90 and the number of hired workers (full-time) falling by 35% over the same period, the politically consistent perspective central government would wish to hold vis a vis agriculture is to treat it just as any other industry. The development and revision of a common agricultural policy more committed to the protection of the smaller farms, like the broader discussions concerning the establishment of a social charter, effectively underwriting financial and economic integration, will act as a significant supra-national brake on such neo-conservative logics.

A final source of constraint and policy dissonance from the British experience stems from the particular class based position of the landed interest in rural areas specifically (see MARS DEN 1986; WHATMORE et al. 1990). The particular design and implementation of those post-productivist policies originating from Brussels (set-aside, environmental protection through the development of Environmental Sensitive Areas and farm-based diversification) has tended to present landowners and farmers with more flexibility to accumulate and 'protect' assets both through the alternative use of land and particularly concerning the conversion of buildings. These policies, relatively marginal themselves, have been administered as if they represent new forms of commodity production in the countryside. They have protected rather than intervened within private property rights, and as a result, have tended to do little for the resolution of either low income rural housing problems or rights of public access.

Faced with the inevitable contradictions of a productivist agricultural policy in the early 1980s, farmer and landowner pressure groups, in addition to the still considerable landowning interests within the British government, have successfully moulded postproductivist agricultural policy very much around their own economic needs. The opportunities for completely revamping rural policy making at the national level, and developing more realistic integrated rural development were essentially missed during the mid 1980s. Instead, in the peculiarly British time honoured fashion, a process of more extensive consultation of amenity and conservation groups, now represents a "significant change" in the operations of many of MAFF's strategic functions. In addition MAFF have recognised the benefits of more frequent and sophisticated forms of cooperation with the Department of Environment. Indeed the realisation by MAFF and by the farmer and landowner lobbies of the value of a selective planning system so as to protect land values and enhance development gain has been a growing trend throughout the 1980s.

The discussion here has concentrated on attempting to delineate some of the key nationally based influences upon the ways European based policy goals



and, indeed specific policies, are shaped and applied. We can see that an understanding of such national issues are historically and culturally determined as well as economically directed. In the next section the discussion moves away from the dissonances between Britain and Europe, and focusses instead on the contradictions faced by farm households themselves.

#### **4.1.4 Farm household adjustment to post-productivist policies<sup>3</sup>**

The productivist era of post-war farm policy in Britain is over. The exhortation 'to make two blades of grass grow where one grew before', was finally abandoned in 1987. Since then the British Government and the EC Commission, as we have seen, have sought to reduce or limit farm production and to alter the basis of farm support. Schemes of extensification, diversification, quotas and land set-aside have been accompanied by incentives to farm in environmentally sensitive ways.

Until 1991 it was possible for many family farmers to fail to grasp the fundamental nature of this reversal of policy and the impact which it is likely to have on their businesses and lives (SHUCKSMITH / SMITH 1991). After all, prices of some commodities, like beef cattle, were actually increasing as a result of alterations to green rates of exchange and other factors, so obscuring the reductions in support prices announced by the EC and the direction in which EC policy was moving. Moreover, such changes as were evident were gradual or at the margin, of little consequence to farmers well used to fluctuations in prices, yields and profits.

Yet uptake of the post-productivist policy instruments like set-aside and diversification grants has been very poor. Moreover, survey evidence from the Grampians uplands of North-East Scotland indicates many family farmers' unwillingness to adapt their businesses to, or even to engage with, the new imperatives. When asked in early 1991 what they would do if their returns from farming were to fall substantially, 37% of farmers indicated that they would stop farming altogether, and another 41% indicated that they would continue their existing pattern of farm activity while accepting a lower

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<sup>3</sup> Further elaboration of work on this issue is summarized in HERRMANN/SHUCKSMITH 1995

standard of living. Some 7% of farmers would work harder on the farm. As Table 1 shows, only 15% would diversify their activities.

**Table 1: Adjustment to a substantial fall in returns from farming**

Stop farming	37%
Work harder on the farm	7%
Diversify or undertake non-farm work	15%
Continue same pattern of activity but with lower standard of living	41%
Total valid responses / Total sample	193/279

Source : Grampians Final Survey 1991 (unweighted).

This section seeks to understand why so many farmers and their families are averse to adjusting their farming practices to a post-productivist institutional context, to the extent that they would rather cease farming or accept a decline in their living standards.

### *The meaning of actions*

It is clear both from our own research and from previous studies that there is an enormous diversity of positions and problems faced by farm households, and that the responses to these conditions are equally as varied. A fundamental point, then, is that the actions of members of farm households can only be understood in context, that is according to the meanings which they have for those actors. In seeking to explain farm household members' actions we therefore sought to discover the *values and world-views* which underpinned these actions.

'Webs of belief' defined by MacINTYRE (1971, 253-4) are taken to be similar to what we understand as world-views, encapsulating the value system of farm household members, the way in which they understand their world, and the place of the farm and their work in relation to that world.

To look behind actions, which are at a point in time, and to seek to elucidate the (more longstanding) rationality which guides behaviour, it is helpful to consider a number of points made by HERRMANN and UTTITZ (1990). They discuss the importance of values in influencing behaviour, and suggest a hierarchy of influence flowing from abstract values to mid-range attitudes to specific behaviours. But, according to KEARNEY (1984),

"The values affecting choice-making are themselves dependent ... upon underlying world-view attitudes about such things as the good life and ways to achieve it, i.e., attitudes about the best ways to maximise security and happiness, as well as notions about security and happiness themselves. In this way world-view shapes more or less regularly patterned socio-cultural behaviour."

What is being suggested here is that farmers, or farm households, have a world-view, a largely subconscious paradigm within which they operate, which influences their values, their attitudes and ultimately their actions. Their world-view (*weltanschauung*) may change, as their perception of the world is changed by their experiences and by changing cultural and social norms. However, for any given individual (or household) such changes are likely to be gradual.

Inevitably, the concept of a household world-view is more problematic than that of an individual, just as household values, household attitudes and household goals remain problematic concepts (CROW 1989). However, the concept of household hegemony (CHARLTON 1984) may be introduced to assist in this respect:

"CHARLTON (1984, 184) points out that today the 'success' of a new technology being introduced to farmers is measured by the 'whole farm family's acceptance' of it, not just the acceptance of the (assumedly male) household head.... The concept of household hegemony can help to make us more cognizant of the role of these ongoing power struggles in achieving consensus to accept certain interventions" (PHILLIPS 1989).

Thus, the Gramscian "concept of household hegemony assumes that there is always a degree of tension involved in the form the household takes and thus in the strategies which are undertaken by the household over time" (PHILLIPS 1989, 297). Despite this difficulty, these concepts are fundamental to understanding farm household behaviour.

### ***Actions, 'habitus' and the life-world***

This notion has affinities to BOURDIEU's concept of 'habitus', a process of socialisation whereby the dominant modes of thought and experience inherent in the life-world are internalised by individuals: thus, a farmer's self-image and his view of the world is a "cultivated disposition",

"a disposition inculcated in the earliest years of life and constantly reinforced by calls to order from the group, that is to say, from the aggregate of the individuals endowed with the same dispositions, to

whom each is linked by his dispositions and interests" (BOURDIEU 1977, 14).

In short, the farmer's world-view derives in large part from his subconscious assimilation of an established ethos of being a farmer. While not implying a rigidly determinist explanation of behaviour, the farmer's 'disposition to act' is seen as "the product of a process of socialisation which occurs within social groups and in which the identities of the groups and of the individuals within those groups are reciprocally constituted" (ROBBINS 1991, 109). That the individual retains a freedom to act, albeit constrained by his 'habitus', is clear from BOURDIEU's references to GOFFMAN and other interactionists.

BOURDIEU's concept of 'habitus' is important to attempts to understand farmers' actions for a number of reasons. Firstly, it provides an explanation of the construction of the world-views, 'webs-of-belief' or 'dispositions to act', which are postulated to lie behind the attitudes and actions of farmers. Secondly, this explanation is seen in terms of processes of socialisation and interaction within social groups, in a way which is consistent with our empirical observations. Thirdly, this explanation again suggests that a farmer's world-view may change only gradually.

Thus, while an individual's or a household's world-view will change gradually, it is likely that certain aspects of the world-view will be sustained more or less throughout their life-course. In particular, it is possible to seek to identify and isolate certain enduring aspects of the world-view which may then be used as a basis for predicting behaviour. BOURDIEU (1976) himself outlines the idea of a 'pente', or predictable class trajectory, reflecting his proposition that each class ethos has a set of objective future possibilities associated with it. It follows that ideal types of farm households may be constructed for analytical purposes according to such enduring aspects of their world-views. This will be helpful in seeking to interpret and anticipate the actions of farm households: for example, although farm households at different stages in their lives will be more or less likely to expand, invest or modernise, whatever their world-view, their world-view will be of crucial importance in influencing the nature of that investment and in defining its meaning to them.

BOURDIEU's notion of a 'pente', or class trajectory, has an affinity with the concept of a 'moral career' developed by BECKER (1963) and GOFFMAN (1968) among others. Such more-or-less regular and standard sequences of change to the lives of certain classes of individuals are, according to GOFFMAN, the result of individuals' attempts to present themselves in such a way as to earn esteem from those with whom they interact. The pente/moral

career is thus an outcome of the individual's own ethos and self-image (his world-view) interacting with the norms and value-systems of those encountered in his lifeworld(s). The pente/moral career is seen as a generalisable form of social progression and mobility which can only be understood through an examination of the language, concepts and values which people themselves use in their expression of self and in their evaluation of others. Thus the researcher may attempt to trace ideal-typical pente/moral career patterns for those from similar backgrounds interacting with their lifeworlds.

But the concept of the life-world itself requires refinement. A basic question is to what extent we are involved in the construction of one or many lifeworlds? HABERMAS (1984, xxiv) suggests that we need to go beyond a purely phenomenological understanding of life-world as an unproblematic 'taken for granted' with its basis in 'culture' to one that also includes 'institutional orders'. One of the characteristics of the modern world is that individuals tend to be members of numerous social groups which each have, to a greater or lesser extent, their own life-world. Benita LUCKMANN (1970) has argued that modern man lives in numerous small life-worlds which are comprehensible and manageable to him, as he creates "within his private sphere and around the various roles he performs a variety of small universes of existence." These are constructed on two levels (LUCKMANN B. 1970, 587):

1. On the institutional level; and
2. On the level of the private sphere.

Farmers and others who are involved in agriculture certainly have a distinctive institutional position and, following LUCKMANN's analysis, the nature of this institutional framework provides the structural constraints for the farmer's life-world.

For the moment, the second level of LUCKMANN's analysis is the more interesting. In the private sphere she argues (1970, 587) that "life-worlds are being constructed from modern as well as traditional elements of small-world existence patterns."

It is time now to summarise the dominant ethos current within the family farmer's lifeworlds and, in particular, to understand what it means to be a family farmer in Britain in the 1990s.

### ***Being a family farmer***

A substantial number of studies of family farmers (HARRISON 1975; NEWBY et al. 1978, 1981; WINTER 1987) have suggested that family farmers share common features with other petit-bourgeois groups. These include an ideology of independence and individualism; an ideology of hard work offering the prospect of upward social mobility; an aversion to indebtedness; a sense of precariousness leading to an awareness of life as a struggle for survival; a highly bounded social world, with very selective associational patterns; and the enjoyment of expressive rather than instrumental satisfactions from work. Their pleasure comes from good husbandry and independence rather than from making profit. Their determination to survive and to reproduce the family farm is thought to derive not only from this pleasure, but also from a "personal relationship to the land" (NEWBY et al. 1981, 53) and from an awareness of how much they have to lose, both in terms of class and status, by ceasing to be farmers (NALSON 1968). Politically, family farmers tend to conservatism, clinging to "the old values, the old respect, the old social order" (NEWBY et al. 1981, 66).

There are a number of relevant points which arise from this summary. It is clear that the highly bounded social world of family farmers is likely to encourage the development and reinforcement of a distinctive family farming ethos. Moreover, since these bounds are not only socially but geographically limited one would expect significant local distinctions to arise reflecting local cultural factors, in accordance with LUCKMANN's small life-worlds. Following BOURDIEU, the dominant ethos of this local referent class will be reflected in the worldviews of farmers and farm households through the processes of socialisation and (bounded) social interaction.

Another significant point is that the family farmer's values reflect a considerable degree of expressive rationality, as opposed to instrumental concerns. Farmers often express their work, and therefore life, as a 'calling'. When asking farmers why they are farmers the reply is often that 'it's in the blood', 'it's a way of life' and so on. Farming is not seen as a 'job', but rather it is other people who 'go to work'. Farmers express themselves through their relationship with the land, rather than work it in order to achieve some end.

Furthermore, the unification of divergent elements of modern and traditionalist culture, referred to above, may also be recognised. The rationalist pursuit of increased production for the market and the ideology of independence may be seen as elements of modern culture, reflecting an orientation towards exchange values and a form of possessive individualism, respectively. At the same time farmers have tried to maintain a belief in their

work which has its roots in a traditional rural/agricultural culture, represented by the tie to the land, the work ethic, expressive rationality itself and other localised aspects. This mixture of modern and traditional elements has, however, resulted in social and technical transformation of agriculture which in turn now threatens the private life-world of the farmer. Production has grown so rapidly and successfully that change in the institutional life-world became inevitable, and it is to this level that the discussion now turns.

For the institutional life-world within which farmers and their households are embedded is changing radically as a response to the very success of farmers at producing food, as we have seen. Farmers' status and expressive rationality is threatened by changes to agricultural policies (institutional life-world) which will impinge increasingly on the private life-world. In the meantime, there is a "troublesome separation of personal identity from institutional roles" as their institutional life-world and private life-worlds clash (BERGER/BERGER 1973). Inevitably this gives rise to considerable difficulties for the individuals and households concerned who must attempt to make a reconciliation between these conflicting life-worlds which they inhabit: it is no wonder, from this perspective, that policy-makers are experiencing difficulties in persuading farmers and farm households to restructure (diversify) their economic activities to conform with the new economic rationality of surplus production and declining prices. The institutional life-world goes against the grain of farm households' private life-worlds in the majority of cases. This disjunction and tension may be characterised in many ways, whether as DURKHEIMIAN anomie or as HABERMAS' legitimation crisis in the state leading to a motivational crisis in the reproduction of the family farm. From a policy point of view, what is important is that these difficulties, and their cause, should be recognised and taken into account when formulating policies. For it may be argued that one of the most immediate concerns of policymakers should be to assist farm households in the reconciliation of this tension between life-worlds.

#### **4.1.5 Conclusion**

This paper set out to explore some of the considerable structural and, indeed, cultural constraints operating at the national level to modify the effect of European policies. The paper demonstrates the necessity for policy analysis to incorporate the interactions of European policy making and nation state institutions, agricultures and rural areas, if the effects of policies, whether European or national, are to be understood. It also underlines the importance of taking distinctive national and cultural viewpoints into account when

formulating new policies at European level, since British and European visions of the future of rural society and of farming itself diverge so markedly.

Several policy dissonances have been identified in the case of the UK. Britain and Europe were seen to have contrasting visions of rural society, and of the place of agriculture and of farmers within that. A particularly important contrast is that between the dominant British view of agricultural support as oriented towards economic efficiency and the dominant European view of such support as essentially social or welfarist. Of course, such differences have physical and historical manifestations in the contrasting size structures of holdings and in the differing degrees of capitalisation. In Britain, it is only really in thecrofting communities that the dominant European ideologies and sentiments have prevailed and been reflected in policy.

This paper has also attempted to identify an important dissonance from the perspective of farm households themselves, who find their private life-worlds and the institutional life-world within which they are embedded increasingly at odds. Our panel studies have given us a window through which to observe how farm households grapple with this contradiction, seeking both to remain true to their own self-image of being a farmer while placed under pressure to behave in quite new and contrary ways in the post-productivist 1990s, leading to the conclusion that, with an increasingly contested countryside, agriculture can no longer be left to agricultural policymakers alone.

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## 4.2 The Concept of Life-Styles as a Contribution to the Understanding of Deciding Processes Taking Place in Agricultural Families<sup>1</sup>

by Pavel Uttitz<sup>2</sup>

*Ein Schwerpunkt des internationalen Forschungsprojektes zur Erwerbsskombination bestand in der Analyse der Determinanten, die für die Entscheidungen der landwirtschaftlichen Haushalte ausschlaggebend sind. In diesem Beitrag skizziert UTTITZ einige grundsätzliche Betrachtungen über die Beweggründe menschlichen Verhaltens und zieht dabei als Erklärungsmodell das Konzept der Lebensstile heran. Dieses bezieht sich einerseits auf die objektiven Bedingungen der unmittelbaren Umgebung, andererseits auf die subjektive Wahrnehmung dieser Gegebenheiten.<sup>3</sup>*

*Das Konzept der Lebensstile als Grundlage zur Analyse des Entscheidungsprozesses in Haushalten ermöglicht es, jene Aspekte, die für das Entscheidungsverhalten wichtig sind, einzubeziehen. Vereinfacht wird das Modell in Form von drei Gruppen dargestellt, wobei eine klare Trennung zwischen diesen nicht immer möglich ist. Der erste Bereich umfaßt die Eigenschaften der Individuen, der zweite die Bedingungen der unmittelbaren Umgebung und der dritte die allgemeinen sozialen, kulturellen und politischen Gegebenheiten.*

*Für das Forschungsprojekt hatte dieses Modell besonders im Rahmen der Panel-Erhebung Bedeutung. Im Zuge von wiederholten qualitativen Befragungen wurde einerseits die Wahrnehmung der objektiven Gegebenheiten, die in der Baseline-, der Finalerhebung und in der Kontextanalyse in Erfahrung gebracht worden sind, untersucht, und andererseits persönliche Daten erhoben, die für die Analyse der individuellen Eigenschaften und Haltungen notwendig sind.*

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<sup>1</sup> This contribution was published in the appendix of ARKLETON TRUST: Rural Change in Europe, Research Programme on Farm Structures and Pluriactivity - Proceedings of the Montpellier Colloquium 6 - 10 July 1987 (1<sup>st</sup> Review Meeting), in order to summarize the discussion at the colloquium concerning the further procedures for the research project especially with regard to the Panel Survey.

<sup>2</sup> Forschungsgesellschaft für Agrarpolitik und Agrarsoziologie, Bonn, Germany

<sup>3</sup> Der Prozeß der Entscheidungsfindung wird hier weitgehend ausgeklammert, eine detaillierte Analyse findet sich bei Christa KOSSEN-KNIRIM (1988).

### **4.2.1 Introduction**

After the interesting discussion in Montpellier I would like to take up these contributions especially the hereby postulated position of the model of networks. The network has to be seen as a mesh of determinants. They all have an effect on the behaviour of each individual, i.e. as a final result they also act upon the deciding processes. In this connection the statement reaches far beyond the idea of social networks as they are commonly used. All characteristics which determine the behaviour should be included within a model. The criteria include institutional-structural conditions as well as the immediate surroundings of the individual (work, family, leisure) right up to one's personal features, e.g. experience, knowledge, appreciations. It is thus possible to join the effects of the macro- and mesolevel with the microsphere of the individual.

Even though the main focus of our project is set on the deciding processes within agricultural families, the sketched assessment is not specifically confined to the agricultural environment because relative autonomy of the rural background is lost at exactly that moment when agriculture is seen as part of the general economic organisation (KÖNIG 1977). This may be only partly true for countries in the south of Europe. However for northern Europe it most certainly proves correct.

### **4.2.2 Theoretical fundamentals**

The contributions by Patricia O'HARA (1988) and Howard NEWBY (1988) drew our attention to the fact that the decisions made within a family are the result of internal processes. This is derived from the traditional definition of social networks: "... a specific set of linkages among a defined set of persons, with the additional property that the characteristics of these linkages as a whole may be used to interpret the social behaviour of the persons involved" (MITCHELL/CLYDE 1969, p. 2). For the questioning with regard to the deciding processes, the completion of the processes becomes clear if we not only look at the interaction between the individuals but also if we take the behaviour predisposition of each into consideration; i.e. the entire social, intimate, economic and social surroundings have to be included. LAUMANN (1979, p. 394), for example, uses the network model for the analysis of social systems. For him this means that "...network analysis assumes that the way in which elements are connected to one another, both directly and indirectly, facilitate as well as constrain the roles performed".

The statement which was based on this model has brought together the sum of determinants of behaviour - this also applies for the deciding processes - and results in an individual or group specific pattern which may be characterized as the life-style. A lifestyle which has been formulated in such a way can be understood as follows: the arrangement of objective possibilities of each individual and the way it influences behaviour patterns directly or indirectly.

The idea for a statement on life-styles had its origin in the last century. VEBLEN (1958, p. 26) for example first used the terms "way of life" and "life-style" in his "Theory of the Leisure Class" which was published in 1899. He regards life-style in an historical context and differentiates between "peaceful" and "aggressive" life-styles. Later Max WEBER (1976, p. 537) described in "Economy and Society" a sort of "style of life" or "stylisation of life" according to which the classes are the specific carriers of all conventions and thus the stylisation of life, in whatever form of expression it may appear, stems either from a class origin or is conserved in the classes.

In more recent sociological theories the idea of life-style has been taken up more frequently. PARSONS (1970, p. 511), for example, in "The Social System", deals with life-style as a partial aspect of the "System of expressive symbolism". For him life-style is connected to the class system but also includes behaviour patterns which extend beyond this. The general treatment of life-styles in literature is being continued up to now.

The most comprehensive theoretic and empirical discussion on this subject was supplied by Pierre BOURDIEU (1982) in his publication "The slight differences". He introduces the interrelation of two spaces - the economic social stipulation and the life-styles. This complex and most complicated assessment indicates a way between the conventional class sociology of the old style and the purely descriptive phenomenology of the social inequality (MÜLLER 1986, p. 105). This appreciation of life-styles makes it possible to combine the differential distribution of life chances with different life-styles. Thus it contributes to the explanation on ways of behaviour.

### **4.2.3 Operationalisation of the life-style concept**

Concepts on life-styles which are to be found in literature start from the fact that an abundance of characteristics of determinants exist. They all have an effect on the development of different styles. The heterogeneity and to some extent the slight precision of the description and definition of these characteristics make an operationalisation more difficult. For SOBEL (1981, p. 28) life-style means: "... a property of an individual, a group, or even a culture";

ROBERTS (1978, p. 93) assumes that "... people build life-styles that offer experiences they value upon the social relationship by which they are surrounded"; GATTAS et al. (1981) describe life-styles as an aggregation of leisure-, family-, politics- and religious style; for PEPERMANS (1981) the complex of life-styles is constituted by attitudes towards work, leisure activities, family style, social opinions and the interaction with others.

The "network" of determinants is common to all concepts on life-styles. These include the individual with his socialization and present personality as well as his immediate surroundings (family, friends, business, colleagues). They also include the connections within the social and economic environment. Therewith the objective conditions and the subjective perception are contained within one model. In particular the creation of this connection enables a better understanding of the motives of decisions with regard to the operational and familiar interests.

The fact that the determinants of life-styles are also partly their indicators creates a problem for the operationalisation. This means, for example, that individual variables (motives, expectation, prevailing experiences) impress the life-styles. At the same time these variables influence attitudes, goals in life and the choice of the ecological and social environment. They again reflect the life-style (UTTITZ 1985).

For clarity to be guaranteed this complicated model has to be presented in a more simplified way. The following diagram does not claim to be comprehensive, as Bourdieu demands. On the contrary, it depends on pragmatic considerations which are practicable for empirical research. It will thus be suggested to build such a model on three levels. It should at least include the following spheres and help towards the description of the lifestyle.

### **SPHERE I: Characteristics related to the individual:**

*sociodemographic characteristics* (age, sex, education, social antecedents, family status, number of children ...)

*personality structure, values and attitudes* (skills, abilities, personal characteristics, needs, motivations, behaviour in role values, attitudes, opinions, interests, goals, religious and political foundations ...)

*interactive characteristics* (family, friends, relations, integration in the social network ...)

### **SPHERE II: Living and environmental conditions:**

*ecological (objective) criteria* (village size, locality, house/flat, infrastructure, situation on the labour market, shopping facilities, cultural institutions, medical facilities ...)

*ecological (subjective) criteria* (contentment with the objective criteria)

*material and financial situation of the person and the household* (obj.) (income, property, fortune ...)

*material and financial situation of the person and the household* (sub.) (contentment with the objective criteria)

*characteristics describing the situation* (job, employment in or outside agriculture, quality of the employment, state of health, position in the life cycle, life events ...)

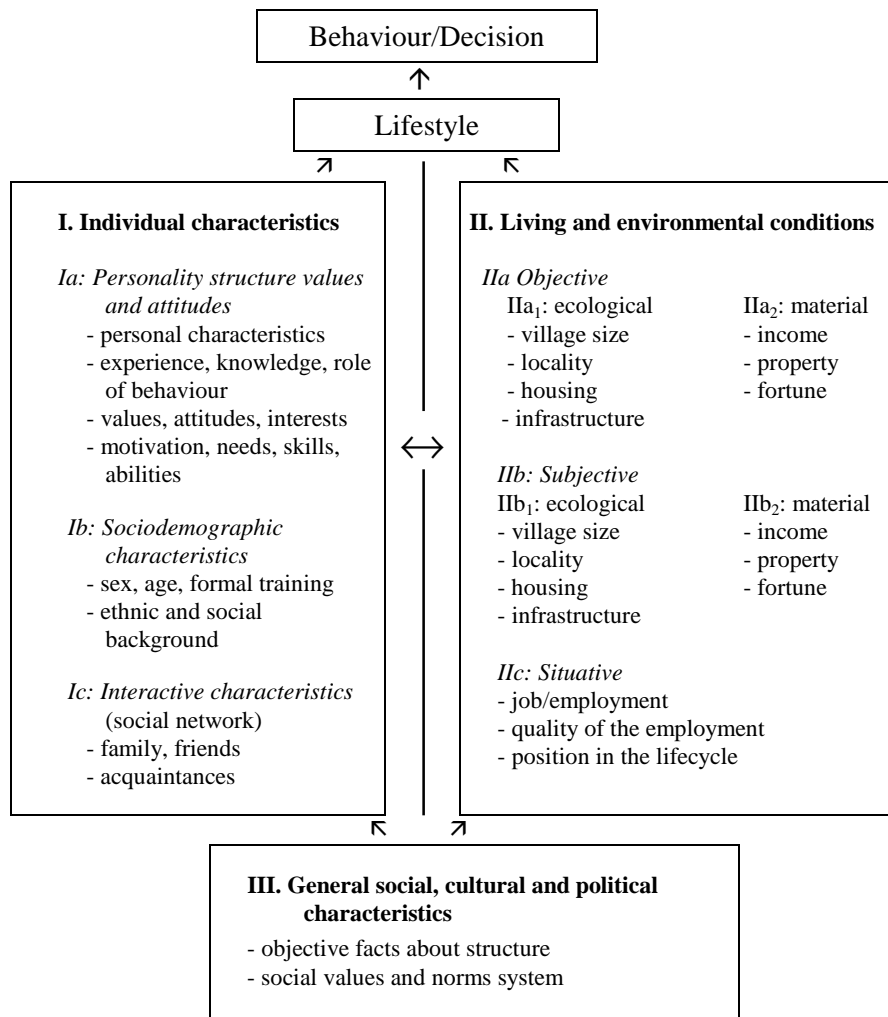
### **SPHERE III: General social, cultural and political characteristics:**

*objective facts about the structure* (economic and agricultural structure, economic and agricultural policies, unemployment, cost of living, education and employment structure ...)

*social values and norms system* (governmental system, legislation, assignment of a social role, historical development, tradition ...)

The different spheres as they are demonstrated above have only been clarified by a few examples to show which information has to be included in the network of determinants for the life-styles concept. One has to bear in mind that the differentiation between and within the separate spheres is not always clear. For that reason this form is not compelling. For example, the position in the lifecycle and the state of health are stable but nonetheless changeable dimensions. The same applies to the differentiation between the objective and situative conditions of living. In a simplified way the following diagram tries to combine the three spheres and bring them to bear (see Diagram 1). Also in this case restrictions have to be made: not in every case is it a question of causal chains, but under certain circumstances the reaction could be converse. Certain experiences or knowledge take an effect on the life-style and furthermore, on behaviour. On the other hand it is possible that decisions which have already been made cause a reaction e.g. in the attitude or the role of behaviour (TOKARSKI/UTTITZ 1984).

**Diagram 1**



#### 4.2.4 Application of the life-styles concept for the analysis of deciding processes taking place in agricultural families with pluriactivity

In our project the emphasis lies on the analysis of the processes which lead to certain far-reaching decisions within the agricultural family. For example the way families view their living conditions and how they transfer this perception, with regard to the decisions they take. The application of the

concept of life-styles to this formulation of the question offers the possibility to include all spheres of life which are of importance for decision making. They reach from employment to leisure. This occurs in close relation and reciprocal action with the objective conditions of life. A more differentiated perception of the living conditions (subject to a variety of criteria combined to the concept on life-styles) results in a different valuation of equivalent objective conditions. In this connection BÖLTKEN (1983, p. 1107-1135) set up a causal chain which has the objective conditions and their perception on one side and on the other it results in the evaluation of different modes of behaviour.

Even if this type of life-style refers to a single person it may be assumed that the individual life-styles fuse to one life-style which dominates in the family (RAPOPORT/RAPOPORT 1975). This life-style then determines the decisions being made within the family.

The structural change taking place within agriculture, which we try to analyse even on the farm level, can be included in the concept with the help of the individual perception of the changes, as well as direct reaction of the farm unit (household) towards certain measures. It can thus be guaranteed that the effects of all three experimental levels (macro, meso and micro) and the entire "network" of determinants will be considered. The influences towards the separate questions with regard to the deciding processes by pluriactivity, on the farm, in the family etc. are taken up in the analysis according to their importance. In particular in the case of pluriactivity the decision regarding the allocation of the factor "labour" (which depends on the life-style), has a central significance.

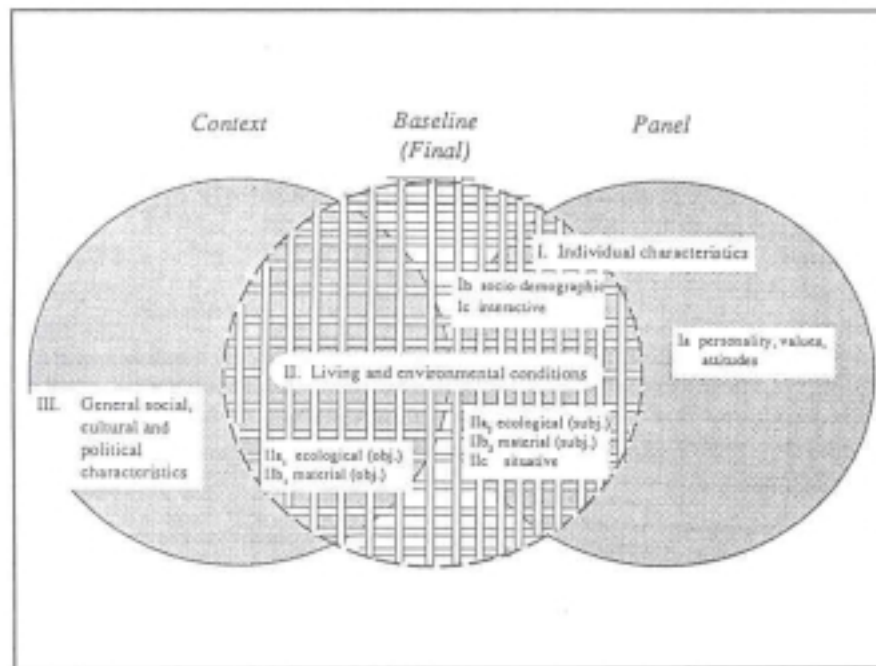
Since our project is made up of three different research components (Baseline- and Final-, Panel- and Context-Survey) the opportunity to collect this manifold information presents itself. It is possible to extensively describe the motives for behaviour towards decisions made within the family. According to the operationalisation above, the way information has to be collected is demonstrated with the help of the different components in our project (see Diagram 2).

As a result of the Context Survey we shall know all the general social, cultural and political characteristics and part of the objective ecological conditions. This means data on the economic structure and regional political conditions - on the agricultural and non-agricultural sector is included - as well as historical development etc. The material basis of the family with regard to the agricultural unit and the family household can be taken from the Baseline and Final Survey. The same is the case for the situational living conditions and the



other part of the objective ecological and material conditions. However, they should be included in the Panel, with more detail, for all family members. Their perception by the people questioned will have to be investigated. The distinction of social networks can be gathered from the combination of the Baseline and Final Survey and the Panel. The individual and personality characteristics as well as values, attitudes, etc. have to be collected in the Panel in order to complete the information necessary for the model.

**Diagram 2**



In the planning of the Panel survey the collection of subjective indicators should be of central significance. As far as possible this should not only be relevant for the head of the farm unit but also for all the members of the household taking part in decisions.

Even though the application of the concept just put forward is extensive and timely, it offers the solitary chance to gain important hints as to how decisions are made within agricultural families. Further, we are shown, which are the influencing factors. Thus, it is not only possible to describe and analyse

current situations and the results structural and agricultural policies are having on a unit level, but we can also give answers to questions about deciding processes if pluriactivity is existent.

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### 4.3 The Market of Rural Policies<sup>1</sup>

by Ad Nooij<sup>2</sup>

*Im Rahmen der Analyse des regionalen Kontextes wurden beispielhaft zentrale agrarpolitische und nicht-agrarische Maßnahmen auf ihre Wirkungen in den Studienregionen untersucht. Im folgenden Beitrag werden zwei in den Niederlanden wichtige förderungspolitische Maßnahmen für die Landwirtschaft und den ländlichen Raum analysiert: das Milchquotensystem und die Soziale Wohlfahrtspolitik. Im Rahmen der Sozialpolitik wird in erster Linie auf das Niederländische Allgemeine Arbeitsunfähigkeitsgesetz eingegangen, bei der Analyse des Milchquotensystems geht es um die Auswirkungen dieser seit Anfang der 80er Jahre praktizierten Regelung auf die Agrarstruktur. Dabei wird das Hauptaugenmerk darauf gelegt, inwieweit diese Maßnahmen entsprechende Strategien für die Bauern und Bäuerinnen, die Familienbetriebe und die Erwerbskombination beeinflussen. Insbesondere werden paradoxe Wirkungen der beiden Maßnahmen hinsichtlich der Beschleunigung/-Verlangsamung des Strukturanpassungsprozesses sowie die zentrale Rolle der landwirtschaftlichen Beratung bei diesem Prozeß hervorgehoben.*

#### 4.3.1 Consumers, suppliers and intermediate structures

Speaking of a market of policies presupposes a clear differentiation between suppliers and consumers of policies. This of course is a too simplistic model of reality. Policy regulations are the result of political bargaining between interest groups and the government. All modern nation states are characterized by corporatist arrangements between governmental and societal organizations, highly affecting the outcome of laws, policies and regulations. Nevertheless, from a strictly local perspective it sometimes makes sense to speak of a supply of policy regulations that can be used by local people. Policies can only be utilized by people who are eligible, meeting a number of well specified criteria. To make this so-called market running smoothly, we

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<sup>1</sup> This paper was presented at the 5th Review Meeting in Sibari (Calabria), Italy, in September 1991. A more elaborate description of the measures discussed in this paper may be found in GROOT, J.P. and NOOIJ, A.T.: Context Study III, Laws and Regulations Affecting Agriculture in the Netherlands, Wageningen 1991

<sup>2</sup> Wageningen Agricultural University, The Netherlands

often see a third party involved, the brokers who organise specific arrangements between consumers and suppliers of regulations. These middlemen can build up very different organizations: a familistic patronage-system, or private organizations with varying degrees of clientilism, and with more or less intertwinement with state organizations. Sometimes these middlemen are successful in building up a monopolistic position between consumers and suppliers; there is a gradual transition from the clientele- or patronage-system on the one hand to overt corruption on the other.

In the Netherlands this intermediate position is taken by the institutions for technical extension, but more important in this respect are some service-institutions being part of the farmers' organizations, as the bookkeeping office and the socio-economic extension service. The latter in particular plays an important role, apparently with no undertone whatsoever of clientilism or corruption. Different from the technical extension, this socio-economic extension service is part of the farmers' organisations (although financed by the government), which means - at least in our study area - a smaller distance between extension worker and farmer. More than their technical colleagues, the socio-economic extension workers have access also to smaller farmers. They are 'problem-solvers', who on request will give advice in case of important events affecting the continuity of the farm. That is not to say that the socio-economic extension worker pay regular visits to all farmers; as the panel study revealed many farmers, especially those pluriactive farmers with minor agricultural activities, reported to have had no contact with these extension workers. Smaller farmers in general are of opinion that the farmers' organization is defending their specific interests insufficiently. This feeling of smaller farmers is partly to be explained by the fact that many of them belong to the category of 'stable reproducers' more than of 'professionalizers'<sup>3</sup>. As long as reproduction is stable indeed, socio-extension workers see no reason to contact these farmers. This will be different when the stable reproducer enters a critical phase, e.g. making steps towards disengagement. Then the socio-economic extension worker may take up his intermediating role.

As almost all farmers in our study area are member of a farmers organization, the socioeconomic extension service is rather effective in its brokers function. This is one important factor explaining the rather complete 'consumption' of modernization policies, as well as of relevant social welfare policies. It also explains the efficient use of possibilities offered by the quota system, and the

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<sup>3</sup> The terms "stable reproducers" and "professionalizers" are part of the Typologies developed for farm households in all study areas. For comparison and further description of the definition see the contributions by SEIBERT, DAX/NIESSLER and BRYDEN.

structural effects this system appears to have. Extension officers are working on the interface between bureaucratic structures and the world of farming. They explain to farmers the advantages, the possibilities and the conditions of regulations, they assist farmers in completing the often rather complicated forms, and in either a formal or an informal way they may give advice to officials who have to decide about the application of rules and the granting of subventions. The existence of such an intermediate system between bureaucratic agencies on the one hand and the everyday world of farming on the other, has a great impact on the way farm policies are implemented.

### **4.3.2 The milk-quota system**

#### *The position of the agro-industrial complex*

Quota regulations were proposed by the EC Commission in 1983 to control milk production and to curb the growing expenditures of the Common Agricultural Policy.

The proposed quota-system was quite different from foregoing measures aiming at the same objectives. In 1968 the first EC-commissioner for agriculture, Mansholt, made a strong plea for scale enlargement and intensification, together with a drastic shrinking of the number of farms and a stimulation of regional industrialization. During the seventies political efforts to curb the milk production were mainly based on price regulations, e.g. the co-responsibility levy. These price regulations influenced the behaviour of suppliers, but the functioning of the market itself was not affected. In this respect the quota-system is different. Supply of milk was no longer primarily controlled by declining prices and therefore the farmers' ability to produce at low costs, but by fixing in advance the limits of production; not only the total production but also the contribution of each producer - either an individual farmer or a dairy factory - in that total production. Therefore we can speak of a two-fold stabilization of milk production, for the EC as a whole as well as at the level of individual producers.

The agro-industrial complex in The Netherlands - and the organisation of co-operative dairy factories in particular - strongly rejected the EC proposals. Since its foundation this cooperative organization played a significant role in marketing the milk produced by the affiliated farmers. Together with some bigger private milk factories it also has been very effective in opening up international markets for Dutch farmers. It is most significant that this cooperative organisation took a position as champion of the free market when

the EC-commission launched the quota-system. It was feared that the quota-system would undermine the market-position of the big producers with a strong position on international markets. The Dutch minister of agriculture took a more moderate position. Being aware of the balance of political positions and arguments among the EC-countries he was willing to accept the quota-system under the specific condition that small suppliers and/or specific regions would not be favoured.

Among representative organizations within the agro-industrial complex there was much agreement that on the international level the principle of regional specialisation was not to be abandoned. There was however more difference of opinion about the degree of regulation of the interior market. If a quota-system would come into force, to what extent the market of quota-transfers should be free? Some people advocated a very strong regulation of this market. In their opinion a farmer should return his quota after resigning, enabling the government to help small farmers in enlarging their farms. Others were of opinion that a dynamic development of agriculture required a free market of quota. The EC-decision implied that transfer of quota would only be possible in combination with transfer of agricultural land. The general impression was, that by this solution the process of concentration of agricultural production on a declining number of bigger farms was not really blocked, but certainly slowed down. It would hamper in particular a trend in specialised Dutch dairy farming where the number of cows is becoming less dependent on the area of land occupied by the same farmer.

### ***Structural effect of the quota system***

The generally expected outcome of the quota-system was that of a considerable stabilization of the existing agricultural structure, or at least a slowing down of processes of restructuring. Reality, however, appeared to be quite different.

In the Land van Maas en Waal the quota system proved to be one of the most dynamic forces in dairy farming. Farmers appeared to be very inventive in finding new possibilities for quota transfer. In the meantime legal regulations have become more lenient, being an adaptation to reality. Milk-quota are still connected with land, but nowadays it is no problem to buy quota with land and to sell the land shortly afterwards. Or a farmer may rent land with a quota for a period as fixed in the Rental System Law, but the contract about the land is dissolved after a short time with the consent of both parties involved.

Quota are bought by the bigger producers, in general farms producing more than 250.000 kg milk. The transactions result in a fast reduction of the number

of small farms. It is estimated by the socio-economic extension workers that within ten years about 70% of all dairy farms in the Land van Maas en Waal will have disappeared. Regional experts are of opinion that the structural effect of the quota-system is far more important than of all regulations of structural policies together. At first sight the quota-system seems to be a rather conservative system by setting limits to scale enlargement. But as the total production of all farms together is limited, the distribution of shares in the total product is becoming more critical. Exactly this feature changed the regulation, intended to be a stabilizing factor, into a most dynamic one.

Total milk supplies have indeed been stabilized to some extent, but the restructuring process in agriculture has got a strong new impulse by the quota-system. The explanation is rather simple. As a consequence of the quota-system many smaller farmers have lost their perspective of getting or holding a position of at least stable reproduction. Some of them, in particular younger farmers, left agriculture at all. By selling their quota many of them were in a position to keep the farmhouse as a dwelling while working outside agriculture. Other small farmers with less perspectives on the labour market, took the decision to sell the quota and to specialize into some other branch. Some started with sheep or pigs, sometimes combined with a part-time off-farm job. In all cases bigger farmers were prepared to pay a good price for the vacant quota, at present about Dfl 4.0 a kg (about 1.7 ECU); the price may show strong fluctuations, among other factors influenced by expectations about political decisions as to quota reductions. In this way the quota-system has stimulated on the one hand a further concentration of milk-production on a smaller number of farms, on the other hand pluriactivity.

Succession is always a critical phase in an agricultural structure consisting of family farms. The introduction of the quota-system strongly contributed to the critical character of this transition. During the process of succession on many farms a living has to be earned for two families. One possible source of income is the working of the successor on his fathers' farm. In many cases a precondition for this solution is scale enlargement. When this scale enlargement has been successful, the successor will continue the holding having a broader basis for future developments. The quota-system heavily interfered with this common practice. Smaller farmers who are most in need of enlargement have less financial possibilities for acquiring additional quota. Non-succession therefore becomes a more realistic alternative. This alternative is becoming even more attractive, because selling the quota will result in a welcomed additional income.



### ***Transfer of quota***

Although the legal limitations of quota transfers have become smaller in recent years, there still are some checks. A *first* one is the fiscalization of the capital received by the transfer. A *second* one is the question of property-rights. To what extent the capital gained by the transfer may be appropriated by the tenant farmer and what are the justified claims of the owner? In the years since the introduction of the quota-system a number of juridical cases about this issue have passed through which it appears that the owner has a right to claim 50% of the transfer.

The ideology of the family farm may present a *third* check on quota transfer. According to Dutch inheritance law each child has an equal right. But if each child would really claim that right, then in many cases succession of the farm by one of the children would be impossible. The ideology of the family farm presents a legitimization to favour the successor by a low evaluation of the monetary value of the farm, sometimes not higher than one third of its market value. Fiscal laws stimulate this ideology. No succession tax is imposed on the difference between the value of the farm on the free market and, on the other hand, the so-called rented value, being fixed approximately at about half of the free value. For the continuity of the family farm it is also important that transfer of quota within the family are not subject to fiscalization.

Sometimes these very favourable regulations may result in tensions within the family. Due to the described fiscal arrangements for the co-heritors the difference in financial outcome is becoming much more paramount between on the one hand selling the milk quota on the free market and on the other hand its transfer to the succeeding son. A significant implication of the quota system is the creation of new capital adding to the capital value of existing farms. In a number of cases this contributes considerably to the tension between an individualistic financial valuation of this capital on the one hand and a familistic valuation - to make succession within the family a smoothly running process - on the other hand.

Here again the socio-economic extension worker may intervene. Sometimes he arranges a family meeting trying to find a solution that is acceptable for all people involved.

### ***Farmers evaluation***

To what extent are farmers in the Land van Maas en Waal satisfied with the quota system as it actually functions? The impression is that in this respect there is a difference between expanding bigger farmers on the one hand and a

particular category of smaller farmers on the other. As the prices of milk have developed rather satisfactory until recently, the bigger farmers show a rather positive attitude. The same is true for those small producers who did not intend to expand or even continue this branch of production. In particular for older farmers without successor the quota was an unexpected free gift. Dissatisfied however are those smaller farmers who see their future perspectives on getting or maintaining a position of stable reproduction being blocked by the quota system. Their argument is, that they cannot be blamed for having caused the overproduction of milk. Nevertheless they are the ones who have to bear the consequences.

It is exactly the same line of argumentation that is being used between EC-countries. Among others Greece, Spain and Portugal are in favour of continuation of the quota-system, with the argument that these countries cannot be held responsible for the existing overproduction. Bigger farmers in our study area as well as political representatives from some north-western European countries will say, that stabilization of supplies has to be the result of market forces, in particular by reduction of prices.

#### ***Some conclusions on the quota system***

1. Although the quota system was intended to be a stabilizing factor to control the milk supply, it appeared to be a most dynamic factor with respect to the agricultural structure, favouring the process of concentration of production on a smaller number of bigger farms.
2. Pluriactivity has been stimulated as a side-effect of the quota system.
3. The quota system contributed in a number of cases to the tension between an individualistic and a familistic evaluation of added capital.
4. The role of the socio-economic extension worker is an important one, in giving a documented advice about buying and selling of quota, in finding legally acceptable ways of transferring quota, in reconciling diverging interests between tenant and owner, as well as between successor and co-heirs.

### 4.3.3 Social welfare

#### *Social welfare and societal integration*

In societies where labour relationships are not dominated by kinship but based on wage contracts, the distinction between useful people and unemployable people has a long history. The unemployable people are considered unproductive and run the risk of being stigmatised as outsiders. In the past charitable institutions took some care for these people.

With the development of industrial societies towards welfare states, the broad category of undefined poor gradually became more differentiated. At the end of the nineteenth and the beginning of the twentieth century industrial labourers in the Netherlands got their own specific provisions in case of unemployment. It was part of the socialist emancipation movement that industrial labourers were not to be dependent on private charity in case of unemployment. This separation of labourers from the broad category of poor and unfit people was in essence a kind of integration of this category into civil society.

Old age pensions can be looked upon in the same way. With the break-down of the extended family in an individualizing society, older people in lower classes run the risk of sinking away in the broad category of poor people considered as outsiders of the society. The system of old age pensions has the significant meaning that older people who are no longer useful in the economic process, are still considered as part of the civil society.

A next category of unemployable people are the physically handicapped. They have for a long time been subject to private charity, but with the further development of the welfare state also this category has been differentiated out of the general category of the poor by giving them a right on specific allowances.

This still ongoing process of differentiation of destitute people into well-defined categories within the welfare state is of great significance for farmers to make use of welfare institutions. Generally speaking farmers are independent entrepreneurs with a rather strong family orientation. Both their independence and their family orientation produce an attitude of self-reliance and avoidance of welfare state institutions. However, by the described process of differentiation the threshold for accepting welfare payments has been lowered. It goes without saying that farmers make use of the old age pension schemes without any hesitation. But farmers are also participating in a general labour inability law, and in special schemes for self-employed people with insufficient income.

Although the threshold has become lower, there is nevertheless still a latent conflict with the traditional attitude of self-reliance among farmers. The result could be an under-utilization of these schemes. Therefore it is important that farmers get assistance from people who have their confidence and who at the same time are well informed about possibilities, conditions and limitations of the various welfare schemes. Again it are the socio-economic extension workers who have this function.

### ***Welfare state ideology and the family farm***

To be eligible for an allowance from the General Labour Inability Law there must be evidence of a clear income decline as a result of labour inability. In this respect the ideology of the family farm may function as a drawback. One typical consequence of this ideology is that in case of illness or physical handicap the farmer can make a legitimate appeal on the other members of the family. They will assist him in running the farm. This moral obligation for mutual help is an essential feature of the family farm. By making use of this unpaid family labour a clear fall in income can be prevented to some extent. However, the result might be that the farmer is not eligible for a disability allowance. For this reason the extension workers give the strong advice to pay a salary to assisting family members, although this formalization of labour relationships within the family is contrary to the ideology of the family farm. An unintended consequence of making use of welfare institutions appears to be a further acceleration of the process of individualisation of farm families.

Also the eligibility of farmers' wives for a disability allowance is connected with the process of individualization. Eligibility is conditioned by the demonstration of a clear fall in her personal income. The latter is only possible if the farmer's wife had an income of her own instead of simply contributing to the family's income. Participating in the general schemes of the welfare state may involve a conflict with the traditional values of the family farm.

### ***Structural effects***

In the study area about 50% of all farmers of 55 years and older have an allowance by the general labour inability law. About 30% of the women in this age category has the same allowance. The maximum allowance amounts to about Dfl 1600 ( 700 ECU) a month, but there is much variation depending a.o. on the degree of labour inability of the applicant. These allowances may contribute in a substantive way to the economic basis of the household and can therefore be considered as a functional equivalent of pluriactivity.

In the industrial and service sectors the General Inability Law has been used by employers and trade unions to facilitate technical and organizational modernization. Many older employees have been disengaged and got a social welfare payment. Dutch industry nowadays has the highest labour productivity of Europe, at the expense however of a very low participation of older people in the labour force and consequently high welfare expenditures.

In this respect there is a remarkable similarity between the industrial and the agricultural sector. Also in agriculture a high percentage of older people have a disability allowance, and similar to the industrial sector labour productivity in agriculture is, on the average, very high. So one can formulate the hypothesis that similar to the industrial sector the modernization of Dutch agriculture is partly paid by welfare institutions. The plausibility of this hypothesis is however rather low. For the hypothesis to be true we should observe e.g. that farmers who have got an allowance, are disposing their milk quota which they otherwise would not have done. This sometimes occur, but a more important consequence of getting an allowance is that it permits the farmer to stay on his farm and continue his farming activities, be it on a lower level. The overall effect of labour inability payments in agriculture is not an acceleration of the process of modernization, but rather a retardation of the process of termination of non viable holdings.

#### ***Some conclusions on labour inability schemes***

1. The participation of farmers in social welfare schemes is an indication of their integration into the broader society.
2. The ideology of the welfare state is not in all respects compatible with the ideology of the family farm. Socio-economic extension workers give priority to the ideology of the welfare state.
3. Different from the industrial sector modernization in agriculture is not co-financed by labour inability payments.
4. Socio-economic extension workers have an important function in making welfare payments acceptable for farmers, and in making their applications successful.

#### **4.4 The Role of Policy in Influencing Farm Households' Behaviour in European Mountain Areas<sup>1</sup>**

by François Bel, Thomas Dax, Vera Herrmann, Karlheinz Knickel, Rudolf Niessler, Elena Saraceno, Otmar Seibert, Mark Shucksmith, Pavel Uttitz, and Fernand Veuthey

*In diesem Beitrag wird der Einfluß der Politik auf das Verhalten der landwirtschaftlichen Haushalte in Berggebieten Europas untersucht. Dabei geht es im einzelnen um Ziele, Möglichkeiten und Beschränkungen, die für den bäuerlichen Familienbetrieb aus politischen Gegebenheiten entstehen.*

*Im ersten Teil werden kurz die Entwicklungen der gegenwärtigen (Agrar-) Politik dargestellt und deren potentielle Auswirkungen auf die Agrarstruktur eingeschätzt. Darüber hinaus werden aus den theoretischen Ausführungen über den potentiellen Einfluß der Politik auf Entscheidungen in den landwirtschaftlichen Haushalten Hypothesen abgeleitet.*

*Im zweiten Teil wird dieser Themenbereich von seiten typischer Beispiele verschiedener Anpassungsstrategien in Familienbetrieben in ausgewählten Studienregionen erläutert. Die Hypothesen werden anhand der präsentierten Beispiele nochmals überprüft, vor allem im Hinblick auf den Einfluß des regionalen Kontextes. Die zusammenfassenden Schlußfolgerungen berücksichtigen auch andere Teilergebnisse des Arkleton Trust Projektes.*

*Die abschließenden Betrachtungen setzen sich damit auseinander, inwieweit das vorhandene Verhaltensmuster in landwirtschaftlichen Haushalten bei der Entscheidungsfindung und Inanspruchnahme politischer Maßnahmen eine Rolle spielt. - Ein Umstand, der von seiten politischer Entscheidungsträger oftmals vernachlässigt wird. Die Gegebenheiten des regionalen Kontextes*

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<sup>1</sup> This paper is a result of international empirical work of a group of researchers (Mountain Group) from different disciplines within the Arkleton Trust project "Rural change in Europe - Research Programme on Farm Structures and Pluriactivity" within the periods from 1987 to 1991. This contribution was presented at the 5th Review Meeting in Calabria, Italy, in September 1991. Published in: *Revue de Géographie Alpine* 1993 No 2, Grenoble, France; contributions were supplied from:

François Bel (Savoie, France), Thomas Dax, Rudolf Niessler (Salzburg and Styria, Austria), Vera Herrmann (Euskirchen, Germany), Karlheinz Knickel, Otmar Seibert (Freyung-Grafenau, Germany), Mark Shucksmith (Grampians, United Kingdom), Fernand Veuthey (Chablais, Switzerland)

*treten dabei infolge der gewählten Methode in den Hintergrund, weil es hierbei in erster Linie um den Vergleich der Familienbetriebe in den einzelnen Studienregionen gehen soll.*

#### **4.4.1 Policy development and policies' influence**

##### **4.4.1.1 Sectoral differentiation processes**

European farming is currently in the middle of tremendous structural changes. This is happening on two, inter- and intrasectoral levels. From the intersectoral point of view, agriculture is becoming increasingly less important. For decades, the number of farms decreased annually by about 2 to 3 %; at the present time, the decline in the number of farms is speeding up, to perhaps twice as fast. As a consequence of this, the percentage employed in agriculture in Central Europe ranges from 18-2 %, and the share of the contribution to the gross national product from agriculture is in some countries negligible.

Stagnation in farming incomes, disparities in labour returns between agriculture and non-agricultural activities together with expanding non-agricultural labour markets, have encouraged the decision to leave agriculture in the 1980s. Only the lack of off-farm opportunities and the status and the expressive enjoyment of being a farmer run counter to these forces. As a consequence of this, the values and standards of farmers, and their strategies for adapting to structural change, have undergone a transformation.

However, these influences have more of a long-term effect, and are not sufficient to explain the pace of structural change in agriculture which has occurred in recent years. But they form a fertile soil for more rapid changes provoked by factors having a short-term effect. Such immediate triggers include, in particular, measures of European and national agricultural policy.

The trend towards a decreasing agricultural sector is accompanied by growing intra-sectoral differentiation processes. Existing structural and developmental inequalities in Europe have not been reduced - as demanded by EC decree. Indeed, it is possible to identify increasing disparities in income and in development opportunities between:

- agricultural holdings of differing size and enterprise mix,
- monoactive and pluriactive farm households,
- locations in favoured and less-favoured areas.

These differences can only partly be attributed to the direct influence of structural policy. The horizontal EC market and price policy has had a far stronger effect on development than the structural policy itself and this has acted to reinforce the wide European differences in regional conditions. In addition, it is evident in all European countries that agricultural policy goes far beyond any mere catalogue of agricultural policy measures. National differences in the level of financial support have probably been a more important factor in maintaining regional disparities than national differences in the structure of support measures.

#### 4.4.1.2 Long-term changes in the range of farm-related measures

The development of intra-sectoral differences in European farming has been closely connected with long-term adjustments in agricultural policy priorities. During the past forty years, emphasis has been placed partly upon specific problems (e.g. land-consolidation, less-favoured areas programme) influenced considerably by national agriculture ministers and their party programmes, together with - from the beginning of the sixties - an increasing link with EC developments. It is difficult to identify any long-term, consistent line of action.

So long as there were no market surpluses and farm incomes rose at the same rate as producer prices, the differences between mono-active and pluri-active farming, or between favoured and less favoured areas were largely irrelevant from the policy makers' point of view. Agrarian policy was limited to (and financially dominated by) market and price policy, backed up by the traditional means of structural support, such as settlement and land consolidation.

A clearer differentiation in structural policy did not begin until the end of the sixties, with the appearance of market surpluses, increasing scarcity of funds and a slowed increase in farm incomes. Through the orientation of agrarian structure support towards the principle of "economic viability", clear support preferences were established for family farms with large production capacities and located in favourable areas. For "non-viable farms", social assistance was offered in the first instance in order to cushion farmers' adjustment and to reduce the pressure caused by structural change. Social assistance measures included the intensification of advisory services, the promotion of professional qualifications, retraining measures, leasing premiums, etc. Pluriactive farm households were essentially regarded as "nonviable" at this time, and many were thus excluded from investment support funds.



In combination with traditional price policy, this productivity oriented policy of investment support increased income disparities within agriculture, and provoked rapidly rising surpluses. Nevertheless, the restrictions on support to farmers which have been imposed since the beginning of the eighties were only partly a consequence of the heavy financial burden. In view of the many problems in rural areas, there was in some countries at this time more open discussion as to whether public financial aid should be granted primarily with regard to economic allocation aspects, or more strongly in accordance with social criteria and widened social objectives. In other countries, simultaneously, these restrictions conformed to a general policy of reducing public expenditure and promoting the free market.

In the majority of European countries it has been recognised in the meantime that agriculture - above and beyond its traditional role of food production - has become increasingly important with regard to the provision of public goods - maintenance of natural living conditions, care of the natural environment, maintenance of the entire rural sphere. In this context, it is advantageous that measures which reduce environmental pressures also favour a reduction in the pressure upon agricultural markets.

This is one reason why there is now renewed consideration of the achievements of pluriactive farming. Whereas households with multiple job-holding were largely excluded from structural support in the past, there has in the eighties been an increased effort to achieve equalization. Except where EC regulations are expressly tailored to mono-active farms, all farms above a specified minimum size are nowadays usually included - in Germany and Austria, for example - in the agricultural support programmes.

But in the majority of cases the widening of support in the less-favoured regions for pluri-active farm households has come too late. Experience shows that the influence of past structural policy on farm change and on rural areas has probably been overrated. The structural side-effects of market and price policy have in the main been much stronger.

In addition, the fact is often overlooked that policies affecting agriculture go far beyond the realm of specific agricultural policy. Regulations in fiscal law, the law of tenure, environmental law, commercial law, etc., are also of considerable influence. The additional effect of the supply of opportunities for skilled work or attractive training or professional qualification measures has been adequately confirmed in the past.

#### 4.4.1.3 Patterns of behaviour and use of policy

This contribution attempts to show how - and to understand why - policy, is interpreted and used (or not used, or misused) by farm families. To do this it is necessary not only to examine different policy measures but also to look at the variations in patterns of behaviour amongst different types of households.

According to the 2nd Research Report to the EC, our global objective is "seeking to understand the movement of resources into and out of farming" (ARKLETON TRUST 1990, p. 92). Such "movements" are typologized in the report into three patterns of adjustment: professionalisation ("into"), stable reproduction ("no movement"), disengagement ("out"). The authors of this paper<sup>2</sup> broadly agree with this typology, but with some reservations. We prefer instead to seek to understand actions from the point of view of the actors themselves.

Our basic hypothesis is that the perceptions households have of themselves and of opportunities, resources and constraints available to them, sustain their behaviour and act as filters: some households may perceive opportunities which are neglected by other households.

P. BOURDIEU's concept of "habitus" (1979) can be very useful here. Habitus is a "matrix of perceptions, appreciations and actions" which is shaped throughout the education and experiences of an individual. Although the life of each person could be very different, similar experiences will lead to similar habitus. The conjunction of the habitus with situations or events experience by individuals leads to social (patterned) practices. People with the same habitus will tend to have the same pattern of behaviour.

Habitus can thus be seen as an "incorporation" of social structure in each individual, integrating also the position of the individual in that structure. It acts as a filter in the perception of what is possible and leads the individual to "refuse what is refused and accept what is unavoidable" (Ibid). The same idea is found in CROW's comment of PAHL's work: "Social structural conditions work to 'allow' the emergence of particular household work strategies and to discourage others "(CROW 1989, p. 8). PAHL (1984, p. 327) adds: " However the way that households get the work done does provide some scope for choice and innovation ", although the concept of " cultural lag" may

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<sup>2</sup> See specially Shucksmith, M./Smith, R./Herrmann, V./Uttitz, P./Saraceno, E. in the volume II of the Report: Study Area Analysis. (Arkleton Trust 1990)

explain a varying scope of choice: the poorest households may be "forced to accept" rather than "choose" a given behaviour<sup>3</sup>.

These considerations lead to the following hypotheses which will be tested later in this paper:

- 1) It appears that structural policy measures are not main determinants for structural change. They are mere resources among others available to farm households who interpret and use them in different ways according to their "pattern of behaviour".
- 2) Furthermore the material resources of the farm and the household, as well as personal goals and expectations, seem to be more relevant than external resources. Nevertheless, an external constraint such as a price/quota policy or restricted labour market possibilities may also be very important (external factors may appear more relevant in comparative analysis).
- 3) One aim of agricultural policy in mountain areas is to keep people on the land or in the region. And one major criterion in any household's decision to go on farming is to get a fair return from their activity. But what is a "fair return" varies from one household to the other: the degree of expressive satisfaction of one's own goals and expectations has to be taken into the "equation". A household running a small farm may value values such as proximity to nature and independence in just the same way that innovative professionalisers may value diversity of work or entrepreneurship as much as economic yield.
- 4) It seems that modernisation policy has been particularly effective, in the sense that it has been widely adopted. But these measures probably contributed more to reinforcing decisions and eventually to increasing the intensity of change rather than to provoking decisions which would not have been taken anyway. Furthermore measures directed to modernization are often not adapted to the needs of farm households (flexibility on the scale of investment, investment spread over time, farmer's freedom of decision): that leads some farmers to renounce such measures (and sometimes renounce to farming) or perhaps to contract heavy debts, making new adaptations difficult and increasing the vulnerability of the farm.

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<sup>3</sup> These theoretical concerns, merged to the project's reflections so far (theory task group report, working group on strategies at the Braemar review meeting) were also summarized in a model proposed by HERRMANN V. and VEUTHEY F. 1991: Questions on attitudes in the final survey: theoretical and practical approaches. Unpublished paper

- 5) Compensatory allowances seem to have a different effect in keeping people in farming according to the amount paid (e.g. High amounts contribute sometimes to survival of non-viable monoactive farms. These payments are necessary in the medium term but should not be sustained beyond one generation). Lack of flexibility in productions that are supported hinders entrepreneurship and diversification of activities out of the usual track (access to pluriactive farmers, support of experiences with new crops or with innovative livestock breeding) and thus reinforce farm enterprises within traditional modes of behaviour.
- 6) New policies (diversification, set aside...) do not take into consideration personal goals and expectations of farm households and even conflict with their own notion of "being a farmer" (independent, hard worker, food producer). By challenging this self image they generate a motivational crisis in the reproduction of the family farm. This may bring a greater shift in the people farming the land, traditional farm families being replaced by new entrants, from other backgrounds, more oriented towards new functions of agriculture.
- 7) Knowledge, as well as capacity (and will) to fulfill requirements and to manage the bureaucratic aspects of applications may be relevant in some cases. Thus the use of policy measures also depends on the cultural lag of farm household members and on the efficiency of extension services (and other informers) in facilitating the access to policy measures to any farmer.

#### **4.4.2 Farm household behaviour: selected cases**

Actions of household members of farm families rely on a wide set of reasons, not only reflecting capital assets and resources of the household but also very personal motivations and aspirations. The following 10 case descriptions of farm households contacted repeatedly throughout the 5 years of our study are intended to show actual examples of reactions and adjustment of households. The main discussion deals with shifts of labour allocation, together with their circumstances and "reasons", the role of (agricultural) policy measures as seen by household members and their attitudes and value patterns towards farming, diversification and off-farm work.

Of course, the great variety of different actions of households can only be suggested and indicated through these case studies: it cannot be covered completely. The choice of the cases presented is deliberately not a representative one: farm households with small farms who are often withdrawing from farming are numerous but here are represented only by a few cases. This is

because the main purpose of this representation is to stress differences between households with "typical", patterns of behaviour within the study area from which they have been taken or households with remarkable action patterns, clearly different from those of the majority of the study area. As the usual farm work and para-agricultural work opportunities might be very different between study areas, so the interpretation of the households' actions will be different from study area to study area too. What is a wide-spread pattern of behaviour in one region, might be an innovative way of adjustment in the totally different situation of another region. The selection of cases presented in this paper therefore primarily looks at households changing their work situation and especially at those diversifying it.

Each case description offers a thorough look at policy consumption in that single case. Though consumption and the relevance of measures may vary, to a great extent it is perceptions of policy measures and the way in which measures have been taken up or not taken up by the households, that are of greatest interest in these descriptions. The values and attitudes of the households revealed through their pen-picture may offer some hint for understanding the actions of these households (with or without the use of policy measures).

The case descriptions start with two cases of small size farms. In some study areas this group is the majority of the farms. The presentation of some of them should reveal that also in this group very different ways of adjustment might occur. All the remaining cases give descriptions of households with medium or large size farms. Some of these act on a rather classical path, others are diversifying their activities and the last two cases disengaging from farming (though they had considerable farming resources).

## **Selected cases**

### **4.4.2.1 Small size farms (ESU)**

#### ***Household A: A traditional "worker farmer" with reduction of farming activities***

*Study area: Austria South-East Burgenland*

This farming family is fairly typical in combining a distant off-farm job (to which the farmer commutes weekly) with a small farm unit in southern Burgenland. The farm occupies about ten hectares, half of which is forest. This size is about the regional average. The farm is managed by a couple (both around sixty) who work the farm alongside the main off-farm job of the man in Vienna.

Like many men (and many farmers) from that area he has been forced to commute all his life to Vienna, spending only weekends and holidays at home in southern Burgenland. Although his wife is not happy with this lifestyle, after being used to it for so long, she expresses the view that "It would have been a real burden if we have not had enough money".

For the woman this meant that she had to do all the main daily jobs on the farm. Recently the farm has been much simplified. It no longer has cattle and the two remaining pigs mainly serve for self-consumption. Machinery investment necessary for crop production has been undertaken without any credit support: the money came instead from off-farm earnings. The farmer says that he has always known that the farm makes no money. Investment was not undertaken for profit reasons but mainly to reduce the burden of work. The farm manager never considered giving up the farm because he wanted to return to work it when he retired.

Although the farmer is highly involved emotionally in farming, other important values expressed by the farmer are atypical of this farming sector and derive far more from a worker's perspective. For example, his investment priorities favoured the house against the farm buildings. Furthermore, the farmer is keen to spend money on exotic holidays far away (India or Africa). Thus his self-fulfillment is not bound to the farm.

Agricultural supply measures had no effect on the development of this farm. Premia for turning agricultural land into an ecological reserve were accepted because it allowed a reduction of the burden of work. The "non-use" of other support measures also derives from the high off-farm income which disqualifies them from most of the support measures.

The reduction and simplification of farming activities can mainly be considered therefore as the result of his aim of reducing the work burden for his wife and for himself in his retirement. As with many other small farms in that area, stability is the major general goal. But in reality, his case reflects far more a clear withdrawal from farming as the best long-term strategy. He even agrees that the sons should eventually sell the farm and make something better out of the sale of the asset.

### ***Household C: The pluriactive disengaging widow***

*Study area: Udine, Italy*

The farm is medium-small (8,16 ha), mostly grassland, and only half a hectare is owned. The rest is an inherited lease. The present farmer is a woman who became a widow in 1984. Her late husband used to work full-time in a nearby

steel factory, while she worked full-time on the farm with her parents-in-law. They had two children (boys) who were in school then and are now both working. She realised she could not live on farming alone and accepted a job in the same factory where her husband used to work. She thus became pluriactive. As she could not cope anymore with farm work, she decided to change from milking cows to raising suckling cows because it allowed a more flexible working schedule. Since then she has encouraged her children to find off-farm jobs. She released about 1 ha of formerly leased land and she has reduced the number of cattle from 10 to 6. Her father and in-laws help with the animals and the wine, and share some machinery. She has a good network of parental solidarity which has allowed her to be pluriactive.

She considers farming to be an important contribution to income (about 20 %), which has become less important with the work of her children.

Policy use is quite low and unattractive given her situation. She is still a member of the Farmers Association and she received a grant to fix farm buildings after an earthquake. She does not receive compensation and thinks it would make no difference to her pluriactivity. She thinks no policy measure could match her off-farm job and thinks her two sons are much better off with a non-farm job.

This case shows the impotence of policy to solve a situation based on pluriactivity. Aid was available to modernise but being a leaseholder and needing a steady income to replace that of her husband, she was compelled to look for an off-farm job. Direct payments were too low to make farming more attractive. Her "demand" for policy was low both before and after her husband's death.

### ***Household F: Productivist type of farm household***

*Study area: Germany, Freyung-Grafenau*

The F family are Mr. and Mrs. F and one child. Three retired people and one other relative live in a separate household. The family operates a relatively specialised dairy farm with 60 milk cows and with a quota of 244,000 kg - which is very large scale in Freyung-Grafenau where the average farm has 8 cows.

Mr. F points out that he has already been a skillful trainee at the agricultural school (Landwirtschaftsschule) and that his father has already run a relatively large farm. He adds that right from the time when taking over the farm in 1977 he has tried to obtain "the maximum out of it" and that "the two main levers are producer prices and quantity". Consequently, he has concentrated on the

most profitable crops and has cultivated them intensively. Farm operations have become increasingly specialised and livestock production is more and more based on low labour-input slurry-based husbandry systems and on the purchase of feed concentrates. The overall development of the farm is characterised by increases in capital-intensity and scale while production is still being geared to current product markets. Since 1986/87 farm size has nearly doubled. The availability of additional land resources and milk quota is however still a key question.

When asked why he farms more intensively than his neighbours, Mr. F explains that sufficient feed has to be produced on a small area, compared with herd size. He adds that the considerable milk quota he has received justifies the high level of intensity in land use. With more and more land becoming available in the area because of other households giving up farming the level of fertilizer use will be decreased in the next few years, "which will also reduce costs".

Mrs. F was working at the district council until she became pregnant. At present she is on maternity leave and receiving a corresponding family allowance (Erziehungsgeld). She insists that it would be possible for her to start working at the district council again and that she alone would earn nearly as much as farming contributes to the household income. Mr. F, however, argues that she is needed to run the household and that he has "no spare time to assist with housework and child raising because the management and running of the farm is a full time job" (but he likes it).

Mr. F cannot imagine receiving regular direct transfer payments. He does not understand regular producer price support as a similar form of subsidy. However, measures relating to the improvement of social security among farm families, the compensatory allowances (EC Directive 75/268) and programmes in support of more environment-friendly farming are accepted because they are not seen as forms of transfer payments.

Without support from investment-related programmes, Mr. F believes that increase in the scale of farm operation would have only been a little bit slower. Available financial support alone did not trigger any investments.

Farm tourism, direct marketing, organic farming, pluriactivity and income combination are not seen by Mr. and Mrs. F as suitable for "full-time farmers". The set-aside programme is in the F's eyes a waste of natural resources; it is diametrically opposed to their understanding of the task of "cultivating the land". Mrs. F appears slightly more open towards pluriactivity. Her parents had not much to do with agriculture, she had a non-



agricultural training and she has already been off-farm employed and so has a broader value orientation.

In this area, only a minority of households - such as the F's - now rely exclusively on farm income. But, these households are totally committed to farming. Farming is "a way of life" for them. The abandonment of farming is, as a result, only considered when the problem of succession arises.

### ***Household G: Productivist professionaliser***

*Study area: Grampians, UK*

This is a very interesting case because it illustrates many recurring features concerning the importance of the genetic tie, the role of women in agriculture, attitudes to diversification and how these often seem to conflict with the desire to remain a "good farmer".

The farm itself is a large, tenanted, upland farm with a mixed regime of cattle and sheep. The tenancy is owned by a couple in their 70s who farm in partnership with their son and daughter-in-law and their grandson and his wife. Unusually, three generations are present.

The respondent, the daughter-in-law, is not from an agricultural background but has thrown herself wholeheartedly into the role of farmer's wife. In order to deal with the farm paperwork she attended classes in accountancy at the local school and gained a pass at higher level. She became very involved in the Scottish National Farmers Union and her proudest achievement is that she is the first woman president of her local branch. In addition, Mrs. G lets out the farm cottage to tourists and has recently started a successful bed and breakfast business in the farmhouse. However, these activities are seen as subsidiary and distinct from the family's farming. Their main concern is to produce quality livestock which will fetch high prices in the local markets and win cups at shows. The family is exceedingly proud of its collection of cups. Mrs. G echoes the theme of local quality produce in her for tourist accommodation enterprise: quality is all important to her.

The only policy payment the G's receive is LFA compensatory payments: these are headage payments related to the number of hill sheep and cattle, and these are crucial to the farm's survival. This is the principal policy issue seen to be affecting this household.

If farm prices were to fall substantially the G's would not be prepared to diversify further. Within the family there is an ambiguous attitude towards diversification. While the family are pleased with the success of the tourism venture this is seen very much as "women's work", and nothing to do with

farming. The male members are extremely antagonistic towards diversification on the farm itself, and Mr. G is adamant that anything to do with tourism be confined to the house which is physically separate from the farm.

Off-farm employment is only really an option for Mrs. G, with her accountancy skills and SNFU experience. Mr. G would have difficulty in obtaining off-farm employment since he left school at 15 and has no trade, craft nor training of any kind. Instead, the G's would rely on the quality of their livestock production to support themselves, with the grandparents retiring from the farm.

#### 4.4.2.2 Medium-large, diversifiers

##### ***Household I: The faintly shifting pluriactive***

*Study area: Savoie, France*

Mr. I is 54 and his wife is 41, they have five children: the only son is 18 and the four girls are younger (16, 13, 11, 9). He is a native and took over the holding from his parents in 1972. He married at the same time to a young lady who came from the town and taught skiing with him in a nearby resort. The local labour market is poor: declining manufacturing industries and a slowly increasing tourism industry. This mountain farm is at an altitude of 1500 m. There are some future prospects for the development of a local resort, however.

When taking over the farm Mr. I increased the flock from 30 to 120 ewes, which was large enough to provide a decent income by that time. They had a house built and a new stable, they also contracted various loans to help modernise the machinery: Strong efforts have been made since taking over to improve the main product of the flock: meat. But the nominal price of meat has merely kept steady over the last 20 years while costs more or less doubled. Although strong inflation made it cheap to borrow money for investment, these circumstances were very negative in terms of the household's agricultural income.

When he took over the farm Mr. I increased the winter ski teaching activity (in which he was well practised) in order to expand the sources of finance. This increase was somewhat contradictory to the improved sheep raising techniques which resulted in heavy constraints on his working schedule. For example in early spring, lambing time is also the most active period for ski teaching. Efforts were made to manage the lambing period in order to concentrate them on weeks which fall outside holiday periods.

Mrs. I stresses that beyond the narrow income generated by this mix of farm and snow activities by her husband, she wants to have a job of her own. During the first ten years of their marriage she had a lot to do with child caring, she also took part in a number of local training activities in connection with a sheep producers union. Some years ago the couple decided to sell the whole flock and to buy a shop in the village (bar-tobacconist) but it did not provide a better income. Luckily they were able to sell it a year later and to resume sheep raising. More recently they have bought a clothes shop in the nearby resort where Mrs. I spends four months in the winter, living with the children in a flat. The three recent years have not been very successful because of the lack of snow. Now they have to consider whether they should sell the shop. Their main income sources are the income from ski instruction, sales of farm products, compensatory allowances and social transfers justified by the large family.

The parents are somewhat concerned with the son being interested in taking over the farm in the future. He already takes part in the summer alpage activities (including cheese making) and is having agricultural training.

In conclusion, it seems that it is not possible to make a decent living for a family out of a medium-sized holding, even if it is well managed and despite support from agricultural policy and inflation making it easier to repay loans. In a poor labour market location, activities additional to farming are difficult to set up and remain fragile. Whilst farming may remain a core activity, it requires a lot of energy and large financial resources. The only motivation which pushes strongly enough to consider risk taking, by setting up a new job, is the need for autonomy felt by the farmer's wife. Pluriactivity is therefore essential to provide the family with a decent income but is also sought by the household for non-pecuniary reasons.

### ***Household J: Para-agricultural diversification***

*Study area: Chablais, Switzerland*

Mr. J is 27 years old. He got married in 1989 after taking over the farm. His wife is 30 years old and they have a one year old daughter. The wife stopped her off-farm job after marriage in order to dedicate time to the family and the farm, which is run as a common business.

The main farm is located in the Chablais mountain area 1000 m above sea level and is wholly rented (14 ha of meadows). The building and 50 % of the land belong to the father. The son will inherit it. Other meadows are hired from a third party. An alpage for 45 cows is rented from the local community, with a quota of 20,000 kg of cheese, and this is run together with the father.

They keep 16 cows in winter, with a quota of 40,000 kg. The machinery is new.

Both husband and wife used to work before marriage, she as a secretary, and he as a parking attendant in a ski resort as well as on the farm for pocket money. When they married, both decided to live on the money earned from the farm. Before starting at an agricultural school (for which you have to be 18), he followed a public business course: "it's useful for the management of the farm and it's good to have another skill".

Most of the changes that have occurred in the last decade improved the farm. Mr. J wanted to succeed, but not at any price. He wanted to make a decent living out of farming, and only farming, or to abandon it. This meant having more cows, so more land, a bigger building to house the cattle and store the hay, and a good level of mechanisation to do the work more quickly and to make it less of a burden.

A new farm was built in 1986. The parents and the son designed an enlargement to the existing building, contiguous to the house. They asked a local builder for an estimate. Then they made another design incorporating grant-aid. They calculated that with the same paid-in capital, plus grants, they could have a separate, bigger and better equipped building. So they applied for the grants and contacted a foreign company to do the work cheaper. Grants took up 65% of the cost, plus 15% covered by a no-interest loan.

In the same year, they rented a 4.5 ha meadow from a retiring farmer. The meadow was far from the main farm (it takes time with a slow hay transporter), but there was a 15,000 kg milk quota on it. Nearby land would have been available, but with no quota. This would have wasted time and brought higher production costs. But Mr. J thinks his milk quota is still too low. He believes it does not allow him to make as good a living as he would like. Modernisation brought him extra quota but not as much as he expected.

Mr. J and his parents would have preferred to run the farm together in a formal association, but they soon realised that they would earn less that way: compensatory allowances are high (SF 760 in mountain area III in 1991) but to a ceiling of 15 animal units, which makes about SF 11,400 per year. By splitting the farm, each one could receive the maximum. Another reason was their different attitudes towards farming, the son being more oriented towards modern techniques. The division of the farm was possible because the father owned a small mid-mountain farm higher in the valley where they used to go only in spring and autumn. So Mr. J's parents moved there after their son got married and took over the farm.

In 1989, Mr. J also started to rent a bigger alpage (prior to this, they could only take heifers onto the alpage they rented), with a capacity for 45 cows and where they make cheese (matured and commercialised by a local, dynamic cooperative). According to Mr. J, that is what makes the farm viable: costs of production are lower and making cheese adds value. But milk quota is exceeded by 30,000 to 40,000 kg over the quota in 1991, and the price was reduced by 20%. In the second year, Mr. J decided to make more cheese and commercialise the excess through direct selling (tourists and acquaintances) which is more or less illegal and unfair towards the cooperative. Mr. J recognises that it was not a solution: "One can hide it one year, but it's not possible in the long term".

Now Mr. J feels somewhat awkward: "They give the money to build a farm for milk production, but they refuse to give the quotas to make this investment profitable". Unwillingly he is forced to find new side-lines. He made calculations for beef production and found it unprofitable, and the farm structure is not adapted to it. But he says he will keep on farming and will have to find a solution.

### ***Household K: Innovative professionalisation and para-agriculture***

*Study area: Germany, Euskirchen*

Mr. and Mrs. K own a farm of about 47 ha. The farm is located in the Voreifel, part hilly and part plain, but still a less favoured region. Their agricultural production is based mainly on market crops, i.e. rape, barley and rye, and on poultry and hen-keeping. Hens and poultry are kept free ranged, and the products are marketed directly.

Mr. K was born in 1932, the son of a farmer. He got an advanced training in agriculture before he became manager of an estate located in an area of intensive agricultural production about 150 km from his home. He married in 1964. His wife was a bookseller and she did not have any farming knowledge; she stopped working in her profession after the marriage. The couple have two daughters. In 1967, after Mr. K's father died, he quit his job and took over the family farm. He modernised and intensified production which was based primarily on fodder and livestock production in those days. In 1983 the farm couple started poultry and hen-keeping and started marketing their products directly. Two years later they gave up pig raising because of falling prices.

In 1987 their youngest daughter, after returning from Canada, where she had spent a year as an au-pair within a farm household, decided to take up an agricultural training and to succeed her parents later. Now she has just finished her primary vocational education which included training on a dairy

farm. She will carry on with her education and study advanced agriculture. The older daughter left the household some years ago when she started to study sports.

Tasks and responsibility are divided within the family: general farm work (including machine repair) is done by Mr. K and his daughter, direct marketing and housework by his wife. But all family members confirm that "everybody knows everything" and "farming is a family business". They intend to continue para-agriculture and to search for intra-sectoral pluriactivity to maintain the farm and to secure the family's income.

The K family receive compensation payments for less favoured areas. They are aware that these are a kind of direct payment and think that they should be enlarged; for example for environment protection or for ecologically sound farm production. They also participate on the extensification programme. Here they are obliged for five years not to grow wheat but rye. Therefore they receive a restitution (300 DM/ha) which does not really compensate for crop failure and lower prices but "at least one has to start in stopping surplus production". This is why they are trying to get a contract with a backing company to deliver rye which has been produced without the use of pesticides. Contract farming is a new element in the K family's strategy to enlarge and ensure the economical basis of the farm.

The couple have not asked for support from investment-related programmes because "there was no need". They applied for participation within an environmental measure (Ackerrandstreife-Programm) but have not yet received an answer. This is one of the reasons why they assess agricultural policy as not very effective. They also complain about the "farmers' deprivation in the political arena" and fear further disadvantages for German farmers in connection with the European Single Market. Anyway they believe in their abilities and in the continuity of their farm.

### ***Household L: Diversification of household activities by expansion of on-farm tourism***

*Study area: Austria West*

Family L is an example of combining mountain agriculture with farm based tourism, a business typical for Alpine western Austria. The farm unit is of mountain farming Zone 2, which means that it faces a medium degree of impediments.

The household consists of the farmer (50 years old), the spouse (39 years) and the two sons (19 and 20). The farm consists of a property of 50 ha, all grass-

land and alpine pastures, as well as of rights to timber in forest equivalent to 11 ha. The farm unit can be considered as medium-sized for the Salzburg area. The farm's main business is cattle breeding with 12 milking cows and 25 young bulls. The number of cattle was increased by one third in 1978 by a take-over.

The dwelling house dates back to 1687. In 1979 general improvement and change of the house had been undertaken. Strong efforts were made to preserve the substance and shape of the old house. The farm building is very attractive and is typical of the architecture of traditional farm buildings in Alpine Salzburg. Renovation was difficult and cost intensive. Two apartments, one high quality guest room and two normal guest rooms have been created. There is still one considerable part of the house to be renovated. The farm building is also 300 years old and is currently kept in good condition and has been improved. Further property belonging to the farm consists of an Alpine hut and another dwelling house. Both have been rented to tourists on a long term basis. A further important source of income for the farm is a gravel pit which is rented out to a local entrepreneur for excavation.

The farm operator inherited the farm from his parents. He has a basic school education as well as professional education in agriculture. Besides his work on his farm he is manager of a large hunting district in the valley. His wife also comes from a farming background and attended an agricultural school. Prior to the marriage she worked for one year in a hospital and one year in a large hotel. The intended successor is the oldest son. He finished professional training in agriculture and works near the home as a ski-instructor. The youngest son is attending a commercial school. All the men of the family are passionate hunters.

The main source of income for the family is still agricultural production. The farm has a milk quota of 54,000 kg, obtained by permanent surplus delivery. In addition to that 15,000 kg milk from Alpine pastures (not considered in the quota), is supplied. As a professional and organised cattle breeder he gets a good price for young cattle. They do not own any forest within the farm unit but rights to timber are appreciated as a good contribution to income.

Because income from the gravel pit is slowly becoming exhausted, the tourism business and cattle breeding have been intensified. A lot of processing of farm products is done by the woman, e.g. making farm cheese and butter or baking bread for self consumption and for tourism business on the farm.

The farmer considers tourism an excellent source of income for the future, but development should proceed conservatively. For preserving the natural

resource, tourism intensity should be limited. Farmers may participate in different ways with tourism development, with farm orientated activities (letting of rooms and apartments), and by taking jobs in the non-farming sector, e.g. working as landscape cultivators.

The farmer is well informed about the supply of agricultural support measures. With the renovation of the house, supported credits have been used. Because of the high investment, support from policy measures has helped considerably. Supported credits have also been used for renovating the stable and for the building of the apartment for letting. The woman expressed the view that apartments are the far better and more convenient alternative, when compared to the traditional "holiday on a farm" with bed and breakfast. She can manage the work involved with renting apartments. She complained that such experience is not covered by the extension service. Direct payments for mountain farmers as well as cutting premiums for grassland are considered good initiatives. The farmer regrets that it is not possible to provide adequate income out of farm products. High quality products should be rewarded with a high price, he feels. Mountain farms working under high impediments should be supported in the direction of extensification (e.g. breeding suckling cows instead of milk delivery).

#### 4.4.2.3 Medium-large disengagers

##### ***Household M: Disengager (forced)***

*Study area: UK, Grampians*

Mr. M's case is one of the most dramatic instances of change. At the time of the early 1990 interviews, Mr. M was a full-time farmer, with a medium-sized (70 ha), mixed arable/livestock holding. During 1990 he sold the 65 ha he owned and became a full-time joiner, while continuing to rent the other 5 ha which he farms as a hobby.

Mr. M was a traditionally minded local farmer who attaches great importance to the ideal of family farm. His family had owned the farm for many years. The reason he sold his farm was because he was in financial difficulty. The farm had invested through a modernisation and improvement scheme for which the farmer had had to borrow heavily. When interest rates soared in 1988/89 he found he was struggling to keep up with his repayments. One response to this was to register for set-aside, as a precautionary measure in case his position worsened, but in the event he did not set any land aside. His main "strategy", however, was to reduce stock slightly as a short-term measure, in the hope that interest rates would soon fall again, and to try and



"stick it out". Instead, his situation deteriorated further, so that when a neighbour expressed an interest in buying his land he decided to sell it.

Mr. M is a skilled carpenter and had no trouble finding his present job with a local firm. He says that the relief of knowing that he has a regular income and no overdraft is tremendous. He now finds that working on his smallholding is pure relaxation, and he feels he has found the best combination of both worlds.

Mr. M's case is one in which the active use of modernisation and improvement policy led him into financial difficulties which resulted in his eventual disengagement. However, it is clear that this way out depended upon both the externally-derived opportunity offered by a neighbour's wish to purchase his land and on the occupational mobility of Mr. M himself, which is atypical of farmers in the area. Most farmers would probably still be attempting to "stick it out" because of their fear of proletarianisation if they gave up farming.

### ***Household N: Unsuccessful farming***

*Study area: Germany, Euskirchen*

The N family lives in the Eifel, a hilly, relatively remote, disadvantaged region. The family farms 20 ha; half of the land is rented. The main area of production was once dairy products and bull fattening. Nowadays the latter is the main source of agricultural income.

Mr. N was born in 1933, the son of a farmer. He has had a non-agricultural education and has been a joiner for about 30 years. In 1957 he married a farmer's daughter from the neighbourhood. Mrs. N has no formal education. The couple has four children. In 1966 Mr. N officially took over his father's farm. He continued off-farm work on a full-time basis while his father and wife shared responsibility for the running of the farm. Later, in 1978, when his father died and his wife fell ill, he was forced to stop off-farm work. For about two to three years the couple had been monoactive but due to low income they had to look for additional financial resources. This time it was Mrs. N who recovered, who took off-farm work as a nurse assistant. It was just luck that she got this job although she was not trained for it.

Mr. N considered farming as hard work in those days and needed his sons' help. In 1984, when the milk quota was introduced he had to reduce milk production (to 30,000 litres per year). An application to receive an exception to the rule because of undue hardship (Härtefallregelung), was turned down because of the off-farm income of Mrs. N. Later, they participated in the 1990

milk-repurchasing-campaign of the Federal Government which provided a payment of 1.60 DM for each litre of milk given back.

Within the last few years Mr. N has started joinery work again, on an occasional, and according to tax legislation, more or less illicit, whereas Mrs. N retired from work.

The family receives compensation payment for less favoured areas which are considered to have geographical disadvantages. They also receive socio-economic compensation payments and bull premia which are regarded as payments they would rather not qualify for. Nevertheless, further direct payments, such as compensation for reduced profits because of low prices or environmental controls, would be acceptable. The same applies for restrictions in production and rewards for maintaining the landscape as a contribution to environmental protection.

The family focused on policy restrictions in regard to both agricultural and non-agricultural implications which hindered farm development. So they never have been supported by an investment-related programme and have failed in their efforts to maintain the original milk production because of the additional off-farm income. Mr. N even regretted that he had stopped his off-farm work and he showed understanding for his sons' refusal to succeed in farming, although he always liked farm work and wishes somehow to continue the family tradition. But now "it looks as if the farm will be given up within the next few years".

#### **4.4.3 Conclusions**

The analysis of a set of cases chosen on the basis of their differences shows extremely well a general point that this paper has tried to emphasize: the influence/impact of policy measures of any type or origin should always consider the quite differentiated way in which farm households interpret and use them according to their established "patterns of behaviour". Policymaker tend to have an extremely simplistic and mechanical ideal of policy user, and a narrow view that privileges the perspective of its own sectorial policy, never achieving an understanding of the complex interplay of agricultural and non-agricultural policies from the point of view of the family household.

This general point should not be taken to mean the extreme case that one should have "individual" policy measures, but some more flexibility in order to get nearer to the consumers demands seems extremely desirable. Especially today when a fairly standard model of modernisation is no longer able to

sustain a farm family's "viability" and is being substituted by a multiplicity of options. The diversity of individual solutions is likely to increase in the near future both because of the failure of the productivist policies and because farmers (and their families) have come a long way in training, entrepreneurship, reduction of hard labour, farming techniques and market options, evaluation of advantages, non farming opportunities, economic planning, lifestyles, and many other aspects which can be appreciated by reading through the single cases described. The interplay between these individual/subjective factors and objective changes in price policy for farm products has produced several "rationalities" in their responses which suggest much more care in the elaboration of policy measures.

Our concluding observations will deal with the two main themes that have been focused in the cases described above: farm households behaviour and policy consumption. Context variables have stepped backwards because of the methodological approach chosen, based on comparison of farm families across study areas.

### ***Farm household behaviour***

In the area of land, size, farm activities and other gainful activities some interesting patterns emerge.

Most of the farms described are mountain-farms or farms in less favoured areas, and it is remarkable the role of leased land in all the broad types in which we have grouped our cases (small, classical, diversifiers, disengagers). The possibility to lease land in LFA's has facilitated not only entries and exits but also variations of activities, according to the changing patterns of behaviour. It is interesting to know that this happens even in the smallest sizes (C). Nevertheless, also sale of property seem possible behaviours in view of the difficulties of economic sustainability (M) to the benefit of the productivist farmers left (F). Price and policy changes seem to be stirring the land market more effectively than "structural" policies.

Farm activities is the area where the most varied responses of households may be observed. Even though labour saving continues to be an important rationale of families' actions, type of enterprises are being innovated with the logic of escaping milk quotas and livestock limitations. Para-agricultural activities represent a successful strategy, whether directed at transformation (quality cheese) or farm tourism (bed and breakfast, sledge tours), while classical scale increasers introduce in any case quality products (G, K), specialisation and cooperation geared at cost reduction (F). Imaginative combinations with

pluriactivity (N) give a hint of the unexplored and richer possibilities in this area than thought of in diversification policies.

Pluriactivity reconfirms itself as a behaviour strongly connected to the life-course of the family, often considered in a temporary and trial frame of mind (C, I) and obviously extremely tied to local labour market opportunities. A subjective element comes also through with the importance that having more than farming skills may mean opting for a non farm job (again C, I). Wife's off-farm jobs could represent a separate case since this theme seems charged with important "black box" changes: here the need for autonomy and self identify (F, G, I, L) has made farming more of an individual profession, with all that implies for attributing one common pattern of behaviour to the whole family. However there are still cases of integrated work of the couple in facing changes in farm enterprises (M).

### ***Policy consumption and patterns of behaviour***

The hypothesis that modernisation policies have been widely used but have not been crucial for major decision making seems largely valid. Again the rigidity of measures, especially desirable in view of the fact that what these families wanted to do turned out to be more sensible and gainful than what extension services proposed and achieved the aim of maintaining a young family in a mountain area. It is also quite true that heavy consumption of modernisation policy may lead to increased vulnerability (M). Modernisation policies seemed to provide in only a few cases help for diversification (L); more often they were "late" in reacting to the new needs of households. It may be noted that these new needs, in the case of medium large farms, were in response to changes in agricultural price policy.

Compensation payments have a crucial role in most farms, even if they work more when the amount paid is significant (G, I, K, L), however they often cannot compete with pluriactive opportunities (M, N). However, the possibilities of succession in a situation characterised by heavy dependence on compensation should be attributed to these policies: stability of population in LFA's in the long term needs more than compensation payments to be successful. Further-more the fact that it is tied to the number of certain types of livestock has reinforced traditional behaviour and entrepreneurship.

Past patterns of behaviour both of diversifiers and classical farmers create a situation where new policies such as set-aside are not at all understood or accepted by farmers who remain extremely critical of these set-aside in particular seems like a waste of resources that goes against the common sense of farm families, and in their view it seems preferable in any case to think of

some other activity. This is a highly emotional issue that touches the self image of farmers, and this is quite serious in demographically fragile areas. A much more positive attitude may be seen in linking compensation with environmental management and landscape care.

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## **5 FARM HOUSEHOLD INCOME - THE CRUCIAL ISSUE**

*Analyse des Haushaltseinkommens  
landwirtschaftlicher Betriebe*





## 5.1 Income Formation and Household Strategies of Farm Households in Austria<sup>1</sup>

by Thomas Dax<sup>2</sup> and Rudolf Niessler<sup>2</sup>

*Der Beitrag von DAX/NISSLER verbindet Ergebnisse der quantitativen Analysen mit den qualitativen Erhebungen. Dabei werden typische Entwicklungsmuster der landwirtschaftlichen Haushalte in den beiden untersuchten Studienregionen Österreichs herausgearbeitet und der Typologie der Haushalte nach ihren Einkommensquellen gegenübergestellt. Die drei generellen Haushaltsstrategien entsprechen den internationalen Analysen über alle 24 Studienregionen, die diese Strategien als Professionalisierung, Stabilisierung und Rückzug aus der Landwirtschaft (disengagement) bezeichnet haben.*

*Der Artikel geht jedoch über diese Einteilung der Haushalte hinaus. Mittels einer qualifizierten Schätzmethode wurden Einkommensniveaus einzelner Haushaltgruppen ermittelt, die durch Ergebnisse anderer Erhebungen (v.a. Mikrozensus) bestätigt werden. Damit sind aus den vorliegenden Ergebnissen Schlußfolgerungen über die Einkommenssituation und -verteilung der landwirtschaftlichen Haushalte in den beiden Regionen möglich.*

### 5.1.1 Income structure of farm households

#### 5.1.1.1 Types of farm households by income formation

Based on the results of the Baseline Survey farm households had been grouped by cluster analysis according to their income structure<sup>3</sup>. Four main types of farm households had been distinguished, each expressing an outstanding importance of one income source (tables 1-3).

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<sup>1</sup> Paper presented at the 4th Review Meeting, Sept. 1990, Sevilla

<sup>2</sup> Bundesanstalt für Bergbauernfragen; Rudolf Niessler, since 1992 - Permanent Delegation of Austria to the OECD, Paris, France

<sup>3</sup> Special care had been devoted to the estimation of income shares at the interviews. Figures had been verified by comparison with accounting data. Estimation for income may be considered a qualified estimate with sufficient empirical validity.

In both Study Areas there are about 20 percent of the farm households for which agricultural income is the most important income source (type 1). Income contribution from primary farming production in this group is between 50 and 70 percent. In addition to the first group a small group of farm households could be selected with an outstanding importance of farm based non-agricultural income (in Austria West from tourist business) respectively of para-agricultural income (in Austria South East from processing of farm produce - type 2). Approximately 10 percent of the households belong to that type.

A third type of farm households are pensioner households. There are only a few in Austria West, but about 20 percent in Austria South East (type 3). Income contribution of pensions vary between 60 and 80 percent.

The last, but from the number most important type of farm households is that with a dominant income share of off-farm income - between 55 and 80 percent of total household income (type 4). In Austria West the group was split into farm households almost exclusively depending on off-farm income and those with considerable transfers and a higher share of agricultural income. (Type 4 and 5 in Austria West). At least 50 percent of the farm households are of that type in both Study areas.

#### 5.1.1.2 Income levels of farm households

Using average income figures for the regions (net-wages distinguished by sex, pensions and standard income figures for the farms) income levels have been estimated. Figures correspond quite well with results from other data also what concerns the social position of different groups of farmers compared to non-farming households.

In general the variation in income is high in those groups where farming income or farm based income plays an important role, i.e. in type 1 and 2. Standardised per capita income of farm households in Austria West are about 10 percent below the average income of households of employees. In Austria South-East the difference is bigger, with more than 15 percent. Household incomes are much higher in Austria West than in the South-eastern region according to family size differences.

The income standard of those households which live mainly from farming (type 1) differ greatly between Salzburg and the South-East region. In Salzburg they show comparatively low incomes - and in fact most of them are not highly commercial farmers -, while those in Austria South-East are mainly larger professional farmers with a very high income standard. In fact these

farm units show totally different income strategies in the mountain area (Salzburg) and in the less favoured, peripheral region (South-East).

Farm households with dominant off-farm work income show medium income standards (type 2). In Salzburg the highest income standard can be found in these households. These farm households usually have a large farm and they run a tourist business with considerable importance.

As expected income standard is very low in households of pensioners. This type of farm households has a considerable importance in number in Study Area Austria South-East with more than 20 percent.

### 5.1.1.3 The income situation and household strategies

Household strategies as described in further analysis are explained out of changes or expected changes in the income patterns of farm households. To enter the analysis of household dynamics through the gate of income patterns offers several advantages. Income is a center variable because of its characteristics as a final and determinant variable. On the one hand it is a result of the household's economic activities and on the other hand the given situation determines far reaching strategic actions of the households or of household members. Low incomes as with farm households of type 1 in Salzburg show a pressure for adaptation and action. The patterns of income formation show directions of action and links to different social environment e.g. to what extent a labour market integration of the household is given or extended. Main streams of development in farm structures can be seen out of that picture. Other variables which are relevant in determining or explaining strategies are checked and arranged in a second level below.

## 5.1.2 Farm household strategies

Farm structure in the surveyed communities<sup>4</sup> highly correspond to the distribution of farms into size classes in the two study areas. In both areas a sample of 30 cases was drawn. A stratification by a pluriactivity criteria (mono-active, family pluriactive and couple pluriactive) was chosen to select the households.

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<sup>4</sup> The panel survey was concentrated in the Großarl Valley in the region Austria West (Salzburg) and in the two communes St. Michael (Burgenland) and Straden (Styria) of the Study Area Austria South-East.

Concerning income structure of the households the Panel shows a slight overrepresentation of farming income compared to the Baseline distribution in both areas.

### 5.1.2.1 Strategies of farm households in Austria West

An increase of dependent employment in farm households can be observed in all groups except with pensioners. The three strategies of farm households identified below relate to main differences in how farm families seek to secure or improve their income situation. Besides that general trend of increasing off-farm employment and -income three main strategies can be identified.

1. Increasing farm based activities and adaptation of farming. (DIVERSIFICATION)
2. Extending off-farm work activities and carry on farming with only slight changes (INCREASE OFF FARM WORK)
3. Ceasing or marginalising of farming. (MARGINALISATION)

#### ***Diversification***

Households following that strategy expand their economic activities on the farm in the tourism business and in para-agriculture. The farming activities are maintained stable. Only attractive possibilities are increased in production. For example, farmers have reintensified the use of alpine pastures because milk from high alpine pastures is exempted from the quota and farmers try to sell directly or process the milk to cheese and butter.

The intensity of the farm based business varies between farm households of this strategy. There are farm households who run a commercial tourist enterprise e.g. a restaurant, an alpine station or a big pension and others offer holidays on the farm on a moderate basis as a side business. Some farm households are included in that group who are not engaged in the tourist business until now, but who have concrete plans in that direction.

#### *Characteristics of farm households following that strategy*

- ◆ All households dispose of considerable extensive resources in agriculture.

As in former times farms in Salzburg had been distinguished according to size in 'full', 'half' or 'quarter' farmers this group mainly consists of 'full' farms. It is not so much the area of productive grassland or the number of cattle which defines a large farm but far more those extensive resources as

forest and pastures. The scope of total utilised area in that group is between 25 and 528 ha. Most of them have between 100 and 200 ha. Frequently farmers can claim their own hunting right which in most cases is rented out for good additional income. In general farm units of that type are worked relatively extensive.

- ◆ Location of the farms and housing conditions are excellently suited to touristic demand.

Large mountain farms usually have very large premises. Space used in former time - until the late 50s - for many farmhands and maidens is frequently changed to touristic lodgings. Several farms offer apartments. The farm units are linked by good roads to the villages and local centers.

- ◆ Farmers consider themselves as typical 'mountain farmers'.

The availability of extensive resources as well as attributing self employment a high value support the consciousness of being 'farmers' and to develop economical activities on the farm.

It is realized that intensification doesn't lead to economically favourable results in mountain agriculture. But for most of the farmers of this group the running of the farm must be carried on 'at a certain level'.

Households of that group highly engaged in commercial tourism business tend to reduce cattle. They invest mainly in the improvement of buildings; the whole farm must look inviting.

Farmers of that group, mainly those with lower income, follow the typical farmers rhetoric of complaining about low prices and too much work. They strongly criticise the profession's representatives. What concerns their future expectations they are quite optimistic in the sense that in any case 'they will find their way'. The more young the farm operator is, the more clear the development of farm based tourist business is envisaged as the further development strategy.

### ***Increasing off-farm income***

*Households of that group try to secure income by increasing off-farm work.*

Motives for running the farm are not primarily economic. Farming is a high value in their identity linked with a social status as self-employed people, with care for a property, with tradition and frequently there is also a strong emotional link to farm work. In households of this type one can observe a

certain tension between off-farm work engagement and the high value that is given to farming.

- ◆ Off-farm work income is the most important contribution to household income.

People are well aware of that fact and off-farm work engagement is considered the main economic strategy. Therefore education and training in a non agricultural profession is considered crucial for the forthcoming. Many farm households in that strategy are pluriactive in the second generation. Older people frequently had a permanent off-farm job in forestry or in tourism or construction.

In the sixties people considered off-farm work engagement as a necessity because farming income was not sufficient. For young people now the question mainly is 'how to organise the farm in order to cope with the work requirements'. Rational income strategies are clearly defined outside agriculture. Safe and interesting jobs, well paid and without harassment are desired. A work-time which fits with needs from farming is appreciated.

- ◆ „In the heart, they are farmers“

This simple phrase is perhaps best to characterize the identity of this type of families. Perhaps one could better call them 'peasants' instead of farmers. In spite of the awareness that off-farm occupation is the economic base of the household, people 'feel' strongly as farmers.

The main characteristics of this group arise from a certain tension between the economic reality of being employees and the emotional identity as farmers. Off-farm activities are soberly interpreted and farming is another playground where a lot of different things take place. A family tradition must be carried on, one considers oneself as farmer in a higher social position than as a simple employee; the farm indeed represents a property - in the Salzburg Area mostly of a high value; and to show that one is an active farmer a certain level of production is maintained.

Farmers expect from farming that it should bear itself economically. Direct income support within the Mountain Farmers Programme is highly appreciated. It is considered a remuneration for the work of maintaining landscape and infrastructure. Many complained about the fact that the consideration of off-farm income leads to a minor support from the programme of the Federal State.

The valorisation of farming by younger farmers shifts more from a duty to 'a care for property' as well as towards a new self consciousness linked with quality production and a producer of public goods.

- ◆ Farm management frequently is economically inefficient.

Labor requirements of off-farm work engagement frequently lead to labour saving investment in farming. Production levels are mostly stable. Given the high impediments efficiency of investment is very often very low and doesn't allow for an adequate payment for the labour input. Investment very often takes place around the point of time of takeover with considerable money involved from the older generation.

As the farming identity is mainly defined by the maintenance of a certain level of production (see the difference to the diversification type) investment is more directed to primary production. And because of the labour saving need it mainly goes into machinery and buildings. The relation between farm resources and investment looks more critical in this group than in the diversification strategy.

Investment support measures are used mainly because the programmes are 'available'. Many farmers complained that the original plans for investment were extended after the extension service had proposed a modified version. Younger farm operators are more prepared to simplify and extensify production - i.e. to keep the property but to reduce the burden involved.

### ***Marginalisation or ceasing of farming***

#### *Households of this type don't consider themselves as farmers*

They are either pensioners' households or employees which dispose of small agricultural resources. Often a servitude right is linked to the existence of a farm. Farm units are much smaller than in the other groups. Pensioner households in our sample have no successor. It can be expected that relatives take over or sell the property later and so the farm unit ceases.

In other households of this type farming is extensified. Sheep are kept instead of cattle and all work is done by the machinery syndicate or by other farmers. People express that they are not prepared to invest in the farm except what is necessary to maintain buildings and a minimum level of production. Several farmers appreciated an additional income from selling sheep. Respondants state that they are interested in having home made products out of a quality thinking.

The households of employees who have extensified the farm are prepared to carry on farming activity because of maintaining a servitude right or because of an additional income. Pensioner farms are going to disappear.

People are not interested in policy. They speak of the 'others' of the large farmers who are considered as socially high ranked and stable and of those who will 'suffer many problems in near future'.

#### 5.1.2.2 Strategies of farm households in Austria South-East

As in Study Area Austria West three main patterns of household strategies were identified through the quantitative and qualitative surveys.

##### ***Professionalization in farming***

These households are characterized by the fact that the development of the farm itself is crucial for overall household income. Therefore market orientation and a commercial approach to farming are common to the households of this group. Nevertheless we can distinguish two different sub-groups within this strategy.

##### "Traditional Professionals"

The greater group of households runs farm units of about 20 to 40 ha. Usually the farm operator is 40 to 50 years old. Although these farms are at least three times as large as the average of the study area, the income situation in the farms is not as satisfying as expected.

Calculations on the personal income of household members tend to be somewhat lower than the average. A critical financial situation can be underlined by high debt rates and a rather low consumption level (measured by the number of household equipments/amenities available in the household) within this sub-group.

The input of family labour in agricultural work is very high and often involves the whole family including children. In most cases these households thrive to rent additional land to increase their farming potential. However the style of production is based greatly on traditional products and production methods.

##### "Accumulating Professional"

Some households show activities which are commonly connected with professionalization: They purchase greater pieces of land and in some cases they amalgamate former farms. It is their strategy to achieve a rounded off farm unit in order to facilitate agricultural work. The use of a paid work force is to be found in very large units. These households know quite well about



production aims and envisaged changes as well as their economical position in respect to non-agricultural working opportunities. They are convinced of the possibility to make sufficient income in agriculture. Indeed the personal income is by far the highest of all the households and this allows a high living standard with typical symbols of a socially high ranking lifestyle.

### ***Stable reproduction***

In most of the farm households neither an upward nor a downward "strategy" in a short-/medium-term aspect can be discerned. At least as long as the present generation is occupying the farm it is probable that there won't be substantial changes in the running of the farm. Nearly all these households are combining agricultural work and off-farm employment for already a long time period. One may distinguish two sub-groups:

#### "Stable reproduction until succession"

Most of these farms are run by operators at the age of retiring or already have grown-up children who could take over the farm. As the young members of the households are working off-farm the personal income within these households reach an average figure. Thus it is higher than for those farm-households with much greater farms having specialized and professionalized in agriculture.

Typical "medium-sized" farms of a wide range of products with a small animal stock are represented by this group. Although the economic potential of the farms are on an average level - farm sizes differ from about 5 to 20 ha - and much higher than those of the many small farms of the region, the intentions for the future production design and for succession itself are uncertain. However, it seems clear that for the time being production methods won't be changed significantly by the present operator - even after formal retirement they usually are continuing agricultural work on the farm.

#### "Stable reproduction after succession"

In some cases the farms are already lead by young operators. The entire responsibility for the farm only has gone to them if they live alone without parents on the farm. In any case the bulk of the agricultural work is done by the women, while men work off-farm. It is quite often that women desire to take up an off-farm job themselves but are prevented from doing so either by regional labour market difficulties or by restricting attitudes of men.

### ***Disengagement from farming***

Because of the small size structure of the farms in this region this strategy seems to describe best the intention of many households. Nevertheless in many cases the withdrawal from agriculture has the tendency to take place much slower than expected. Life and farm histories of the panel interviews very often reveal steps of withdrawal. Yet, we still find many traditional activities of processing farm produce, the greater part of it used for self-consumption within the households and some other relatives.

As a rule, a final withdrawal from agriculture occurs only after some steps of reducing agricultural activity and often is result of decisions over generations. Therefore only those households are defined as following a disengagement strategy where agriculture only plays a marginal role and it already can be seen that agricultural work will be given up completely.

Sub-groups:

"Withdrawal from agriculture"

In this sub-group which make up the greatest part of disengaging households a considerable reduction of agricultural activities has already been attained. Operators clearly state that they are going on with production as long as they can" though they have retired from farming. Therefore transfer payments are the greatest income source for these households. As there is no successor on the farm the cultivation of land through this farm will stop by this generation and farm land will be passed on to other farms.

As many households of the representative Baseline Survey only possessed very poor agricultural assets and rarely used them, we tried to keep the number of such households in the Panel Survey quite low. Thus the sampling of households for the Panel Survey is deliberately focused on farm households with at least some agricultural activity.

"Marginal farms without market-integration"

In some of the households of the disengagement-strategy agricultural work is still carried on but the tiny farms and old-fashioned production methods lead to a small income effect. The value of the farm for these households consists mainly in disposing of some agricultural products for self-consumption. Agricultural work within this type of households is depending on certain social situations. We find households with low income level and poor household equipments. Housing conditions and personal appearance of the interviewees suggest that these households often have low social positions in the community. Due to instable social situations in the households the probability of carrying on farm work is very low. The weak agricultural

potential is rarely tackled by an economically calculated manner of farm agency.

### **5.1.3 Dynamics in farm structures**

#### **5.1.3.1 Further characteristics of household strategies**

Household strategies refer to the dynamics of households; we are primarily interested in the direction of development. Household strategies cannot be easily identified by a selection of variables or by change in key variables. In general variation in variables is too big within a strategy and change in variables, even if observed, frequently cannot be interpreted correctly without knowing the integral context.

Tables 4 and 5 show the range in some variables in different household strategies of the panel cases. Although the groups show reasonable and clear differences in the levels of some key variables, the range of data is considerable. So a straight empirical correspondence between strategies and linking variables cannot be found. In fact a strategy of a household cannot be defined simply by figures of assets and changes in the amount of work devoted to agriculture. Reducing production might be one strategy to stabilize the role of the farm for the household. On the other hand, stable reproduction in many cases means a waiting position until decisive steps in one direction are made in the wake of succession. The strategy of a household can be understood and explained as a continuation of the family's history, as it was told in the panel interviews.

Even in those cases where the direction of movement is most clear - the marginalization and disengagement strategy-figures don't point out the development as clearly. Disengaging households keep the farm for a considerable time. There it is not so much the work or the produce what is most important but the residence and the property.

The percentage figures for the different strategies are estimates arising from the relationship between household type (defined by income formation) and strategies found in panel survey.

### 5.1.3.2 Household types and household strategies

Tables 6 and 7 show the relationship between household types and household strategies.

Correspondence between those two classifications is to some extent a simplified model of linking the given structure with dynamic aspects of household development.

The main developing trends can be seen easily. In Austria West, in general, farm structure under present circumstances can be considered far more stable than in the South-Eastern-Border Area. Only the pensioners can be considered real disengagers. And there are 25% of pensioner farms in South-East and only 5% in the mountain area of Salzburg.

Households with a stable reproduction of the farm at least in a medium term perspective of 5 to 10 years, make up for more than 40% of the representative sample. About two third of the households of type 4 and 5 (with dominating off-farm income) will further on follow that strategy. Other cases in that strategy come from the group of households with dominating agricultural income. In this strategy the 'movement in' mainly from full-time farming as well as the 'dropping out' towards the marginalization strategy can clearly be observed allowing also for quantitative estimates of the importance of these structural movements.

In the strategy with the farming oriented households there is a strong difference between the two study areas. In the mountain farming area of Austria West farm units in that group develop towards diversification on the farm. In the border area of south-eastern Austria there is a small group of 'accumulating professionals' (very large farms) and a group of about 15% of traditionally working farm households with most of them making a living out of farming.

Comparing the two areas the different movements in farm-structures are evident. In the mountain farming area of Salzburg farm structure is fairly stable with other income possibilities developed for the forthcoming of the households. In Austria South-East there are more signs in direction towards a dual farming structure<sup>5</sup>. There is a small group of accumulating large farms, a considerable group of disengagers and a large group of pluriactive households with the majority of them oriented towards 'marginalization' after succession.

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<sup>5</sup> In respect of these structural developments see also the results of the quantitative analysis in Forschungsbericht Nr. 33 der Bundesanstalt für Bergbauernfragen.

### 5.1.3.3 Determinants of household strategies in the regional context

Panel analysis has shown that a few factors turned out to be of outstanding importance as determinants of household strategies.

The income standard of the household is a key indication for the demand for adaptation or action. With farm households living mainly from agricultural income in Salzburg as well as in study area South-East the „traditional professionals" have to realize a social decline what causes need for action. As perspectives at regional labour market are bad in South-East farmers in that strategy try to intensify agricultural production or to develop the processing of primary products. In Austria-West a better labour market situation and also touristic demand offers chances for many farmers to participate directly in that trade by offering various touristic services on the farm. Natural impediments work as restriction to expand agricultural production. A critical level might be whether the farm provides an average (or a sufficient) revenue for at least the couple (at least 1,5 labour units).

It is typical that in the strategy of increasing off-farm activities the income potential of the farm provides an average income for not more than about one full-employed labour unit. In marginal farms the labour-income relationship is not primarily relevant as other influences gain much more relevance. Income standard of the household and income potential of the farm (labour/income relation) are key determinants for strategic action of most of the farmers.

Below that point of consideration further economic as well as sociological influences determine strategic decisions. An economic determinant is the labour market situation. In study area South-East the lack of jobs, low wages in the area and the high probability for commuting sharpens decisions between farm based strategies and a strategy which is due to labour market conditions not possible to take place in the region only. Competition for land and the weakened links to the region as a weekly commuter illustrate the aggravating effect on regional economy as well as on the possible concentration in farm structures.

Social indicators as the age of the operator or education have a strong influence on the "stability of the change process" to be expected. In Austria West a more or less continuous change process is taking place; in the South-Eastern Area, however out of the high proportion of pensioners and of high age groups an acceleration of the dualistic process can be expected.

On the other side the "marginalisation" or "ceasing" of farming shows interesting characteristics. Pensioner households in both areas can be

expected to cease as farming households. If the land is not sold by the successors it is rented out. Concerning the household there is no difference, they turn to non-farming households. Austria-South East will be affected by a considerable change which in fact takes place for several years, but is not yet evident in statistics. On the other hand, stabilising effects on farm structure there can be expected from the integral role farming plays for many households. Special products are involved as wine and fruit which are kept producing by the people, subsistence plays an important role and as part of a deep rural society cost of living and reproduction are moderate. But altogether these stabilising effects are not very encouraging compared to similar ones in Austria West.

There the farm unit represents a good property, the identity of farmers is much stronger and an identity of 'mountain farmers' supported by the Mountain Farmers Programme has been created since 1970, mainly built on the fact that there is a public interest in 'the mountain farmers' and that they should carry on working their farms. Mountain farmers are much more self conscious in claiming a remuneration of their work for the supply of public goods. Farmers in the south-eastern border area far more think in traditional lines, e.g. that price support might help them. A few expressed that it is also the work that has to be remunerated if one might expect them to carry on farming.

Besides general policy framework, traditional support policy didn't have a strong influence on strategic decisions of farm households. Support measures are appreciated if available in the case of an investment, but there is no initiating effect of that kind of subsidies. Therefore traditional investment support mainly is an asymmetric support for larger professional farms. Road building programmes for farms are almost finished. In the meantime discussion strongly reflects the 'working of the farms' and thus direct income transfers are desired by many small farmers earning insufficiently from farm work.

As farming in the marginal size groups shows different characteristics from those than in the upper size classes critical points of a labour-income relationship cannot be stated easily for them. In the area South-East farming is given a considerable value in the role it plays for the family if it employs about half a labour unit, i.e. a part-time job for the wife or side job for the man and his son. In that case, even if the production sold is not important people consider themselves as 'farmers'.

#### **5.1.4 Conclusions**

Besides the income standard of a household, the income potential of agriculture, especially the labour-income relationship can be considered a key parameter that determines household strategies. Strategies can be explained mainly through the interference of 'critical points' in the labour-income relationship with possibilities at the non-agricultural labour market. Further supporting variables play more a specific role.

As strategic decisions of farm households are strongly determined by the income-labour relationship this parameter is crucial for political action. Especially the critical points which determine different ways of operating a farm should be checked carefully in design for new agricultural policy measures.

Table 1: Income formation of farm households: Study Area Austria West (Salzburg)

Household type	Income levels p.a. in 1000 A.S							n
	Total household income	Agricultural income	Farm based + para agricultural income	Off-farm work income	Transfers	Other income	Standardised per capita household income	
1 Agricultural income	377	190	28	92	52	15	101	31
2 Farm based + para agricultural income	618	159	178	137	93	51	201	14
3 Transfers	220	29	7	62	118	4	70	10
4 Off-farm work income	409	46	15	290	48	10	113	42
5 Off-farm work income and transfers	436	97	18	233	85	3	108	55
All types	419	103	33	200	71	12	114	152
Income shares	100	24,6	7,9	47,7	16,9	2,9	--	--

Source: Baseline Survey 1987



Table 2: Income formation of farm households: Study Area Austria South East (Burgenland, Styria)

Household type	Income levels p.a. in 1000 A.S							n
	Total household income	Agricultural income	Farm based + para agricultural income	Off-farm work income	Transfers	Other income	Standardised per capita household income	
1 Agricultural income	468	309	21	79	59	0	135	47
2 Farm based + para agricultural income	402	144	62	96	96	4	113	25
3 Transfers	174	26	16	35	94	3	81	51
4 Off-farm work income	341	52	10	215	61	3	108	122
All types	335	105	19	139	71	1	108	245
Income shares	100	31,3	5,7	41,5	21,2	0,3	--	--

Source: Baseline Survey 1987

Table 3 Selected variables of farm households  
Study Area Comparison:  
1 = Austria West  
2 = Austria South East

Household type	Total utilised agricultural area in ha		Change area 1981 - 87 in ha		Age farm operator		SGM in 1000 A.S.		Life stock units		Policy use for land purchase or investment %		Investment in machinery 1981-87 in 1000 ECU	
	1	2	1	2	1	2	1	2	1	2	1	2	1	2
1 Agricultural income	93,4	26,5	+ 1,23	1,04	44,8	47,0	240	383	27,1	25,1	74,2	25,5	7,8	13,1
2 Farm based + para agricultural income	97,9	14,9	-0,21	0,51	38,7	44,3	212	193	15,7	7,3	71,4	32,0	5,2	3,2
3 Transfers	23,8	4,3	-0,02	-0,31	57,5	56,4	54	44	6,7	1,2	40,0	9,8	0,0	0,5
4 Off-farm work income	14,9	7,1	+0,08	+0,19	36,2	38,4	72	76	8,5	3,6	40,5	17,2	2,2	1,7
5 Off-farm work income and transfers	36,2		+0,10		41,1		137		13,2		54,5		4,1	
All types	46,7	11,2	+0,28	+0,28	41,5	44,3	141	139	14,5	7,5	54,9	18,4	4,2	3,8

Source: Baseline Survey 1987

Table 4: Characteristics of different Household Strategies (Panel Results)  
Study Area: Austria West

	Strategy			
	commercial	Diversification extra business	Increase of off-farm Income and stable farming activities	Marginalisation of farming employees pensioners
Frequency (estimated)	10%	20%	45%	15%
Household income (in 1000 A.S.)	430-2163	145-1.024	172-759	209-724
Standardised Personal Household Income (in 1000 A.S.)	90-1.272	58-172	69-157	77-138
Standard Gross Margin (in 1000 A.S.)	75-667	165-583	40-246	16-83
Life Stock Units	1-41	16-52	5-33	1-13
Operator's Age	47-59	41-67	31-61	45-50
				66-80

Source: Baseline Survey 1987, Panel Surveys

Table 5: Characteristics of different Household Strategies (Panel Results)  
Study Area: Austria South East

	Strategy				
	Accumulating professionals	Traditional professionals	Stable Reproduction until succession	Marginal farms without market integration	Withdrawal from agriculture
Frequency (estimated)	5%	1.5%	25%	1.5%	25%
Household income (in 1000 A.S.)	about 1000	250-500	200-500	180-370	160-370
Standardised Personal Household Income (in 1000 A.S.)	230-400	80-160	70-140	70-105	70-135
Standard Gross Margin (in 1000 A.S.)	800-1800	250-550	80-400	100-220	5-130
Life Stock Units	0-30	7-50	4-20	2-20	0-5
Operator's Age	25-40	32-48	54-62	32-37	49-64

Source: Baseline Survey 1987, Panel Surveys

Table 6: Household strategies: Study Area Austria West (Salzburg)

	Household type	Household strategy			SUM
		- increase farm based activities - diversification of farm	- extend off-farm work - stable farming	- pensioners or employees' households - marginalisation or disengagement from farming	
1	Agricultural income	7	2	-	9
2	Farm based + para agricultural income	4	1	1	6
3	Transfers	-	-	3	3
4	Off-farm work income (and transfers)	-	8	4	12
5	all types	11	11	8	30

Source: Panel Survey, Baseline Survey 1987

Table 7: Household strategies: Study Area South East

Household type	Strategy					SUM
	farming oriented households Accumulating Traditional professionals	extended off-farm work stable reproduction until succession	after succession	pensioners or employees households Marginal farms without market integration	withdrawal from agriculture	
1 Agricultural income	2	4	2	1		9
2 Farm based + para agricultural income	-	-	-	-	1	1
3 Transfers	-	-	-	-	2	3
4 Off-farm work income	-	1	6	4	2	15
All types	2	5	8	5	4	6
						30

Source: Panel Survey, Baseline Survey 1987

## 5.2 The Loss of Small Farms<sup>1</sup>

by Otmar Seibert<sup>2</sup>

*Der Beitrag von SEIBERT, der beim 6. Review Meeting präsentiert wurde, bezieht sich auf die Auswertung des Final Survey 1991 und diskutiert die Auswirkungen der post-produktivistischen Ära auf die landwirtschaftlichen Haushalte in den beiden Studienregionen der BRD. SEIBERT zeichnet dabei ein negatives Bild, was die Zukunftsaussichten kleiner Betriebe (unter 10 ha landwirtschaftlicher Nutzfläche) anbelangt. Die agrarpolitischen Rahmenbedingungen haben dazu geführt, daß Betriebe dieser Größenordnung zuwenig Einkommen erwirtschaften und daher immer öfter aufgegeben werden. SEIBERT glaubt nicht, daß dieser krasse Strukturwandel aufgehalten werden kann. Entwicklungsperspektiven für Bauern und Bäuerinnen werden nur in erhöhten Qualifizierungsanstrengungen, verstärkter Marktorientierung und mehr Eigeninitiativen gesehen. Gleichzeitig unterstreicht er auch die Notwendigkeit langfristiger Überlegungen und weist auf die Berücksichtigung der Kleinbetriebe als Zielgruppe der Agrarpolitik hin.*

### 5.2.1 A typology of households and farms as basis for analysis and political decisions

One of the most important results of our project was the classification of the analysed farms according to uniform criteria into the three main-types

- professionalization
- stable reproduction
- disengagement.

Unfortunately it is not intended to discuss the usage of this typology for scientific analysis and applied politics further. Yet the German teams

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<sup>1</sup> This paper was presented at the 6th Review meeting, Kamena Vourla (GR) 1992. Due to the ongoing development in agricultural production the thresholds chosen at that time appear at the time of publication of this book already somewhat outdated. Nevertheless the analytical method and findings are still relevant at a larger scale.

<sup>2</sup> Fachhochschule Weihenstephan, Abteilung Landwirtschaft II, Wiedenbach-Triesdorf, Germany

continued after the Calabrian meeting to work further on this task, though in different ways:

- a) Vera HERRMANN subdivided the three main-types into altogether five subtypes based on panel-interviews from Euskirchen (EUSK). She used exclusively qualitative data which was consolidated with special methods of empirical analysis in the social sciences to operational patterns of activities and change. This procedure allows extremely detailed insights into the different patterns of activity, but because of the high labour intensity only small groups can be analyzed in that way.
- b) To avoid this handicap Karlheinz KNICKEL based his typology exclusively on quantitative data. Additionally to criteria such as investments, factor and income changes he produced a series of synthetic indices by means of which patterns of change of even larger householdgroups could be illustrated likewise well.

After testing the quantitative methods for the case of Freyung-Grafenau (FRG) KNICKEL applied them for both German regions. The high correlation of results by qualitative (HERRMANN) and quantitative (KNICKEL) analysis was not expected but should give reason for continuation of this research, especially to make it applicable for policy formulation and assessment on a broad basis.

The central results of the quantitative analysis of both German study regions are comprised in table 1:

- in both regions only a quarter of the households could be classified as "professional";
- compared with that about half of the interviewed (43% in FRG, 57% in (EUSK) are disengaging;
- 31% (FRG), respectively 20% (EUSK) were found to be in a more or less stable phase of waiting. Many of them will in the short run start to retreat.

Envisaging the speed of structural change the question arises about the consequences for the concerned households and farms, development of rural areas, naturally, the role of agricultural policy.



**Table 1: Distribution of farm households according to the type of farm development**

	Freyung G.		Euskirchen		All	
	No.	%	No.	%	No.	%
<b>Professionalization</b>	<b>48</b>	<b>26.4</b>	<b>39</b>	<b>23.2</b>	<b>87</b>	<b>24.9</b>
- Conventional/scale increase	29	15.9	28	16.7	57	16.3
- Pluractivity/household resource use	11	6.0	2	1.2	13	3.7
- Innovations/new markets/diversification	2	1.1	1	0.6	3	0.9
<b>Stable Reproduction</b>	<b>56</b>	<b>30.8</b>	<b>33</b>	<b>19.6</b>	<b>89</b>	<b>25.4</b>
- according to subtypes	76	41.8	80	47.6	156	44.6
<b>Disengagement</b>	<b>78</b>	<b>42.9</b>	<b>96</b>	<b>57.1</b>	<b>174</b>	<b>49.7</b>
- Off-farm activities/income increasing	23	12.6	24	14.3	47	13.4
- Retirement/no successor	24	13.2	28	16.7	52	14.9
- Else	17	9.3	5	3.0	22	6.3
All households	182	100.0	168	100.0	350	100.0

Source: Final Survey 1991

### 5.2.2 Characteristics of the "disengagers"

The Bavarian team always has had a special interest in the development of the smaller farm enterprises. Also this article is specifically addressing the problems of that half of the analysed households, which according to the outlined typology is disengaging. In comparison to both other groups the following differences become obvious (see indicators in table 2):

- the farm operators are older, partly already retired;
- household incomes are lower as well as the agricultural proportion to income;
- the assets of the farm enterprises are poor;
- hardly any enterprise received subsidies for farm investments.

The majority of these "disengagers" belongs to the farm size classes up to 10 ha UAA. This size classes are still all over Europe of relevance (compare with table 3), though the comparison of let us say a 3 ha farm in Portugal with a 4,3 ha farm in Germany is quite problematic.

**Table 2: Comparison of selected criteria of farms according to different development types (3 main types)**

		Professionalization		Stable Reproduction		Disengagement	
		FRG	EUSK	FRG	EUSK	FRG	EUSK
Share	%	26.4	23.2	30.8	19.6	42.9	57.1
Size of households	No	4.7	5.2	4.2	4.2	4.1	3.9
Age of operator	%>55 years	21	21	25	33	55	48
Farm succession	% secure	56	60	50	25	11	22
Total household income	1000 DM/year	51.6	62.1	43.4	55.1	38.8	39.6
farm income	%	32	57	16	43	12	26
subsidies	%	19	6	11	6	8	2
social transfer	%	11	3	11	4	26	17
Utilized Agric. Area (UAA)	ha/farm	22.4	46.7	10.6	26.0	6.9	14.2
Owned land	%	73	46	81	56	91	51
Arable land	%UAA	20	59	11	47	13	46
Single Farm investment support until 1991	% farms	40	5	11	9	4	0

Source: Final Survey 1991

According to table 3 in 1987 two thirds of all farm households in Europe farmed less than 10 ha, in Greece and Portugal, the "Top Two" in this group, almost 90%. Even in France, the country with the lowest quota, it was 20 %.

In some places, over 50% of the agricultural area is cultivated by these small farms. In Germany in 1991 this share was 10 %, in Freyung, however, nearly a quarter of the UAA. Here, more than half of the farm are small-scale farms.

**Table 3: Proportion of farms and utilized agricultural area (UAA) in the size-class below 10 ha UAA in the EC, European countries and the German study regions**

	EC 12	GR	P	F	D	D	EUS K	FRG
	1987					1991		
Farms < 10 ha UAA in % of all farms	66.0	89.4	87.6	20.0	47.1	45.8	41.0	56.6
UAA in farms < 10 ha in % of total UAA	14.2	57.6	32.0	4.3	11.6	10.0	8.6	23.2
Average farm size in farms < 10 ha (in ha)	3.5	3.4	3.0	4.5	4.3	4.2	5.1	5.0

Source: Statistisches Jahrbuch über Ernährung, Landwirtschaft und Forsten 1991, Münster-Hiltrup 1992 and Final Survey Analysis

The scope and strong concentration process amounts to an erosion process. From 1987 to 1991 the discontinuation of farming in both regions was as follows:

- about 43 % of all farms under 5 ha UAA;
- 22 % (FRG) and 30 % (EUSK) of all farms between 5 and 10 ha UAA.

The full scope of this shrinking process is hidden in the official statistics which present continuous area reduction on larger farms as a movement to small-scale farms. However, the extent of final discontinuation over this short period of time proves that there is no economic stability in the lower size classes.

Furthermore, as the number of abandonments increasingly exceeds the number of newcomers, marked changes are to be expected particularly in regions like the Bavarian Forest, which has a population structure and agriculture shaped by generations of small farms.

**Table 4: Farm abandonment between 1987 and 1991 in relation to farm size in 1987 in Euskirchen and Freyung-Grafenau**

Size class 1987 (ha UAA)	Farm abandonment from 1987 - 1991					
	Total No.		in % of all no. of abandonment		in % of all farms in each size class	
	EUSK	FRG	EUSK	FRG	EUSK	FRG
< 5 ha	34	51	60.7	70.8	43.0	43.6
5 < 10 ha	14	13	25.0	18.1	29.8	22.4
10 < 20 ha	6	6	10.7	8.3	18.8	12.8
20 < 50 ha	2	2	3.6	2.8	4.1	6.5
>= 50 ha	0	0	0	0	0	0
All farms	56	72	100.0	100.0		

Sources: Baseline Survey 1987 and Final Survey 1991

### 5.2.3 Causes of increased farm abandonment

The analysis of farm production data in conjunction with the farmers' personal aims and social criteria points to an increasingly fast reduction in the number of small farms. Table 5 introduces selected results of the baseline- and final analysis, which are astonishingly similar for both regions. The following conclusions may be drawn:

(1) **Agricultural income:** The standard farm income for small farms up to 10 ha UAA is extremely low - ca. 3300 DM (FRG) and 4500 DM (EUSK). A return on own capital and labour is not possible even allowing for all premia (plus 1080 in FRG, plus 850 in EUSK). Positive capital accumulation is out of the question. Even smaller investments require private capital, but neither this procedure is economically feasible nor are long-term agreements on reduction in consumption or private investments to be expected.

(2) **Productivity, factors of production:** In relation to fixed and overhead costs, present average production is too small for productive factor use. In the case of machinery and buildings there are costintensive over-capacities rather than deficits. Although there is usually an abundance of workers, few of them have agricultural training. Traditional production methods on an often low technical level are the cause of time loss and high physical stress. The successive shortening of milk quotas has led to a reduction in labour in many fodder plants but also to the abandonment of the only profitable branch of farming.

(3) **Age and training:** On an average, the farm owners of small farms are 3 to 4 years older than their colleagues on the larger farms, and they usually lack agricultural training. The lower the training level, the less often training offers are accepted. In 1991 only 3 to 4 % of the farm owners on farms up to 10 ha took part in such programmes.

(4) **Advisory contacts, subsidies:** Training and further training necessarily lead to contact with official advisory councils; hence the lack of participation in programmes is a definite cause of the very rare contacts between advisors and small farmers. Even when it occurs, it usually has more to do with applications for compensatory allowances than with professional advice. Therefore it must be concluded that official advice and hence measures to promote factor productivity do not reach the small farms.

#### **5.2.4 Future perspectives**

Hardly any of the small farmers mentioned expansion or intensification as their development aims. The majority of the households are getting ready for further income reductions. This will increase the pressure to give up farming. There are a number of signs pointing to future abandonment:

- Since 1987 the (low) farming intensity has sunk even further (livestock-density, fertilizer/ha);
- Willingness to use multi-farm machinery has also decreased: instead of saving fixed costs by making use of the former, in 1991 70% in Euskirchen and again half of the small farms in Freyung exclusively used their own machines;
- Up to the present time, the importance of para-agricultural and other farm-based activities has been very small. In Freyung-Grafenau the proportion

**Table 5: Comparison of selected criteria between small farms below 10 ha UAA and larger farms**

	Euskirchen			Freyung Grafenau		
	Farms with ...ha UAA			Farms with ...ha UAA		
	<10 ha	>=10ha	All Farms	<10 ha	>=10ha	All Farms
No. of farms						
1987	75	93	168	110	72	182
1991	69	99	168	103	79	182
Change %	-3.6	+3.6	0	-3.8	+3.8	0
Livestock units/ha UAA						
1987	0.86	1.13	1.01	1.50	1.36	1.44
1991	0.83	0.99	0.92	1.33	1.31	1.32
Change %	-3.5	-12.4	-8.9	-11.3	-3.7	-8.3
Standard farm income <sup>1</sup>	4,540	40,295	25,610	3,270	21,925	11,370
Farms with demand of multi-farm machinery use (% of all farms)						
1987 %	60.0	65.6	63.1	62.7	76.4	68.1
1991 %	30.4	55.6	45.2	51.5	72.2	65.5
Change %	-29.6	-10.0	-17.9	-11.3	-4.2	-2.7
Age of farmers (years) 1991	50.8	47.3	48.7	50.6	46.8	48.9
Level of agricultural training (Index <sup>2</sup> )						
1987	1.13	1.63	1.41	1.09	1.25	1.19
1991	1.23	1.80	1.60	1.05	1.30	1.20
Change %	+0.10	+0.17	+0.19	-0.04	+0.05	+0.01
Farmer with participation in further training <sup>3</sup> 1991 %	4.3	30.3	19.6	2.9	32.9	15.9
Farmers with contact to official advisory service 1991 %	23.2	55.6	42.3	37.9	69.6	51.6
Dominant identity as felt by farmer 1991						
as farmer %	26.1	30.3	28.6	33.0	21.5	28.0
not as farmer %	53.6	10.1	28.0	46.6	5.1	28.6
Estimation of agricultural perspectives 1991 (Index <sup>4</sup> )	4.29	4.33	4.31	4.33	4.19	4.27
Farmers >55 years with probably secure farm succession						
1987 %	40.6	69.0	54.1	65.0	85.0	71.7
1991 %	22.6	46.2	33.3	31.6	65.0	43.1
Farmers with serious considerations about farm abandonment <sup>5</sup> 1991 %	47.8	56.6	53.0	36.9	43.0	39.6

1) DM/farm without compensatory allowances and premia

2) Indices can spread between 0 (=no training) to 5 (=university)

3) Participation for at least one time in further agricultural training

4) Indices can spread between 1 (future of agriculture will become better in the next years) to 5 (..will be worse)

5) Proportion of farmers with at least once serious considerations about farm abandonment

Source: Baseline Survey 1987, Final Survey 1991

was only 4% of the total household income (with a tendency to decrease)<sup>3</sup>. This is due to a lack of personal and farm resources and to the unfavourable market situation.

The 1992 market- and price policy reform which was introduced to increase market orientation of prices and expand direct income transfer will not improve the income situation in the lower size classes. Model calculations show losses of standard farm income between 6 and 17 %, assuming 1995 product prices, the corresponding per-ha premia and consistent compensatory allowances on the profit side of the balance, while the costs side even contains optimistic assumptions:

- reduction of costs for fodder, seeding and livestock
- stability of further variable production costs
- stability of fixed- and overhead costs.

**Table 6: Standardized farm income 1991 and income effects of CAP price reform (1995) by size classes**

Size Class 1991 (ha UAA)	Standardized farm income (DM/farm)				Change of standardized farm income	
	1991		after CAP-Reform (1995)		1995:1991	
	without c.a. <sup>1</sup>	with c.a. <sup>1</sup>	without c.a. <sup>1</sup>	with c.a. <sup>1</sup>	row 4:2 in %	row 5:3 in %
1	2	3	4	5	6	7
Euskirchen						
< 10 ha UAA	4,520	5,390	4,270	4,850	-5.9	-10.1
10 < 30 ha UAA	14,520	16,680	12,650	14,310	-12.9	-14.2
>= 30 ha UAA	63,590	66,260	55,810	58,850	-12.2	-11.2
Freyung Grafenau						
< 10 ha UAA	3,270	4,350	2,950	3,980	-17.5	-8.6
10 < 30 ha UAA	19,570	24,370	18,330	23,070	-6.3	-5.3
>= 30 ha UAA	36,490	46,010	34,250	43,750	-6.1	-4.9

1) compensatory allowances

Source: own calculations

<sup>3</sup> However, in study areas of the Alps and in Southern Europe the importance and the share of these income sources is considerably higher (editors remark).

Assuming the continuation of medium-term price developments for non-agricultural inputs and an increase in fixed and overhead costs in accordance with the general rate of inflation, the standard income of farms under 10 ha is virtually null.

And yet the unfavourable income situation does not lead to the conclusion that small-scale farming is considered a "hobby" or another form of income application. About 26% (EUSK) and 33% (FRG), a considerable part of the small farmers see themselves primarily as farmers. Only half of those affected consider themselves as non-farmers. Still, this self-estimation cannot secure the continuation of the farms on a long-term basis. The proportion of older farm owners with more or less certain successors decreased drastically between 1987 and 1991 in both regions to just 23% (EUSK) and 32% (FRG). Up to 1991, nearly half of the small farmers had at least once seriously considered giving up farming.

The unfavourable estimation of their situation is also a consequence of the changed social image of agriculture and farmers. The acceptance of lower wages and of less spare time, continuing high physical stress and unhealthy working conditions and many comparably bad aspects of their lives made farmers seem like obsolete relics within a modern society. A kind of schizophrenia is developing around the German word "Bauer" ("farmer"). It is a distinction term and an insult. On the one hand it is used in modern marketing, as in "Bauernschinken" for ham, "Bauernmöbel" for rustic furniture, "Bauernhäuser" for old houses; these terms suggest nature, cleanliness, romance. On the other hand, pressure is growing to keep agricultural machines - "traffic obstructions"- off public roads. And according to a German court decision, the address "Du Bauer" ("You farmer / peasant") is an insult, because it suggests backwardness.

### **5.2.5 Consequences for agricultural policy**

(1) The fast withdrawal of small farms may have negative economic, social and ecological effects. However, the rapidity of this process also opens up possibilities of a swift structural reorientation of agriculture towards higher social acceptance and economic efficiency.

Economic losses do not only come about by (partial) loss of jobs and income. Losses can also be great when agricultural property is not utilized productively in alternative ways. It follows that e.g. tax preferences for reinvestment from profits after the sale of agricultural property could make the structural change more bearable.



Whether the discontinuation of farming has more disadvantages from a social point of view (e.g. loss of independence) than advantages (e.g. stress reduction), cannot be generally determined.

From a regional perspective the negative effects of discontinuation are often overrated. Less and less area falls to this size class. In 1991, for instance, only 9% UAA in Euskirchen and 23% in Freyung were utilized by farms under 10 ha. In the face of low production output farm aid measures were up to now justified by pointing at the contribution the farms made to landscape preservation. However, the smaller the areas become, the smaller the farms' role in landscape protection shall be.

Negative environmental effects are more likely. The special intensity of factor use (e.g. fertilization) sinks with reduced farm size, as does the intensity of farm organisation. When the land falls to larger farms, it is usually utilized more intensively. But the EC Price Reform will probably work towards a reduction in agricultural intensity in all size classes.

(2) From a strictly economic point of view, profitable farming with full factor returns is hardly to be expected from any of the conventional small farms on a mid-term basis. At an interest rate of about 10% for long-term capital investments the opportunity costs of capital exceed any realizable internal interest on agriculture. To limit macro-economic allocation losses, the consequence is a demand for more restrictive aid of individual investments. At an interest rate below the opportunity costs of capital every investment in agriculture means partial income losses and lengthens the adherence to an economically disadvantageous kind of farming; hence it becomes increasingly harder to secure succession. In the final instance, this leads to the fundamental question: What kind of farmers' work justifies public assistance when long-term economic efficiency is not to be expected?

(3) Working conditions on small farms with traditional production methods often collide with fundamental demands for human working- and living conditions. According to the latest panel survey in Freyung-Grafenau 62% of the interviewees stated that farm work was the primary reason for not having had at least a one-week holiday in the last 5 years. Investment aid should therefore pay more attention to the improvement of working conditions.

(4) Long-term continuation of small farms with lower interest on capital but higher labour input demands a basic extensification of farm organisation. There are structural consequences: Extensive production methods (e.g. keeping of suckling cows) demand higher area and livestock capacities in comparison with intensive methods to approximately cover costs when land productivity decreases. However, the technical and economic requirements of

these methods are little known to farmers. Implementation of individual pilot projects could help more than specialized investment aid programmes and might promote the general acceptance of extensification. It is also a question of using new forms of farm cooperation to save labour time and operation costs.

(5) Diversification in the application of farm resources seems to be a less suitable strategy to improve income for wide areas of agriculture. This is particularly the case with farms away from areas with higher population density. Experiences in Germany show the following constraints:

- \* As a rule, diversification, e.g. in the form of touristic offers or internal production and commercialisation, requires investments which can lead to efficiency problems and (when market potential is limited) financing problems for farms with a weak income structure.
- \* As a rule, diversification means more labour time and often excess work for women.
- \* The efficiency of diversification measures is to a great extent dependent on the degree of factor utilization, on taxation and legal treatment of these activities. For instance, guest accommodation is often only financially interesting from a number of beds onwards, which exceeds the upper ceiling in existing investment programmes. And at least in Germany trading one's own products often passes the border to a "business" with higher legal and tax demands.
- \* Successful diversification requires market orientation, flexibility and qualifications in non-agricultural areas; these are qualities that have rarely been called for in the existing farming and market policy situation.
- \* Finally, diversification requires more professionalisation than pure agriculture because of the lack of a guaranteed market. Hence it is not surprising that often, after a transitional period, the professional farmers are better at diversification than non professional farmers.

(6) Therefore, qualification offers for young workers are more important than the promotion of farm aid. Owing to the rarity of contacts with agricultural advice offices, new qualification- and further-training offers need to be developed: week-end courses, short practical training on other farms, special courses in management, marketing and accountancy. More intensive assistance for retraining to non-agricultural professions is of particular importance. Farmers are taking more and more advantage of the "Umstellungshilfe" offered in Germany with retraining to non-farming professions and simultaneous basic extensification of farming. A guaranteed

monthly basic income for farmers willing to be retrained is cheaper for the economy than the continuation of intensive agriculture with its higher public assistance requirements.

(7) The demand for valid agricultural and finance policy guide-lines on a long term basis of increasingly great importance. Hardly any economic sector needs long-term planning of investments and job decisions as much as agriculture does. But here the political framework is particularly vague. Early market-orientation would have hit farmers hard, but it would also have prevented many wrong decisions by farmers. Although a reformed market policy is visible in outline, the questions remain: Where is the information e.g. on future competition from Eastern Europe? Where are the clear legal guide-lines concerning biological- and genetic engineering, both of which will have a strong part in deciding the speed of the structural change?

(8) Conclusion: The erosion process for small farms cannot be stopped. Contrary to former practice it should be meliorated only in individual cases and for a limited time when intolerable hardship from personal conditions (e.g. age) arises. This applies particularly to the cases in which agricultural policy, i.e. professional advice and aid, has contributed to the present conflicts.

Basically, farmers will have to be more market orientated and hence show more self-responsibility and initiative. The extremely fast structural change in East Germany shows that conflicts are part of the picture, but it also proves that farmers react more flexibly than is generally acknowledged, when appropriate guidelines are available.

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## **ANNEXE**

**Annexe 1: The Research Team**

**Annexe 2: Review Meetings within  
the Research Programme**

**Annexe 3: Publications within the  
„Research Programme on  
Farm Structures and Pluriactivity“**



## Annexe 1: The Research Team

(Summary of the cooperating research institutes; the complete list of the involved researcher can be found in: DAX/NISSLER/VITZTHUM 1993: Bäuerliche Welt im Umbruch, Anhang 1; research report No. 32 of the Federal Institute of Less-favoured and Mountainous Areas)

Coordination of the Research Programme:

The Arkleton Trust (Research) LTD, Highland Office,  
Nethy Bridge, Schottland

Central Data Records: Economic & Social Research Council (ESRC),  
University of Essex, UK

**France:** Coordination: Institut National de la Recherche Agronomique (INRA),  
Economie et Sociologie Rurales, Grenoble, Toulouse  
und Orléans (Olivet)

*Picardie:* INRA- Systèmes Agraires et Développement, Thiverval-Grignon und Paris

*Savoie:* Centre national du machinisme agricole, du génie rural, des eaux et des forêts (CEMAGREF)  
Institut National d'Etudes Rurales Montagnardes (INERM),  
Grenoble

*Languedoc:* Institut Agronomique Méditerranéen, Montpellier  
INRA, Economie et Sociologie Rurales, Montpellier

**Deutschland:**

*Euskirchen:* Forschungsgesellschaft für Agrarpolitik und Agrarsoziologie,  
Bonn

*Freyung-  
Grafenau:* Institut für ländliche Strukturforchung, Frankfurt  
Fachhochschule Weihenstephan, Triesdorf

**Ellada:**

*Korinthia* Agricultural University of Athens  
*and Fthiotis:* National Confederation of Agricultural Cooperatives, Athens

**Ireland:**

*East and West:* Teagasc, Dublin

**Italia:**

*Friuli:* Centro Ricerche Economico Sociali (CRES), Udine

*Lazio:* University of Rome  
University of Casino  
Istituto Nazionale di Economia Agraria (INEA), Roma

*Calabria:* University of Calabria, Arcavacata di Rende

**Nederland:**

*Maas en Waal:* Agricultural University, Wageningen

**Portugal:**

*Agueda:* Universidade de Aveiro  
Universidade de Coimbra  
Commissao de Coordenacao de Regiao Centro Coimbra

**España:**

*Koordinatation:* Universitat Autonoma de Barcelona

*Asturias:* Consejeria de Agricultura, Oviedo

*Sevilla:* University of Sevilla

*Catalunya:* University of Barcelona

**United Kingdom:**

*Buckinghamshire:* School of Geography and Bank Resources, University of Hull

*Grampians:* Department of Land Economy, University of Aberdeen,  
Royal Holloway and Bedford New College, University of London

*Devon:* Royal Agricultural College, Cirencester

**Österreich:**

*West und Südost:* Bundesanstalt für Bergbauernfragen, Wien

**Sverige:**

*Bothnia:* Ministry of Industry, Stockholm  
Dalarnas Research Council, Falun  
Institute of Geography, University of Umeå

**Schweiz:**

*Le Chablais:* Centre d'Etudes Rurales Montagnardes et de l'Environnement (CERME), Institut d'Economie Rurale, Château d'Oex et Lausanne



**Annexe 2: Review Meetings within the Research Programme**

1st Review Meeting	Montpellier, Languedoc, France	6-10 July 1987
2nd Review Meeting	Waldkirchen, Freyung-Grafenau, Germany	18-21 September 1988
3rd Review Meeting	Braemar, Grampians, Scotland, UK	16-20 July 1989
4th Review Meeting	Los Palacios, Sevilla, Spain	24-28 September 1990
5th Review Meeting	Sibari, Calabria, Italy	23-27 September 1991
6th Review Meeting	Kamena Vourla, Fthiotis, Greece	20-26 September 1992

### **Annexe 3: Publications within the „Research Programme on Farm Structures and Pluriactivity“**

TRACY, Michael: Structural Policy under the CAP, An overview of the current policy context and debates, Oxford 1987, Price: Pfund 2.50 , 20 pp.

NEWBY, Howard: Emergent Issues in Theories of Agrarian Development, Oxford 1987, Price: Pfund 2.50, 17 pp.

BRYDEN, John / FULLER, Anthony: Pluriactivity as a Rural Development Option, Paper presented by the Research Director and Research Advisor of the Farm Structures and Pluriactivity in Europe research programme, Oxford 1988, Price Vol 1: Pfund 2.00, 19 pp.

ARKLETON TRUST (ed.): Proceedings of the Montpellier Colloquium: Rural Change in Europe, Collection of papers presented at 1st Review Meeting of Research Programme on Farm Structures and Pluriactivity, Oxford 1988, Price: Pfund 12.50, 330 pp.

ARKLETON TRUST (ed.): Proceedings of the Freyung-Grafenau Colloquium: Rural Change in Europe, Collection of papers presented at 2nd Review Meeting of Research Programme on Farm Structures and Pluriactivity, Oxford January 1990, Price: Pfund 10.00, 262 pp.

ARKLETON TRUST (ed.): Proceedings of the Braemar Colloquium: Rural Change in Europe, Collection of papers presented at 3rd Review Meeting of Research Programme on Farm Structures and Pluriactivity, Oxford July 1991, Price: Pfund 13.00, 447 pp

ARKLETON TRUST (ed.): First Report for the Commission of the European Communities on Structural Change and the Use Made of Structures Policy by Farm Households in the European Community, Research Programme on Farm Structures and Pluriactivity, Oxford May 1990, Price: Pfund 12.00, 157 pp.

ARKLETON TRUST (ed.): Summary of First Report for the Commission of the European Communities on Structural Change and the Use Made of Structures Policy by Farm Households in the European Community, Research programme on farm structures and pluriactivity, Oxford May 1990, Price: Pfund 5.00, 27 pp.

- ARKLETON TRUST (ed.): Second Report for the Commission of the European Communities on Structural Change and the Use Made of Structures Policy by Farm Households in the European Community, Research Programme on Farm Structures and Pluriactivity;  
Volume I: European Analysis,  
Volume II: Study Area Analysis (Collection of papers presented at the 3rd Review Meeting of Research Programme on Farm Structures and Pluriactivity, Oxford December 1990; Price Vol I: Pfund 12.00, 127 pp; Price Vol II: Pfund 28.00, 442 pp)
- ARKLETON TRUST (ed.): Summary of Second Report for the Commission of the European Communities on Structural Change and the Use Made of Structures Policy by Farm Households in the European Community, Research Programme on Farm Structures and Pluriactivity, Oxford February 1991, Price: Pfund 5.00, 32 pp.
- BRUN, André / FULLER Anthony: Farm Family Pluriactivity in Western Europe / Pluriactivité des ménages d'agriculteurs en Europe de l'Ouest, Oxford 1992

*Publications are available from:*

The Arkleton Trust  
Enstone  
OXFORD OX7 4HH  
United Kingdom

*Final report:*

- EC-Commission: Farm household adjustment in Western Europe 1987-1991, Final Report on the research programme on farm structures and pluriactivity, Brussels - Luxembourg 1993, Volume I and II, (ISBN 92-826-6911-4)
- EC-Commission: Adaptation des ménages agricoles en Europe Occidentale 1987-1991, Rapport final du programme de recherche sur les structures et la pluriactivité des ménages agricoles, Bruxelles - Luxembourg 1994, (ISBN 92-826-6912-2)