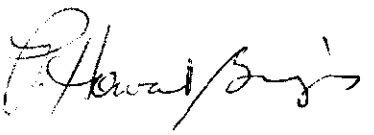

Agricultural restructuring and rural change in Europe

Wageningse Sociologische Studies WSS
Wageningen Studies in Sociology WSS
37

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Printers: Grafisch bedrijf Ponsen & Looijen b.v., Wageningen

Distribution: Department of Sociology, Hollandseweg 1, 6706 KN Wageningen, The Netherlands, fax + 31 8370 83990

Agricultural Restructuring and Rural Change in Europe

David Symes and Anton J. Jansen
Editors

Agricultural University Wageningen 1994

CIP-GEGEVENS KONINKLIJKE BIBLIOTHEEK, DEN HAAG

Agricultural

Agricultural restructuring and rural change in Europe / David Symes and Anton J. Jansen eds. – Wageningen : Agricultural University ; Wageningen : Department of Sociology [distr.]. – (Wageningen studies in sociology, ISSN 0923-4365 ; 37)
with ref.
ISBN 90-6754-372-1

ISBN 90-6754-372-1
ISSN 0923-4365
NUGI 659
Subject headings: rural sociology ; Europe

Printed in the Netherlands

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Preface

The origins of this volume of collected papers lie in the XVIth European Congress of Rural Sociology, held in Wageningen, The Netherlands, from the 2nd to the 6th of August 1993 under the title *Agricultural Change, Rural Society and the State*.

Out of the 165 papers presented in two plenary sessions and 14 working groups, 24 have been chosen to reflect the proceedings of the Congress. They include both invited keynote addresses (Chapters 2, 3, 9, 24 and 25) and a sample of contributions to the working groups recommended by the convenors. In arriving at the final selection, we have attempted to strike some kind of balance between theoretical and empirical papers and between authors from different disciplinary and geographical backgrounds so as to reflect the nature of rural sociology – or, more accurately, the rural social sciences – in Europe.

Acknowledgements are due to a very large number of people – the working group convenors for assisting in the preliminary selection and the authors for their prompt and courteous response to requests for revision of their texts, *inter alia*. We would wish to single out two people for special mention: Ruth Gasson for her skilful reconstruction and polishing of the English of all contributors – native speakers and foreign language authors alike; and Ciska de Harder for the indefatigable setting and constant modifications of the type. Without their help this volume would have been long delayed.

The Editors

Chapter 1

Introduction

David Symes and Anton J. Jansen

At the time of planning the XVth European Congress of Rural Sociology in the early 1990s, it was already evident that the rural areas of Europe were undergoing a period of profound – almost traumatic – political, economic and social change. In selecting the theme of *Agricultural Change, Rural Society and the State*, we were hoping to capture something of the sense of historic importance and of the new destiny for Europe's countryside. Nothing that has happened since has altered our view that the five or six years leading up to the Congress represent a turning point in the tide of events affecting both agriculture and rural society right across Europe from the Atlantic to the Urals. Indeed, this brief period encompasses not only the turnround in agricultural policy in the West and early attempts to build market economies in post-socialist central and eastern Europe but it also marked determined attempts to re-negotiate the terms of international trade, a growing realization of the full implications of the rapidly evolving global food system and a search for a new paradigm for sustainable development. What was becoming increasingly clear at the time of the Congress was that this new political agenda was biting more deeply, proving more problematic and causing a crisis of confidence in the European countryside that would probably persist into the early years of the 21st century. In so far as the contributors to the Congress were able to capture some of the urgency, uncertainty, misgivings and opportunities of the time, and thus provide an early audit of the balance sheet of agrarian transformation, it was thought appropriate to publish a selection of the papers which would provide a profile of the time.

The aim of this introductory chapter is fourfold: first, briefly to review the nature of recent changes affecting agriculture and rural society in Europe; secondly, to identify – but not to develop – the 'new paradigms' which will help to structure rural social research in the immediate future; thirdly, to examine the changing nature of rural sociology in facing up to the new issues; and, finally, to provide a thread of argument linking together the individual contributions that make up the bulk of this volume.

Trends and issues

The reason why the events between 1987 and 1993 proved so momentous was not their individual significance but the sheer weight of their convergence. True, some of the events will occupy a place in history on their own – the overthrow of communism in central and eastern Europe, for example. But elsewhere it was the convergence of developments which signalled the end of an era for European agriculture and rural society with the gradual unpacking of at least 40 years of state support for a production-centred, Fordist agricultural system, the scaling down of welfarist policies in rural areas and their integration into a competitive, global market economy.

Among the most dramatic turnrounds has been the changing function of the state, with a deliberate withdrawal from centre stage in the direct management of the rural economy. In but a short space of time, the state has changed its role from the sponsorship of productivist agriculture to one of environmental regulator and, ultimately, the patron of the market economy. In many instances, not least in the post-socialist countries of central and eastern Europe, the role of the state in overseeing the transition of agriculture from a managed economy to a free market economy stands in urgent need of clarification and redefinition (Chapters 10-13; 24). Similarly, local government institutions may need rebuilding to facilitate and encourage local development initiatives.

The agricultural industry is perplexed not only by the turnround in government policy and the more or less gradual withdrawal of financial support for increased output but also by the conflicting signals from the food markets. The dilemma for many farmers is whether to pursue the conventional but unsustainable Fordist principles of intensive food production and the demands of mass consumption of cheap food, but without the security of subsidized input prices and guaranteed markets; to explore the opportunities afforded by an increasingly diversified pattern of food consumption and the niche markets for organic foods (Chapter 15); or to realign their businesses, at least in part, towards the marketing of environmental goods (Chapters 17, 19).

Not only does the farming industry feel betrayed by government but also at times no longer adequately served by its own representative organizations, many of which remain defensively wedded to a productionist philosophy. By contrast, some of the pressures for change in agricultural practice have been brought about by public protest, orchestrated through the increasingly powerful and well organized environmental lobby groups operating at international, national and local levels (Chapters 17, 18).

Changes in the political economy of agriculture compel a need to reappraise the future of rural space. The late 1980s and early 1990s have marked the beginning of the end for the productivist rationale which had given the agricultural industry a dominant, almost exclusive, role in determining the shape and function of the countryside. The hegemonic influence of agriculture in rural policies is over and rural Europe is no longer to be defined simply as production

space or farming landscape. Rural areas today are also consumption spaces, servicing the city with a wide range of environmental and amenity goods as well as food production. The diversification of economic functions, restructuring of rural-urban relations, differentiation of goals and values among the different fractions of the rural population and the new patterns of uneven development create a significantly altered agenda for local political discourse (Chapters 20-24).

Not all the changes impacting upon the European countryside concern the relaxation of central direction and the exposure of agriculture to market forces. Also important has been the gradual dismantling of the welfare state and the ending of state monopolies in the provision of social services to the rural population, including transport, health and education. The costs of privatization and the free market, both in agriculture and the social economy, are considerable: a new cycle of rural deprivation has been initiated by the increasing role of the market, especially in central and eastern Europe where unemployment and reduced social welfare payments, arising out of the rationalization of former state enterprises in agriculture and 'affiliated production', are now critical (Chapters 11, 13, 23, 24).

It is, of course, easy to overdramatize the situation and to exaggerate the effects of changes now taking place; in short, to pronounce the end of productivist values and strategies. For much of Europe this is palpably not true: the expansion of output and the maximization of profits remain the dominant goals of capitalist farming systems, old and new. What is changing is the economic, social and political role ascribed to the countryside. The critical question is whether, in the long run, these changes will mean new enhanced opportunities. Clearly, rural entrepreneurs now face a choice of strategies for development instead of the strongly unilinear trajectory of growth defined by state supported productivism. The present and, more particularly, the future emphasis is on *choice*, but without the security of state support.

New paradigms

The literature concerning agricultural restructuring in the West in the aftermath of reforms of the Common Agricultural Policy is already well developed and widely disseminated. The familiar constructs of rural sociological analyses of the 1970s and 1980s relating to capitalist accumulation, survival strategies, pluriactivity and gender roles *inter alia*, while not wholly displaced, have at least been partially corrupted by post-productivist concerns for environmental quality, food safety and sustainable development. Policy reforms and, more important, the evolving macro socio-economic patterns provide a substantially new context and demand a search for more appropriate paradigms for analysing rural change and reconstructing rural space, eventually leading to a realignment and reintegration of social science research. Only in post-socialist central and eastern Europe, confronting a major systemic change in the conversion from planned to market economies are the principal concerns still grouped mainly around the structural

reform rather than issues of environmental regulation, sustainable food systems and rural areas as consumption space. Reconstruction of the productive apparatus within a market economy takes precedence but the emerging critiques of agrarian change are rapidly catching on to the new issues and the new paradigms.

Certain of these new paradigms - environmental regulation and globalization of the food system - are considered both theoretically (Chapters 2-4) and in empirically based studies in this volume (see, for example, Chapters 7, 8, 17-19). However, two major themes are neglected: sustainable development and redefining the role of the state. Sustainable development has become something of a catch phrase for the 1990s and the notion is in danger of being consumed by political rhetoric. Part of the problem lies in the difficulty of elaborating an operationally adequate definition beyond the now familiar but bland construction of the World Commission on Environment and Development (1987: 44): "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs". As Redclift (1991: 7) has suggested, sustainable development is "about meeting human needs, or maintaining economic growth or conserving natural capital, or about all three". Although neglected in the proceedings of the XVth Congress, sustainable development has been chosen as a central theme for the XVIth Congress to be hold in Prague in 1995.

Somewhat more disconcerting is the apparent reticence among rural sociologists towards redefining the nature and role of the state in the market economy, despite the inclusion of 'the state' in the Congress theme. Although considerable significance is attached to the retreat of the state from a central management role in agriculture, little consideration is given to the question of restructuring state: agriculture relations in the modern world. Rather more attention is in fact paid to the role of the local state *per se* (Chapters 20, 22, 24) but the centre:locality debate is not enjoined even though intriguing crosscurrents of change can be observed in Europe (Symes, 1992: 204/5). Notwithstanding such omissions few would today presume to accuse rural sociology of 'theoretical anaemia'. Together with cognate disciplines, it has come to share in the development of several major theoretical constructs. Indeed some may prefer to find fault with the heavily encoded and impenetrable language of some modern theorists.

Rural sociology today

Rural sociology, as alluded to in this introduction, is a broad church, attracting to it a wide range of cognate disciplines from the social sciences. Although a clear majority of papers in this volume are by people who would style themselves as rural sociologists, the Congress as a whole attracted perhaps as many as one third of its delegates from other disciplines. Some European countries, which have assumed a leading role in the development of rural social theory as well as empirical studies, give little or no formal recognition to the discipline among their institutes of higher education. The UK is a case in point with much of the

current literature on rural sociology coming from the pens of agricultural economists, economic historians, geographers and political scientists as well as from social anthropology and mainstream sociology.

Old arguments concerning the autonomy of rural sociology are dead. Today's more complex, interrelated trends and issues call for an international as well as inter-disciplinary approach. A question we should be asking, therefore, is whether global paradigms of sustainable development, the environment and the food system succeed in encouraging a new style of rural sociology. Similarly, has the growth of internationally funded research, through organizations like the European Union for example, fostered the development of comparative international research? Evidence from the Congress and from the selection of papers reproduced in this volume would appear to suggest that most research continues to be set in nation-specific contexts, to rely on national research traditions and to be contextualized in national literatures. Whereas cross-disciplinarity may now be recognized as a characteristic of rural sociology, research remains largely embedded in national traditions and internationally constructed research remains the exception.

The Congress proceedings would also seem to infer an uneven development of rural sociology within Europe. Although the contributions contained in this volume span the length and breadth of Europe from Ireland to Russia and from Finland to Portugal, the balance of papers is heavily concentrated on northwest Europe while there is a dearth of papers from southern Europe. It would be wrong, however, to read too much into this pattern. Both the venue and timing of the XVth Congress and the 'language problem' may account for the unfortunate geographical imbalance.

Framing the debate

In the foregoing paragraphs agricultural and rural change are seen as to result from the concomitance of global trends such as the growing influence of market forces in a globalized food system, the gradual withdrawal of the state from the promotion of agricultural and rural interests, and the increasing political weight of environmental protection and sustainable development. In other words, agricultural and rural change is taking place now and in the near future in a very different setting from that of the last three or four decades. In the opening session of the Congress a debate was organized on this 'paradigmatic' change in the relations between agriculture, rural society and the state.

While accepting the thesis of a global marginalization of agriculture, *Buttel* (Chapter 2) sees the future of agriculture not exclusively determined by the retreat of 'Fordism' and the free market forces unleashed by global and regional trade arrangements (GATT, EU, NAFTA, etc.), but also by two emerging potent forces of change that will interact with, and possibly override, the forces of globalization and dismantlement of national regulation and of further homogeni-

zation of world agricultures: the ascendancy of environmental regulation and of interest and social movement politics. Although his four-fold typology of the relations between these two forces reveals two central dilemmas of modern environmentalism, i.e. re-rationalism *versus* anti-rationalism and centralization *versus* localism, Buttel has no doubt that the modern environmentalisms will keep agriculture and food on the public agenda, but primarily as an environmental matter.

Buttel's thesis did not remain unchallenged. *Portela* (Chapter 3), one of the key discussants begs the question of agriculture's primary function and character. His first point that farmers might also find public backing for their interests if farming can engender public sympathy, does not really seem to conflict with Buttel's point of departure, i.e. the global marginalization of agriculture as an economic and political factor of power *per se*. Sympathy supposes at least a sharing of interests, and also Portela recognizes an increasing public awareness and concern with the detrimental environmental effects of modern farming, though we may agree with him that environmental interests are still far from setting the political agenda, and that new concerns are slow to emerge while old ideas are slow to fade. His point that the great variety in national and regional responses to the imperatives of environmental concern and sustainable growth will result in an even greater diversity of agricultures seems to qualify Buttel's exploration of space for agricultural diversity. Portela's scepticism with regard to the present and future role of 'social movements' also questions Buttel's rather abstract typology: does he overestimate the ability of environmentalists to 'unite' while at the same time underestimating the force of global agro-food complexes?

About the latter, *Bonanno and Bradley* (Chapter 4) certainly have no doubts. The prospering of agro-food multinationals and the globalization of the food system have created new social relations, and fractured the spatial unity between the economic and socio-political spheres. It is their contention that because of this fracture any local, regional or national planning of development, claimed by so many as essential instruments in forestalling an environmental crisis and achieving sustainable growth, will face serious limits, not only in terms of the organization and funding of such projects, but above all in consensus building as a necessary condition for their implementation. 'Global post-Fordism' - seen as a homogeneous political force (is it?) - is confronted by shaky coalitions of environmentalist and labour movements, whose shared communalities are weakened by the emphasis on their particularity of interests. They share Portela's scepticism, but from a completely different angle.

Starosta's paper (Chapter 5), while basically dealing with a question - "What is Rural?" - which has haunted rural sociologists 'since Pahl' (1966), draws particular attention to the fact that in the present world ruralization processes also play an important role in shaping future society. He stresses the great significance of socio-cultural and psychological factors in the transformation of the human environment, thus tempering the heavy emphasis given to 'economics' in global system theories. His distinction of three types of 'ruralization' gives added

support and contributes to the theoretical underpinning of Buttel's and Portela's agricultural or environmental diversity.

Not by accident, have we included the paper by *Arce and Long* (Chapter 6) in the 'Framing the debate' section of this volume. In an ever more globally integrated, but at the same time more complex world, the creation and transformation of knowledge must play a key role if this 'world society' wishes to find answers to global challenges and to effect sustainable development. A great many actors, from the directors of multinational companies and international organizations to individual farmers and eco-enthusiasts are interacting at the interfaces of such a world-wide project. The foregoing papers clearly demonstrate the possible pitfalls of 'knowledge construction' which sometimes severely hamper the communication between individuals practising the same 'discipline'.

Agricultural restructuring in Europe

In the 1990s the notion of agricultural restructuring has significantly different connotations in western and central and eastern Europe. In the West restructuring takes place largely within the existing physical structures. It is concerned essentially with the repositioning of local agricultural production within the wider food system - now dominated by international corporations both upstream and downstream from the farm gate - and within a global economy where protectionist trade barriers are gradually being dismantled.

Fanfani's paper (Chapter 7) on the evolution of specialized agro-food districts in northern Italy describes the increasing concentration of farm production and the growing importance of value-added food processing. Despite regional specialization of agricultural production, the decentralization of large food manufacturing operations and a widening search for raw materials has led to a weakening of the traditional regional boundaries of production. Developing the theme of the repositioning of agriculture, *Frouws and Ettema* (Chapter 8) demonstrate how structural change, specialization and involvement with major co-operatives and food corporations have rebounded upon traditional forms of Dutch farmers' organizations. The diverging interests of highly specialized agricultural production challenge the legitimacy of horizontally structured, broadly based farming unions, which must re-organize themselves to respect new sectoral interests but not sacrifice the strengths of unity in negotiation with government and with other powerful actors in the food system.

In contrast, *Blekesaune*'s analysis (Chapter 9) of family farming in Norway returns to one of the themes that distinguished rural sociology in the 1970s and 1980s and which is no less relevant today. Through a combination of theoretical and empirical analysis, he explores the consequences of increased labour productivity and a highly rigid land market which have led to an increasing masculinization of the Norwegian family farm. Women, displaced from farming through specialization and mechanization, have benefitted from the growth of

opportunities in local rural labour markets. Together these trends are seen to render family based farming more resilient to external economic pressures.

In central and eastern Europe, different models of socialist agriculture imply different notions of restructuring. For much of the region the immediate task is to dismantle the large scale apparatus of state and collective farms and recreate a basis for private agriculture; in other areas, like Slovenia, Croatia and Poland, the required change is from a state directed agriculture to a market economy. Much of the recent literature has focused on issues of privatization of land ownership, as a prerequisite for the emergence of a market oriented system of family farming, and on the reluctance of the peasantry to escape from co-operative forms of production and take up the challenge of private farming (see Chapters 10, 13). Structural reform is thus proving an intransigent problem compounded by the collapse of the food system and the former infrastructures of agricultural production.

In Bulgaria, where the tendency towards giant structures in agriculture reached an extreme form, there is a deepening crisis of restructuring. Despite having laid the legislative basis for privatization and a consensus for agrarian reform, an attitude of dependence on the state persists. According to *Keliyan* (Chapter 10), the interval between the removal of socialist state organizations and their replacement by new institutions creates a dangerous vacuum within which the old nomenclatura and a *nouveau riche* of new officials are able to strengthen their positions of power through the manipulation of property and wealth. A polarization of agrarian society ensues with a new landed class and a new landless poor. The particular interest of the paper by *Bihari, Kovács and Váradi* (Chapter 11) lies in its detailed description of the processes of restructuring. Through a detailed case study of the 'Golden Age' co-operative, close to Budapest in Hungary, the authors trace the fusions and fissions of structural change throughout the 1980s and 1990s – an account that describes the gradual opening up of Hungarian 'market socialism' within a secure state-sponsored organizational structure and, after 1990, the often painful turmoil following upon legislation for the reform of the system. In contrast to Keliyan's account of the Bulgarian situation, Bihari *et al* argue that the state authorities in Hungary have been unable to control the direction of change and that conflicting interests are resolved through ineffective compromises.

Gorlach, Nowak and Serega (Chapter 12) consider the problems of adaptation in a country where family farming had survived under socialism. Polish farmers had occupied a unique role in constant opposition to the state, a situation which continues today in an attempt to protect privileges won under communism. 'Repressive tolerance' has given way to 'oppressive freedom' with the consequent disorientation of farmers who now face a lack of restrictions (and a lack of certainties) in the market economy and the chance to acquire more land. While the new order is likely to create uneven conditions for development and to open up opportunities of 'comparative advantage', there is a dearth of strategic

thinking concerning the future of agriculture. Polish agriculture is seemingly gripped in an anomic paralysis and, in this respect, differs little from the situation found in the former collectivized economies.

Without doubt the most disturbing commentary on contemporary rural change in central and eastern Europe is *Nicholsky*'s paper (Chapter 13) describing conditions in the Russian village in the aftermath of overhasty and abortive attempts at agricultural restructuring. With an economic situation close to collapse, the situation is compounded by falling birth rates, rising death rates, inadequate food and alarming levels of malnutrition-related diseases among children. The peasant population, wearied by 'policy fatigue' has evolved individual and collective forms of self-preservation which effectively resist attempts at rapid agricultural reform and largely account for their failure. His prescription for successful agricultural reform is an incremental, carefully controlled restructuring in which changes are essentially subordinated to the interests of the agricultural producers themselves.

The new agriculture: biotechnology, sustainability and the environment

While recent reforms of the CAP have cast doubt upon the economic rationale of high input:high output systems of production, there is a growing concern that modern intensive agriculture may, in the long term, prove environmentally and socially unsustainable. A search for alternative pathways to future farming success is on. Many farmers will attempt to find new ways of enhancing yields assisted by advances in biotechnology but others may opt for more environmentally friendly forms of production either through organic farming or management agreements which secure environmental benefits in ecologically sensitive areas. Through the diversification of their enterprise structures into tourism-related activities, farmers may also capture further economic benefits from schemes to enhance the environmental and/or landscape value of their land. Some of the issues implicit in the search for a more sustainable, environmentally friendly agriculture and a more diversified rural economy are addressed in this section.

Almås and Nygård (Chapter 14) explore the dilemmas posed by the potentials of biotechnology to transform the nature of agriculture and food production which presently evoke a deeply suspicious public scepticism born not of ignorance but of a conflict of values. Two papers touch upon issues of sustainable rural development, though from strikingly different perspectives and without developing the theoretical construction of sustainable development to any great extent. *Bruckmeier and Grund* (Chapter 15) reveal that organic farming already reaches higher levels of participation in eastern rather than western Germany, though it is seen as an opportunistic, short term solution to the crisis of agricultural conversion in post-socialist east Germany. The authors conclude that mainstream agriculture will adopt an intensification strategy rather than pursue the ecological adaptation of agriculture. Arguing that farmers play a crucial role in the repro-

duction of rural landscapes, *De Bruin and Roex* (Chapter 16) explore the opportunities for integrating natural environment and landscape amenity values within farming practice through 'reinforcing heterogeneity'. While Dutch farmers express a willingness to dedicate time and effort to reproduce elements of the natural environment, farmers' organizations and local state agencies have an important role in supporting farm based initiatives for environmental improvement and enlarging the scope for individual action.

The following two papers each address different aspects of the farmers' role in negotiating the future development of the countryside and with surprisingly divergent results. In Ireland, *Tovey* (Chapter 17) finds that although farmers have been given new opportunities as environmental entrepreneurs they have been prevented from carrying out this role partly through their own inability to identify themselves with environmental action and partly through the challenge from urban based, conservation and leisure-interest pressure groups. Similarly, *Deverre* (Chapter 18) notes an initially similar resistance by farmers' organizations to EU-inspired attempts to introduce integrated agricultural and environmental legislation in France. Through a case study of the Crau plain, he describes the interplay of dichotomous interests (traditional:modern; insider:outsider; rural:urban) and the eventual incorporation of local interests in support of conservation initiatives through financial inducements to the traditional farming system.

The papers by Tovey and Deverre suggest a cautious approach to the integration of agriculture and environmental initiatives, questioning the stability of relations between the farming industry and the environmentalists. In contrast, *Slee and Walker* (Chapter 19), by promoting the economic benefits of these initiatives and asserting the entrepreneurial behaviour of farmers, are more optimistic. They find a majority of farmers and landowners able and willing to capture both direct benefits, through incentive payments, and indirect benefits, by diversification into tourism-related activities, made available through participation in the Environmentally Sensitive Areas scheme in the Scottish Cairngorm Straths. Given the success of market-led opportunities for income generation, the question is how far should improved environmental management be paid for out of public funds or through the market.

Rural social change

The ending of the agricultural imperative, the growth of environmentalism and the need for a diversified approach to the management of rural space clearly have important implications for rural communities as a whole and specific fractions of their populations in particular. The final section examines the changing strategies for rural areas through a series of responses to the crises of agricultural and rural restructuring. Most of the examples are taken from the peripheries of rural Europe where the incorporation of marginal areas into the highly competitive

global market economy is a particular problem. Attention is paid in several contributions to the political processes and the ways in which new coalitions of rural interests struggle to gain ascendancy in the vacuum left by the ending of traditional hegemonies.

As a context for their study of the 'contested countryside', *Flynn and Lowe* (Chapter 20) use a typology constructed around economic, social, political and cultural parameters. This typology which distinguishes between the 'preserved', 'contested', 'paternalistic' and 'clientelist' countryside can, with caution, be generalized to cover much of Europe. Contestation takes place around different functions of the countryside and is articulated by the petty property interests of small farmers, home ownership and small businesses and the differences between established local interest groups and newer amenity organizations often vigorously supported by newcomers to the area. Each set of interests seeks to define and impose its vision of the countryside but lacks the hegemonic position to do so. Thus local government assumes an important role in the brokering of power between these interest groups but its influence varies according to whether it is operating at district or county level.

Curtin's paper (Chapter 21) examines a rather different aspect of rural development in his analysis of a 'partnership project' in NW Connemara on the remote Atlantic seaboard of Ireland, initiated under the EU's "Poverty 3 Programme". The concept of partnership involves the surprisingly difficult tasks of sharing responsibilities and resources and building formal structures of co-operation between state agencies, local communities and voluntary organisations. Contrasting interpretations of roles, the inevitable tensions and conflicts and an unequal distribution of influence have characterized the Forum project. Indeed, one of the main concerns is that far from being empowered in the longer term, the temporary nature of such projects can leave the community based partners dangerously exposed once the completion date for the project has been reached.

Also located in the remoter periphery of Europe, *Oksa*'s study (Chapter 22) traces the evolution of rural development strategies in east Finland through three historical projections of national policy: constitution of the nation state, evolution of the industrial welfare state and European integration. In this most recent period, once again threats to existing economic interests (survival of the forestry industry, maintaining farm incomes and the continuation of service provision) and the emergence of new constituencies of interest (the information society, environmental goods and tourism) form a central theme of the paper.

Although the regions of Mecklenburg-Vorpommern and Brandenburg in east Germany can scarcely be described as peripheral, it is clear from the paper by *Fink, Grajewski, Siebert and Zierold* (Chapter 23) that the restructuring of agriculture in the postsocialist economic reforms has marginalized the position of rural women in the workforce. Rationalization of agriculture and the reduction in employment levels particularly affect jobs in the unskilled and ancillary sectors previously occupied largely by women who now experience high risks of long term unemployment. The situation elicits different 'coping strategies' with

Chapter 2

Agricultural Change, Rural Society and the State in the Late Twentieth Century

Some Theoretical Observations [1)]

Frederick H. Buttel

The late 1980s and early 1990s have witnessed a fascinating transition in sociology and rural sociology. In the classical tradition in sociology, and in the bulk of sociological theory at mid-century, 'society' (or the national state, national economy, national value system, etc.) was the unquestioned, though often implicit, unit of analysis. It is widely recognized, however, that over the past decade or two there have been contrary trends: a declining coherence of the national state, growing challenges to state sovereignty, and occasionally even effective challenges to the state's monopoly over legitimate violence. Late twentieth century sociology is changing in tandem. There is growing attention to 'globalization' and the global dimensions of class structures, power relations, and so on. At the same time there has been vast growth of cultural sociology in which the units of analysis tend to be sub-societal (e.g., households, genders, ethnic groups, artistic communities).

Sociological ambivalence about, and incipient abandonment of, society as the unit of analysis is amply represented in rural sociology and the sociology of agriculture as well. Only ten years ago this literature was dominated by theories for which the society, or national agricultural sector or food system, was the self-evident unit of analysis. In recent years, however, the field's units of analysis have shifted in ways that mirror those of sociology at large. On one hand, there has been the emergence of one or another internationalization or globalization perspectives (see especially Bonanno et al., 1994; Goodman and Redclift, 1991; McMichael, 1994), which together have become the most influential perspective in the field [2)]. These analysts of post-Fordism, global food regimes, and the glo-

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[1)] Revised version of a keynote address presented at the European Congress for Rural Sociology, Wageningen Agricultural University, Wageningen, The Netherlands, August 2-6, 1993.

[2)] Note that while the food regime/regulationist account is being treated here as a single theoretical tendency, there are active internal debates within this literature. There is, for example, debate over whether the categories of "Fordism" and "food regime" are too encompassing or macroscopic to depict post-war agrarian dynamics (Goodman and Watts, 1993), and over whether the essence of agro-food systems' global dynamic lies mainly in the power of transnational corporations or in the deregulatory tendencies within the late 20th-century international state system.

twentieth century. In most of the OECD countries, the agricultural labour force is 5 per cent or less of the total labour force, and declining each year. The farm vote, and presumably agriculture's political influence, is inexorably declining. The most recent available data on farm numbers in the USA suggest that there is a renewed decline in these numbers, which in terms of percentage change re-sembles the 1950s rural exodus much more than it does the period of farm numbers stabilization in the 1970s. The farm share of the consumer food dollar is continuing to decline, standing now at about 15 per cent or less in most of the OECD countries.

The farm sector is now under enormous political pressure due to the momentum behind GATT and the extension of the scope of existing regional trade agreements (e.g., EU and NAFTA). In this era of endemic fiscal crisis, discretionary expenditures such as farm commodity programmes and export subsidies have become highly vulnerable. Farm groups struggling to preserve these and related prerogatives such as agricultural import controls and levies are increasingly viewed by many citizens (and not only by the ideologists of and interests behind trade liberalization) as selfish and coddled. Perhaps the most persuasive testaments to these new realities have been the landmark deregulations of agriculture undertaken by countries such as Sweden and Australia over the past several years (Vail et al., 1994), and the fact that European farm groups were ultimately unable to generate enough public support to prompt the European states to walk away from the Uruguay Round of GATT. Agriculture's public standing has also suffered on account of the environmental costs of modern production practices, which are increasingly targeted by environmental groups and state regulatory agencies as standing in need of significant change.

Much the same is being experienced, albeit in different ways, in the developing world. A little over 30 years ago there was a significant transition of development theory and practice. Prior to that time agricultural growth and development was seen mainly in food security terms – a concern that was heightened by the European experience during World War II and by the emerging spectre of Malthusian catastrophes in the developing world. An emerging reconceptualization of agricultural development, however, suggested that the modernization of agriculture would not only increase food security, but would also constitute a powerful engine of overall economic development (see Johnston and Mellor, 1961). Agriculture was seen as making possible the elaboration of backward and forward linkages with non-farm industry. Neoclassical development economists made the case that agriculture, by providing markets for industrially-produced inputs and consumer goods, and providing the raw materials for off-farm manufacturing activities, would help to buttress (as well as benefit from) an overarching trajectory of economic development. This imagery of integrated rural and urban development provided much of the rationale for expansion of foreign aid and, in particular, undergirded projects such as the Green Revolution. A large share of the portfolios of the international development finance institutions, most of which had emphasized urban-industrial development and industrial-country reconstruc-

tion in the years following World War II, were shifted into agricultural and rural development in the developing world during the 1960s. By the end of the 1960s, following on the early successes of the Green Revolution, agricultural development was seen as integral to, and in some circles virtually synonymous with, international economic development.

Slowly but surely, however, this conception and practice of integrated agricultural and urban-industrial development have been eroded. The international development policies of the 1960s and 1970s led more to depopulation of the countryside than to balanced rural-urban growth based on backward and forward linkages. In some respects, the Green Revolution did foster some such linkages, but more often than not the backward linkages of Green Revolution agriculture were to the OECD country agro-input exporters while the forward linkages were limited by income inequality and insufficient domestic demand, and by competition from imported grains directed to the developing countries through the global "aid regime" (Friedmann and McMichael, 1989). The sparseness of these linkages not only contributed to the rural-to-urban exodus of the past three decades in most of the developing world, but has also helped to chip away at the official neoclassical rationale for agricultural development. The Green Revolution is now justified mainly on the grounds of its having cheapened consumer food prices and having disproportionately benefited the poor through their food purchasing activities (Lipton with Longhurst, 1989; Anderson et al., 1988). But now the Green Revolution is essentially stalled, and there is little technology in the pipeline to replace or reinvigorate it. While the world's major international development agencies profess a consensus that structural adjustment is the key to successful Third World development, among the practitioners who actually implement development programmes there is an unprecedented crisis of confidence in the theory and practice of how to achieve socially balanced rural and agricultural development. How does he know this?

In the developing areas of the Western hemisphere in particular, the major countries that experienced Green Revolutions are now exhibiting trends inconsistent with the Green Revolution blueprint. In Mexico, for example, the irrigated lands that were the heartland of its wheat Green Revolution are being shifted to production of feed crops such as sorghum because wheat production is no longer profitable (Barkin et al., 1990). In Brazil and Argentina, prime farm lands are being devoted to production of wheat and soybeans for export, rather than for domestic consumption, as was the underlying notion of the Green Revolution. Most of the countries that had successful Green Revolutions are now experiencing, or are threatened with, agricultural overproduction. At the other extreme are several dozen countries, mainly in Sub-Saharan Africa, Central America and the Caribbean, and Andean South America, that were largely untouched by the Green Revolution and where past development strategies have had limited success or else largely failed. The prospects for these developing countries are sufficiently gloomy so that many have written them off as possible sites for meaningful development, referring to them collectively as the "Fourth World", and to the

current era as a "post-developmentalist" one (McMichael, 1992).

Multilateral, bilateral and national commitments to international agricultural research are declining (Von Braun et al., 1993). The base funding to the international agricultural research centres by the World Bank, the industrial countries' international development agencies, and foundations - the group of donors that comprise the Consultative Group on International Agricultural Research (CGIAR) - has declined substantially since 1990. In the majority of developing countries, public funding of agricultural research has declined substantially. There is even concern about whether the CGIAR can continue politically or fiscally in the way it had during the 1970s and 1980s.

Where international development agencies continue to invest in agriculture, they are more and more reluctant to do so on the terms of the 1960s' imagery of integrated agricultural and industrial development. The World Bank reportedly has pared its agricultural development portfolio by 20 per cent over the past decade. The US Agency for International Development is on its way to divesting itself of agricultural development projects in the three major Third World continents; agricultural development is now lower on the priority list than projects such as environmental conservation, Eastern European development, and 'privatization' programmes. In the agricultural projects that remain, the focus has shifted to production of agro-export commodities, particularly 'non-traditional' ones, in order to generate foreign exchange and facilitate the repayment of foreign loans and comply with structural adjustment agreements [3]. Third World state officials and international development agency officialdoms now see the future of developing country agriculture lying in inclusion within industrial-country trade blocs such as NAFTA or in liberalization of agricultural trade through GATT, rather than through a national-developmentalist conception of agriculture.

In addition, the end of the Cold War is beginning to alter the fiscal and ideological basis of agricultural development through foreign aid. Developmentalism, as we have known it since the end of World War II, was essentially created in the crucible of Cold War, as one component of the foreign policy programme of the West to compete for the hearts and minds of the developing and decolonized world (Wood, 1986). Now, with the end of the Cold War, foreign aid to the developing world is no longer seen as essential in geopolitical terms, and is increasingly expendable in domestic political terms. In addition to stagnation or decline in foreign assistance to the Third World (with the exception of Japan), the world's foreign aid apparatuses are now rapidly 'greening' their aid programmes; environmentalists, once among their foremost critics, are now among the few groups that support foreign aid - provided it is used to support conservation of

[3] It has often been noted that the ongoing South-to-North capital drain, which has been approximately $40 billion annually in recent years, has since 1980 been the equivalent of about five Marshall Plans (in real terms).

rainforests and other ecologically-sensitive habitats [4].

The globalization/regulationist/food regime perspective and agrarian marginalization

I noted earlier that the 1970s and early 1980s literatures rooted in the agrarian classics began to be superseded by a set of literatures that were informed in one way or another by globalization reasoning. These new theories stressed the situational and impermanent character of the post-World War II 'Fordist' social structure of accumulation and the fact that the essence of the subsequent post-1973 transition could be found in 'globalization', or the transition to a new global food regime. These emergent literatures are neo-Marxist in certain respects, though many components of them are influenced more by the world-systems perspective of Wallerstein or by international regimes theories in political science than by the neo-Marxist literature *per se*. The overall agrarian globalization literature, in fact, achieves the coherence it does (despite diverse empirical foci) because of its emphasis on the transition of national economies and the state system from World War II to the present, and because it has been able to do so by considering the joint interplay of political and economic forces in developing understandings of the globalization of agro-food systems. These conceptualizations are mostly consistent with the picture of the marginalization of farming just presented. A brief composite of these analyses will be set forth here, focusing primarily on the literatures pertaining to the advanced countries.

Western rural societies and the metropolitan/non-metropolitan division of labour were particularly closely shaped during the three decades following World War II by the "Fordist" social structure of accumulation. Fordism was a particular social structure of accumulation characterized by the largely reinforcing interaction of several political-economic forces: the predominance of the industrial working class in the class structure, the growing power of labour in the political sphere and in industrial relations, the rise of the welfare state, the linkage between mass production and mass consumption, rising real wages in tandem with industrial productivity increase, the predominance of social-Keynesian macro-economic policies, regulation of world trade through the Bretton Woods gold/dollar standard and by way of hegemony of the USA and the dollar, and the integrity of the 'national' type of economy.

The rural manifestations of Fordism affected both the agricultural and non-farm components of rural societies. Agricultural commodity programmes, for example, were implemented or expanded in the post-war period, essentially as an extension of the welfare state to farmers, who had fared particularly poorly

[4] Aggregate levels of foreign aid from OECD countries, after declining in real terms after 1988, began to increase slightly in real terms due to the substantial sums being directed to Eastern Europe and the former Soviet Union (World Bank, 1992).

during the Depression and who were vulnerable to market instability and rapid technological change after World War II [5]. Dominant agricultural institutions – research institutions, agriculture ministries, agribusinesses, and the more influential farmer organizations – adopted the managerial discourse of Taylorism and settled some of their differences through a coincidence of interest in 'productivism' (i.e., the notion that a desirable agriculture is one in which there is progressive, self-reinforcing improvement in its total factor productivity through agricultural research and organizational upgrading of farms and agro-food firms). The nature of agricultural production began to parallel that of manufacturing industry. Agricultural production came to be based on industrial inputs (e.g., chemicals, machinery) produced within the dominant industrial complex. Farm production became specialized at both the enterprise and regional levels, and took the form of mass production of undifferentiated commodities (Kenney et al., 1989, 1991). Particular types of agricultural technology – especially chemical inputs and crop varieties bred to be responsive to these inputs – became rapidly generalized across the industrial world (and, through the Green Revolution, much of the Third World as well). Agricultural productivity increased significantly, through a treadmill of technological change that increased the capital intensity and decreased the labour intensity of agriculture (Cochrane, 1979).

Increased agricultural productivity and output led to a continual tendency toward overproduction, which states dealt with, though very imperfectly, through agricultural commodity programmes, import controls, international surplus disposal and domestic food-welfare programmes. With the exception of the mid-1970s, there was a long secular decline in real farm product prices and stagnation of farm incomes. There was accordingly a rapid decline of farm numbers and a shift of labour outside of farm sector. Mass-production-oriented industrialization of the food system paralleled that of non-farm industries (Goodman and Redclift, 1991), with meat produced with industrially produced feedgrains and "durable foods" being among the most dynamic food industry sectors (Friedmann, 1994). The global division of labour, food production and consumption was also dramatically altered, with the colonial pattern (e.g., South-to-North exporting of staples and luxury commodities) yielding to a world food order dominated by exports from the industrial countries to other developed countries and to the Third World. Similar policy environments (commodity programmes, international surplus disposal, growth in investment in agricultural research) and similar technologies led to broadly similar agrarian change trends across the industrial world. The large-scale, capitalized "family farm" became the predominant form of agriculture in the Western world (through both the devolution of capitalist estates and the concentration and centralization of farming capital within peasant communities).

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[5] At the time of the Depression, farmers were a sufficiently large share of the labour force, and farm production was a large enough share of the economy, that a farm depression could trigger a economy-wide depression. As we note later, however, farm production in the advanced countries is now such a small share of national product that its fortunes have little impact on the economy as a whole.

The Cold War was an integral aspect of post-war accumulation and politics, since it shaped the character and content of trade and provided a strong ideological rationale for the global extension of market relations. Its main agricultural expressions were: (1) the foreign aid-based food regime, in which global circulation of agricultural commodities occurred as an adjunct to disposing of surpluses through food aid to developing nations, and (2) foreign-aid based international developmentalism which directly or indirectly promoted the expansion of market relations, the diffusion of Western diets, and the generalization of intensive/chemical agricultural technology (Goodman and Redclift, 1991; Friedmann and McMichael, 1989; Friedmann, 1993).

A number of scholars who have contributed to the theorization of agriculture under Fordism have attempted to extend their analytical focus to the dynamics of agriculture since the beginning of the demise of Fordism in 1973 or so. Agricultural trends both contributed to and have reflected the disintegration of the Fordist social structure of accumulation. The stagnation of demand for food commodities and the growth of agricultural and other trade, for example, helped to precipitate the disintegration of the Bretton Woods gold/dollar standard. The resulting deregulation of the international monetary system (through the new system of floating exchange rates) in turn unleashed the internationalization of finance. Agriculture is seen to be in a phase of crisis and restructuring: in part, because its technology and production relations continue to be largely Fordist at a time when the conditions for production of undifferentiated primary materials are becoming increasingly adverse. Fiscal stress has limited the ability of state commodity programmes to stabilize agriculture. "International farm crisis" (Goodman and Redclift, 1989) is now endemic (Friedmann, 1993). The global agro-food complexes, which emerged under Fordism and gained increased power with the decline of national regulation and the national-type economy since 1973, are ascendent in the world food economy (Bonanno et al., 1994).

There is an emerging global division of labour in agriculture based on principles that depart substantially from nationally oriented food systems of the post-war period. There is, for example, an increased orientation of Third World agricultural production to the export market and growth in agribusiness multiple-sourcing of food raw materials, a division of labour in which production and consumption circuits are increasingly linked across national borders (or, in other words, are not so confined within national boundaries). Firms in the global agro-food system are attempting, with some success, to shift the locus of regulation of food and agriculture from nation states to the international level (e.g., through GATT, regional trade blocs, the World Bank, FAO/CODEX, and the international monetary system). Production and labour processes are being divided and recombined by agro-food capitals in response to the opportunities and threats posed by changing global conditions. And with the decline of a national regulatory apparatus of farm support programmes, food and environmental standards, and so on, the world's farmers, in this view, will be even more subject to a standardizing logic of international market discipline, internationalization of

technology, and international marketing and merchandising standards.

The development of biotechnology as the next phase of agricultural technology is also integral to this line of argument. The clusters of new biotechnology products that will be entering the market shortly will not only facilitate the global restructuring of agriculture (e.g., by severing the link between raw materials and finished food products); they will also deepen the industrial appropriation of agriculture and industrial substitution for agricultural products (Goodman et al., 1987; Goodman and Redclift, 1991). The most recent tendencies in agricultural biotechnology R&D are particularly consistent with the prevailing imagery of post-Fordism as a regime of accumulation involving "flexible" industrial production in which more differentiated goods aim to appeal to the increasingly variegated consumption styles of the affluent. Busch et al. (1991), for example, have documented the growing emphasis on R&D devoted to "identity-preserved" crop varieties (which increase the value-added of agricultural production), to the higher-value horticultural crops, and to industrial raw materials crops. Thus, whereas increased labour productivity was most central to the marginalization of farming in the post-war period, biotechnology would further this marginalization by substituting biologically-based capital inputs for other capital inputs and, most importantly, permitting a larger share of the food system to be shifted from farm to factory.

This body of theory that focuses on global agro-food complexes, food regimes, and the national deregulation and international re-regulation of agriculture has been very creative and insightful. It will continue to be useful if we are sensitive to its limits - some of which have been directly or indirectly articulated in the relocalization/diversity literature.

The emerging relocalization/diversity tradition suggests a number of considerations that are crucial in understanding the past, present and future of world agricultures. It remains crucial to research the structure and conditions of farming - not only because these are important in rural livelihood configurations, but also because the institutional and technical arrangements of farming are more complex than is normally acknowledged in late twentieth century agrarian political economy. The relocalization perspective has opened up the crucial issue of technologically driven homogenization of agriculture. It also reminds us of the crucial roles that local knowledges, the intrinsic complexities of co-ordination of farming tasks, and gender and household dynamics play in farming systems and rural societies in general. And as I will stress later, this perspective has much to commend it because of recognizing that environmental movements may be a crucial force affecting food and agriculture in the advanced countries.

If the Achilles heel of the globalization tradition is its tendency to privilege large-scale, powerful, macrostructural forces and to succumb to determinism (Whatmore, 1994; Marsden, 1992; Symes, 1992), the relocalization/diversity perspective's chief limitations are potentially two-fold. First, relocalism, aimed as it is toward a critique of the determinism and pessimism of globalized agrarian political economy, can potentially succumb to utopianism - by exaggerating the

diversity and resilience of household farming enterprises. Second, relocalism's fundamental dependent variable - local agrarian diversity - is not *in and of itself* theoretically interesting unless it can be demonstrated that it matters (in terms of implications for rural livelihoods, the viability of farming, environmental quality and so on). The various globalization traditions, which place considerable stress on explaining agrarian diversity in terms of the formation of regional divisions of agro-food labour, have actually done a better job of justifying the significance of their own "diversity variable" than has the perspective whose *raison d'être* is the study of the diversity of agrarian enterprises.

Social movements, environment and agro-food systems

The two perspectives on agrarian change of concern in this paper have several potential complementarities. Not only can they potentially provide a comprehensive assessment of the variability of farming and agro-food systems across time and space, but they also exhibit some commonality in the fact that their explanatory schemes are more diversified than their political-economic predecessors. Unfortunately, another feature that agrarian sociology's globalization and relocalism views share is the fact that neither has yet developed a satisfactory conceptualization of the environmental dimension of farming systems or of the implications of environmental movements for agriculture. Though it is not difficult to find reference being made to environmentalism and the environment in both literatures, each has failed to theorize the origins of environmental sentiments and has arguably tended toward a utopian view of the role these movements play (e.g., Friedmann, 1993; Van der Ploeg, 1992).

I would argue that one of the keys to a more satisfactory account of change in farming and agro-food systems is to give greater attention to the role of environmental/biological constraints on farming systems and the role of environmentalism in shaping the emerging politics of agriculture. Here I will make two basic arguments. First, integral to the historical tendency to homogenization of world agricultures in the post-war era, and ultimately to the marginalization referred to earlier, has been the development of a small handful of generic agricultural technologies, chiefly agricultural chemicals and the genetic and other technologies that are based on chemicals. This tiny cluster of technologies has permitted a small handful of crops (particularly the cereal grains and oilseeds) to be grown across vast expanses of the world and to be produced under very similar conditions. Most importantly, it has permitted the overriding of the enormous diversity of local knowledge, crop varieties and other practices that existed as recently as a few decades ago. Though the relocalism perspective suggests that the technical (and consequent social) homogenization of world farming systems has been exaggerated, and this criticism may be warranted, the pace and extent of this homogenization have been truly remarkable. At the same time, the globalization perspective has tended to presume that the future integrity of these technical

systems is unproblematic, and that there are no serious constraints to maintaining or expanding the global standardization of production techniques.

I would argue, by contrast, that maintenance of the petrochemical-based global standardization of the conditions of farming is indeed problematic. There is every indication that these inputs will increasingly be regulated and/or taxed on environmental control and health grounds, and in the developing world usage is stagnating or declining for reasons of cost. To the degree that these inputs become expensive or are regulated out of existence, the technical basis of other generic technologies is likely to decline as well. In some instances, this transition will be made possible through the development of low- or no-chemical ("sustainable agriculture") alternatives which will be increasingly deployed, while in others there may even be some renaissance of indigenous techniques (see Buttel, 1994).

My second argument is that environmental movements, the role of which has enduring social structural origins, is a socio-political environmental force that is beginning to have major impacts for farming and agriculture. The post-war liberal-democratic, class-based political party system will continue to change substantially. The anchor and electoral centre of gravity of the party system seems to be shifting from working-class-anchored social democratic parties to more conservative social democratic parties or to Christian Democratic parties. The left has become increasingly differentiated and fragmented, into a middle-class/environmental left that is particularly influential in executive agency politics and parliamentary lobbying, and a social justice-oriented left that remains important in electoral politics. In some cases this is occurring within a single core centre-left party, leading to internal fragmentation; and in other cases there are separate centre-left parties representing middle-class, environmentally-oriented groups on one hand, and the working class, racial and ethnic minorities, and the poor on the other hand. But in general, party politics is becoming less important; social class fragmentation, in a context of a general shift from proportional representation to two-party plurality systems, suggests that social movements and interest groups will be better able than parties to represent the diversification of interests and concerns. Electoral politics is thus being increasingly supplanted by interest group and social movement politics, particularly that focused on the executive state agencies. Agricultural politics, particularly as its systems of regulation shift to the international level, is being increasingly contested by environmentally-related NGOs and by the dominant segments of agro-industrial capital outside of the sphere of the nation state.

The ascendant social force will be the environmentally-inclined centre-left – to a limited degree in the electorate, and mainly through ('new') social movement organizations concerned with environmental quality and involuntary 'risk issues' in general. In the advanced countries this will be disproportionately, but by no means exclusively, a middle-class centre-left in which state-sector or non-corporate employees are over represented. Ullrich Beck (1992), for example, has argued persuasively that a cluster of risk issues, particularly those relating to

technological and environmental risks, are on their way to filling the void created by the decline of industrial society and of the coherence of the labour movement. These issues are most central to a small intelligentsia, particularly to social movement organization officials, but they are heartfelt concerns of a large and growing share of the population, particularly that which works outside of the industrial factory system and has come to define itself as being something other than 'working class'. Beck characterizes late twentieth century industrial societies as "risk societies", in which the content of politics shifts increasingly toward a large congeries of risk issues. Environmental and technological risks are particularly important in this regard. But Beck stresses that even concerns that on the face of it seem far afield from technological and environmental risks in the traditional sense – concerns such as crime, drunk driving, women's rights, racism, drug abuse, and so on – are coming to be framed on the terms of social risk, risk assessment and risk amelioration. A good example of the extension of the discourse of risk to non-traditional domains is the growing attention in the USA to "environmental racism" – the tendency for minorities to be subjected to disproportionately high levels of environmental hazards (Bryant and Mohai, 1993) – as a strategy to reinvigorate the civil rights movement.

Table 1. A typology of environmental ideologies, motivations and discourses, with agricultural examples

	Orientation to the instrumental rationality of modernization	
Politico-spatial orientation	Re-rationalist	Anti-rationalist
Centralizing	**Regulationism/managerialism** Regulation of chemical use in agriculture. Movements against introduction of GEOs into the environment	**Preservationism** Buffalo Commons Exclusion of agriculture from rainforests
Localizing	**Alternative technologism** Sustainable agriculture movements	**Indigenism** CSA movement Movements to preserve indigenous cultures and knowledge and to resist appropriation of tropical plant genetic resources

Many treatments of environmentalism, however, may have exaggerated its coherence and thereby missed the highly situational and variable role that it will in all likelihood play, in agriculture and elsewhere. While environmental- and risk-oriented new social movements will in general be an ascendant force, the diversity of these movements will militate against them being the singular force

that, for example, the labour movement was in the post-war period. The diversity of environmental motivations and ideologies is nowhere better demonstrated than with respect to agriculture. Table 1 contains a typology of environmental claims, ideologies and discourses and provides examples of how they have been brought to bear on agriculture. This four-fold typology is constituted by two central dilemmas or contradictions of modern environmentalism. One dimension is that of *re-rationalism versus anti-rationalism*. As Scott (1990) has noted, the underlying motivation, or source of identity, of many environmental groups is a notion that the rationalization/modernization trend of industrial societies, undergirded by the rationality of modern science and beset by the irrationalities wrought by technology, has brought these societies to the brink of disaster. There is a strong feeling that science must be brought under social control and that the instrumental, dehumanizing rationality of industrialization and rampant consumerism must be tempered if not terminated. This orientation is "anti-rationalist". But as Yearley (1991) has stressed, as much as this anti-rationalist *Weltanschauung* is deeply held in many environmental circles, it has not tended to be persuasive in the political area because this discourse is readily delegitimated by the dominant rationalist/modernization discourse. Environmental groups' public positions have therefore tended to reflect what might be called a "re-rationalist" position – one that seeks to modify industrial-technological rationalism at the margin by use of scientific data and appeals to environmental or natural-resource efficiency. The emphasis is thus on balancing the instrumental rationality of industrialization with another instrumental rationality based on prudent management of natural resources and environment.

The second dilemma of modern environmentalism is that of *centralization versus localism*. Decentralization or localism – and the ideal of harmonious, decentralized communities – is typically an organic component of the utopian ideal of much of the environmental community, particularly the more 'expressive' ecology movements discussed by Scott (1990). In other words, "think globally, act locally". But as much as this is the ideal for many groups and individuals, decentralist environmentalism also has political liabilities. By operating mainly at a local level, environmentalists would spread their resources too thinly across what is an almost infinite number of policy fora and thereby have little influence. In actual practice, the dominant organizations of modern environmentalism, such as the 'big ten' in the USA, have tended to "think globally, and act globally". Global constructions of environmental problems, such as the current notion of global environmental change, can be politically persuasive because they can be based on scientific reasoning and data (e.g., climate science, conservation biology), can create an imagery of imminent world-scale environmental disaster if action is not taken to ameliorate the underlying causes of problems, and create a strong moral justification to override politics-as-usual to do so. Centralized strategies – Earth Summits, international environmental agreements, and influencing the priorities and policies of the World Bank and national development agencies – have come to be of particular importance to the political agenda of the

most powerful and influential environmental organizations (Buttel, 1992).

The four types of environmentalism identified in the typology are *regulationism/managerialism* (centralizing, re-rationalist), *preservationism/"deep ecology"* (centralizing, anti-rationalist), *alternative technologism* (localizing, re-rationalist), and *indigenism* (localizing, anti-rationalist) [6]. These four categories correspond to very different orientations to agriculture and agricultural change, and each would push agriculture in very different directions.

The two most influential versions of environmentalism with respect to agriculture today are regulationism/managerialism and alternative technologism. Regulationism/managerialism is the dominant form of environmentalism in the 1990s on account of the fact that it benefits from the political persuasiveness of using a science-based alternative rationality and of the strategic emphasis on the high-level national and international arenas of policy and power [7]. Regulationism/managerialism is reflected in several ways in agriculture. Environmental mobilization aimed at regulating chemical use in agriculture and at increasing the efficacy of regulation of the food supply, the environmental struggle against introducing genetically engineered organisms into the environment, and the promotion of sustainable agricultural development programmes in the developing world through the international development agency complex, are some major examples.

Alternative technologism is also an increasingly influential expression of environmentalism in agriculture. In virtually all of the advanced countries there are social movements that are actively engaged in pressuring public research institutions to emphasize 'sustainable', 'low input', organic, or alternative agriculture. The principal rationale and ideology of this mobilization is that a sustainable agriculture is a rational agriculture in that it is best able to balance environmental and socio-economic goals for agriculture. This is a technologically led vision of agriculture in which the future is seen as hinging on whether sustainable or unsustainable technologies are given priority in research institutions [8].

The kind of environmentalism referred to as indigenism is a form that is

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[6] Note that this is a typology of environmental claims, discourses, and ideologies, rather than a typology of environmental groups. Thus, while particular environmental groups can be clearly located within this typology, many such groups will employ more than one type of claim or discourse, depending on the forum and nature of the issues that are being contested. It should also be stressed that conceptualization of environmental groups and movements employed above is an intentionally broad one. This definition encompasses not only conventional environmental groups, but also other new social movements-type groups (see Scott, 1990) that actively employ environmental and technological risk symbols and claims, e.g., the much of the consumer lobby (Beck, 1992).

[7] This category is essentially identical to the "managerialist" category of Redclift (1987).

[8] It should be noted that this category of environmental claims and discourse is based on the USA context (in which public agricultural research policy is largely shaped at the state level) and is not intrinsically one that privileges science and technological discourse. The reason that such discourse is privileged is that the fora that are most penetrable by these groups are ones in which research and empirical data are crucial.

mainly aimed at achieving ecologically stable, socially harmonious, decentralized communities, and making possible de-industrialization of the relations between food production and consumption. This form of environmentalism is typified by efforts in the developing countries to promote extractive reserve systems in rainforest zones that are exclusive to indigenous peoples, and in general to preserve indigenous cultures and indigenous knowledge systems. But indigenism also has many industrial-country expressions, and is the type stressed by the relocalization perspective as opening up new sources of farming diversity (Van der Ploeg, 1992). In the USA, for example, there is a rapidly growing community supported agriculture (CSA) movement and a related community food systems or foodshed movement. Both are aimed at "building community" through the production and circulation of de-industrialized foods. Other examples are the movements against global appropriation of land races and other genetic resources of tropical origin.

The final category of environmentalism – one that, as yet, is of minor import, at least in the West – could nonetheless play a major role in the future. Preservationism is a style of environmentalism that has one particular goal: that of preserving natural habitats from encroachment by any human activities, including agriculture, that would disrupt the 'natural' biotic community. Preservationism is thus by and large hostile to agriculture (as Wood, 1993, points out in appropriately veiled language). Thus far, preservationism has been most influential with respect to the developing countries and their tropical rainforest zones. Some international environmental groups whose agenda are focused on tropical rainforest conservation, biodiversity and related areas, are deeply distrustful that any forms of agriculture, even 'sustainable' versions, are suitable activities for sensitive rainforest zones (compare Wood, 1993; Fearnside, 1993; and Healy, 1993). These groups therefore often attempt to promote rainforest and biodiversity conservation programmes and practices in which agents of resource extraction, including peasants as well as cattle ranchers and logging, timber and mining interests, are excluded by statute and force of law. But note as well that a few environmentalists and conservation biology activists in the USA have made proposals that essentially would eliminate agriculture from large expanses of sensitive eco-zones to advance the goal of preservation. The so-called Buffalo Commons proposal, aimed at removing agriculture from much of the Great Plains (because of insufficient water and environmental destruction) and simultaneously solving the wheat overproduction problem, is one such example. A recent proposal by conservation biology activists to create human-free natural corridors across most of the country to achieve conservation of biological diversity has also generated considerable controversy. While these proposals are unlikely to be of high policy relevance, the fact that they have been made and have achieved considerable attention illustrates that preservationism can be an influential environmental discourse in the industrial as well as in the developing world.

Environmentalist diversity, the state and the future of agriculture

A good many observers of environmentalism and agricultural change have come to considerably different conclusions about the role that environmentalism will play in agricultural change in the future. For example, Hoggart (1992: 18) has argued that

> "adding support for adjustments to current farm practices are pressures from environmental and consumer lobbies. Yet environmental pressures should not be over-stated. Despite the fact that existing agricultural practices have been discredited for their adverse environmental effects in both advanced..... and less advanced economies....., environmental groups have not been primary movers in changing government policies..... Environmental issues have added impetus to reassessments of agricultural priorities, as well as providing a handy justification for initiatives that are supported for other reasons, but they do not constitute primary driving forces".

Several arguments can be raised, however, about why we should take environmentalism more seriously. First, as suggested earlier, environmental factors are likely to affect agriculture in biophysical as well as political and ideological ways (Clark and Lowe, 1992). Second, environmental claims and movements have already had significant impacts in several major institutions that affect farming and agro-food systems (e.g., the CGIAR, the World Bank). Third, the role and impact of environmentalism are not confined to whether environmental organizations are major players at the table and are able to exert their will. Public environmental sentiments and impulses are structured so that there co-exists a moderate core of persons and groups for whom environmental issues are highly salient, and a broad, but "shallow" supportive constituency (Buttel and Larson, 1980). As the 1993 anti-NAFTA campaign in the USA demonstrated, environmental groups can be very influential at the margin when they form coalitions with other groups.

What will be the significance of this diversity of environmentalisms for the future of agriculture? In my estimation, there is no singular answer to this question, and the future, in fact, is likely to be much more situationally shaped than was that of the post-war era. The significance of 'environmentalization' for contemporary farming and agro-food systems lies in the fact that its influences will be neither linear nor predictable (Berlan-Darque and Kalaora, 1992). My view is that the future of agro-environmentalism will hinge on the balance that emerges between its two most contradictory tendencies: On one hand, the most typical environmental impulse about farming is to be suspicious of agribusiness and supportive of smaller, more diversified family farming systems. On the other hand, global environmentalism's major preoccupation could very well remain that of tropical rainforests and biodiversity, and accordingly agriculture could increasingly be viewed as one of the most potent forces of environmental destruction. There is, in other words, no reason to see that one or another

environmental focal point can or must take precedence in the future, or that the influence of environmentalism on farming will prove to be that which the proponents of agricultural relocalization prefer (e.g., Van der Ploeg, 1992).

In this paper stress has been placed on identifying potential commonalities between the two major rival views on rural society and agrarian change. I will close with identifying another, somewhat ironic complementarity. Most of the literature in the globalization tradition has tended to ignore the emerging "environmentalization" of farming and food. But the globalization perspective is in a particularly good position to attend to the internationalization of environmental activism, and to the contradictory implications of international environmentalism for agriculture. This is yet another reason why these two perspectives have a considerable amount to offer each other.

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Chapter 3

Agriculture is Primarily What?

José Portela

Buttel's paper in this volume stresses three major themes: first, marginalization of agriculture, which is seen as being as much a political phenomenon as an inexorable economic tendency; secondly environmentally related social movements, perceived as powerful forces moulding future farming; and thirdly, state policy. The first two form the bulk of the paper. The relevance of the political sphere is recognized throughout, but, the state itself has largely vanished from the discussion.

The present contribution will retain much the same structure, using the three themes as stepping stones towards answering the fundamental question: agriculture is primarily what? Obviously, the way agriculture is defined has profound and far-reaching policy implications at every level of the reality considered: local, regional, national, supra-national, international, and transnational.

The present collection of papers is concerned with both the immediate and long-term implications of recent agricultural change. The economic life of many people, regions and nations is at stake. Three simple, general, but far-reaching points are worthy of more. First, we have to recognize that in spite of our efforts to predict the future, uncertainty remains. Events ahead of us are not wholly indeterminate, but our ability to predict either natural and man-made phenomena is weak. Sudden, violent movements of the earth's surface and of human societies remain unpredictable [1]. Secondly, one must ask whether our present conceptual and methodological instruments are insightful or outdated (Toffler, 1987). Confronted by the unimaginable and unexpected, can we continue to rely on our existing intellectual apparatus? Constant review of accepted theories and methodologies is needed. Thirdly, the discussion about the future of agriculture, rural society and the state only makes sense under certain conditions; if, for example, we believe social values are at stake or if we think we can do something to structure

[1] We have seen *a posteriori* the end of the Cold War, but we may wonder whether or not a "Hot War" is coming; that is, a war not between states but between civilizations, one of which (the Western) is seen as being under rapid, inevitable decline and the other (the Islamic) perceiving itself fundamentally as the saviour of mankind.

the development of the future [2].

Marginality of agriculture versus centrality of agricultural politics

The presumption that agriculture's political influence is declining does not sound controversial. On the contrary, it looks well founded. In the more advanced market economies the farm vote is declining every year. Moreover, increasing numbers of part-time farmers may well be less sensitive to specific farm issues and, consequently, become less politically demanding. Nevertheless, it is worth recalling that there is not an immediate, direct link between number of votes and political influence. There are cases in which rural seats contain fewer voters than do urban seats [3]. The total number of farm votes may be small but still significant. As *The Economist* (1992) noted "In America, farmers comprise only 1.6% of the work force, but constitute one of Washington's most formidable lobbies". Farmers' arguments may gain added momentum whenever their output is exported. On the other hand, there are many countries in which agricultural producers comprise a very substantial segment of the electorate, yet in practical terms, are almost powerless. To a degree, they may be subject in the influence of national elites, academics and globe-trotting experts, who, more often than not, have industrial models in their minds and hearts. Their training, lifestyle and urban residence do not allow them to be attuned to the overwhelming basic needs of the masses. Paradoxically, one may conclude that decline in the number of farmers can be paralleled by an increase in their political influence.

This may well be the case in Portugal. Portuguese farmers have not yet found their voice nor achieved united political power. Unable to organize politically for five decades under the Salazar dictatorship, they are unprepared for the "European challenge". There is no single national farmers' union, but rather three main organizations sharing politically prominence [4]. Agricultural and rural issues are, in general, minor items on the politicians' agenda. However, the endless list of farmers' problems, the first being the continued decline of the very low farm incomes, has recently caught political and public attention. No wonder, since

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[2] Obviously this follows. For instance, our students, out in the field, could be better prepared to observe, analyse and contribute to change the course of our dehumanized societies. Are we not close to the brink of disaster?

[3] *The Economist* - A Survey of Agriculture (December 1992), on page 14, notes that a Japanese farmer's vote is worth 3 times that of a city dweller and that Iowa, a farm state with a population of 2.8 million people, has 2 senators - just like New Jersey, an urban state with 7.7 million inhabitants.

[4] The larger and richer farmers of the southern part of the country are well represented in CAP (Confederação dos Agricultores de Portugal). The small-scale family farmers, if affiliated, tend to be distributed between CONFAGRI (Confederação Nacional das Federações das Cooperativas Agrícolas de Portugal) and CNA (Confederação Nacional da Agricultura).

according to the CCE Report 1992, farm incomes are less than a third of the EC average. The President of the Republic has recently indicated his sympathy for those suffering from agricultural and rural crisis [5]. Whether this is circumstantial or not has yet to be determined.

The silence over farming issues in the 1992 USA Presidential Campaign is another indication of current lower position of farming, while in the European Union there are also signs of the decreasing status of agriculture. As Avery, quoted by Williams (1992: 145), rightly notes, in the 1970s there were fears that any change of the CAP, a cornerstone of the European Economic Community, would ruin the concept of building up a common market. Indeed, "reform of agricultural policy" was taboo in the official European language at the end of the 1970s. This is no longer the case. Farmers can no longer take public support for granted. Agriculture is under political and popular scrutiny. There are other signs that farming is losing its force. In the reform of the Structural Funds (1989-93) it was less favoured, by comparison with other economic sectors. The Treaty of Maastricht also significantly extended the EU's range of concerns [6]. As Pires (1992: 29) put it, the EU no longer deals with butter alone, but it does not yet deal directly with guns.

Undoubtedly, there are signs that the marginalization of agriculture is on the agenda of several countries. Budgetary pressures raise politicians and officials' awareness of the need to curb expenditure on agriculture. Signs of dissatisfaction are evident among taxpayers and environmentalists, tired of giving away money which goes predominantly into rich farmers' pockets and, at the same time, helps to degrade the environment. Political disquiet and public scares may also come from the specific issue of food quality, particularly food hygiene. Whenever farmers are seen as culpable members of a distasteful production chain they lose power and put themselves on the defensive.

However, there is another side to the coin. Apart from their ability to exert direct lobbying, farmers may gather to their cause the support of fellow countrymen. One may relate this to a sense of arcadian nostalgia among urban dwellers, or to the penetration of landowners' values into the public psyche (Wiener, 1981, referred to by Hoggart, 1992: 12) and the ideological standing of farming as a bastion of free-market enterprise resisting the oppressions of monopoly capital (McConnell, 1959, referred to by Hoggart, 1992: 12-13). Whatever the reason, the basic fact remains that one may find public backing for the farmers. The

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[5] He was personally present at a CNA national meeting (Lisbon, 30.5.1993), in which an energic Charter of Defence of the Portuguese Rural Milieu was presented. About two months later, as he visited Chaves, a northern town close to Galicia, he defended the farming community. He also argued that farmers cannot be turned into mere social pensioners.

[6] These are industry, science and technology development, having in mind competitiveness with USA and Japan; environment, security and defence, particularly taking into consideration Eastern Europe; social security and education, looking internally.

USA's impressive farm debt crisis engendered public sympathy [7]. According to *The Economist*, "Opinion polls revealed that more than half of Americans thought that farmers deserved more support" [8]. Buttel also states that public opinion polls in the USA have consistently shown an ambivalence about free trade. And in Portugal, a recent opinion poll showed that 93% of the respondents understood and accepted the need to subsidize national agricultural products, indicating solidarity between Portuguese society and farmers. Some prime ministers and ministers of finance may regard agriculture as a residual economic sector and think of farmers as spoilt children. But ministers of agriculture, at least, are expected to back their national farming community. According to the media some have indeed bristled at the GATT negotiations [9]. In summary, agriculture's political influence *senso lato* is certainly a highly situational variable. In industrialized countries, an increasing centrality of agricultural politics may paradoxically correspond to the increasing marginality of agriculture's economic role.

Ascendant environmental forces: the euphoric view?

Buttel presents two emerging, potent forces that will interact with and possibly override the forces of globalization, the dismantling of national regulation and the further homogenization of world agriculture. Both forces are environmentally related. One is more techno-agro-ecological in nature; the other more socio-political. Both are ascendant.

Regulatory mechanisms and alternative technologies

In considering the first type of counter-globalization force, Buttel argues that specific human health risks (particularly among children) and general environmental concerns will lead to increasing regulation and taxation of inputs needed

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[7] Hoggart (1992: 6) based on Price (1983), provides an idea of the huge dimension and significance of this phenomenon: "the average US farmer could have repaid all farm debts with three-quarters of a year's income in 1959 but would have required three years' income to do so in the early 1980s".

[8] *The Economist* - A Survey of Agriculture (December 1992): 19.

[9] Flynn and Marsden (1991: 86) point to the divisions within the EC over the GATT negotiations and present an illuminating statement. One comment is that German farmers are seen as traditional clients of German ministers of agriculture. They state "Whilst Britain's agriculture minister believes that agricultural support has to be cut, the German farm minister argued in 1990 that 'If I am offered the choice between the collapse of the GATT talks and the ruination of 70% of *my farmers* I will choose the former'" (*The Guardian*, 9.10.1990)(author's emphasis).

for modern farming [10]. Thus, the utilization of chemical inputs will be eroded and this, in turn, will undermine the technical basis of other modern generic technologies. Local agro-ecological specificity will constitute a basis for providing low- and no-chemical input requirements and will continue to feed distinctive, relatively autonomous agricultural structures. However, there are doubts as to whether there will be a widespread roll-back of intensive production in the world's most productive agro-ecological zones.

While in agreement with this general argument there is a need to deepen some aspects, which go against Buttel's somewhat optimistic view. I am sceptical about the countervailing power of agro-ecological specificity *per se* in regard to the productionist model and the globalization and homogenization processes. Doubtless, there is an increasing general public awareness and concern with the detrimental environmental effects of modern farming [11]. Moreover, some EU directives are already challenging polluting practices and official negligence. A strengthening of the social control over the current technical basis of farming in the coming years is quite feasible. However, we are far from achieving significant, short-term results. Within the European context we have neither a common baseline for social control, nor similar results.

Scientific, technical, educational and public concern for the environmental impact of farming has been relatively slow to emerge. Any effective political action preventing environmental degradation or over-exploitation of natural resources is in some degree hampered by a lack of social sensitivity and alternative concrete behaviour. Words are not deeds. Moreover, few political leaders are willing to take unpopular measures over any considerable length of time. Politics is a short-term business; the environment is not. Irremediable ecological disasters may promote some sense that we are working against our own interests. But this sense of guilt rapidly vanishes. Most effects of human action on natural resources are not immediately visible. This may help to explain the slow emergence of public concern for the environmental impact of farming, and consequently the limited action or even inaction of politicians and public officials. But another important explanatory variable is professional education. No wonder that concern for the environmental impact of farming is limited since the general concern with the environment is still rather weak, surprisingly even among scholars. Mikesell (1992: 4) notes that "the integration of the environment into development economics dates at least from the 1960s, but *environmental econ-*

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[10] I take modern farming to mean a kind of agriculture that is capital intensive, deeply integrated into allied industries both upstream and downstream and into the banking system. It presupposes the utilization of relatively large quantities of machinery and equipment, as well as agro-chemicals. The term will be used interchangeably with intensive farming.

[11] For instance in The Netherlands, animal waste disposal (particularly pig waste) has fostered public and political actions; the British environmental lobby is strong and has forced issues such as water pollution and effects of pesticides on to national and supra-national political agendas; in France, over the past four years the powerful agricultural lobby has been obliged to pay attention to farming pollution and the official Green Plan will reinforce that.

omics still does not play a major role in the leading economic development textbooks or other well-known treatises on the subject" (author's emphasis).

Indeed, the raising of social consciousness about the environmental impact of farming appears to be a slow-motion process. It is also far from being uniform throughout Europe. Buller (1992: 78) points out that in France, for instance, only less than 10 years ago did farming become recognized as a relevant cause of environmental degradation. Until then, farmland and the natural world were to all intents synonymous. Agriculture was seen more as the victim of pollution caused by industrial and urban centres. One may hypothesize that such an awareness is stronger where intensive farming is more widespread and where it has been implemented for longer. In southern European countries, although increasing, environmental concern still seems moderate. The questioning and the struggle against negative environmental impact may proceed faster, particularly with the help of mass media. The fact that farming can negatively affect the quality of domestic water supply might become the most crucial single factor for mobilizing social movements.

If new concerns are slow to emerge, old ideas are slow to fade. Highly respected techno-economic models will not vanish quickly, particularly from the well entrenched minds and deeply rooted work habits of many people. Among these we can count politicians, bureaucrats, teachers, field technicians, and also researchers. As Buttel notes, productivism is still largely intact with respect to agricultural research and is being sustained by biotechnology. Recognition and support for a new paradigm of a non-industrial agriculture is going to take time and effort. Highly visible cases of successful practice are needed to legitimate the change of a long-standing conceptual framework. Theory alone is not enough. Conservatism and blindness are not unknown within data collection and research institutions. Van der Ploeg (1991: 19) noted "whatever the real magnitude and impact of *endogenous growth patterns* in specific rural areas, their real significance is largely underestimated by the institutionalized systems for data-registration and representation" (author's emphasis). Such bodies also produce ignorance; they need deconstruction.

One of the difficulties in getting rid of productivism concerns two basic notions: agriculture and rural environment. They are variable concepts and cannot be disentangled from national history and culture. As to the rural environment, Buller (1992) has convincingly shown the differences between two European countries. The British notion of rural environment is fundamentally divergent from the French one. Until the late 1970s British farmers were seen as guardians of the national heritage, while French farmers were perceived more as users of the countryside. Due to a sharp separation between the urban and rural milieux British city dwellers suffered more from a sense of arcadian nostalgia while rural origins were stronger among French citizens. According to Buller (1992: 73) "[...] the emerging French concern for the rural environment was fundamentally different from that in Britain. The rural landscape was not separated, either aesthetically or functionally, from agriculture. Indeed, the notion of countryside

'preservation' as an end in itself, as found in the outlook of the Council for the Preservation of Rural England from the 1920s onwards, is contrary to the French belief in rural social and cultural sustainability". In Portugal, the idea that farming and conservation of natural resources can be incompatible and, consequently that conservation can be perceived as a separate goal, may sound strange. But this should come as no surprise since rural population is large and the land is shared by peasant-allotment holders; farm families, not landowner-businessmen, are maintaining the landscape (though to a decreasing extent) and most urban dwellers have relatives of rural origin. Moreover, small-scale family farms, weakly involved in the input markets, predominate and the few known cases of pollution are mainly restricted to glasshouse production. In brief, the historical and cultural contexts strongly condition the emergence and development of people's awareness and political action related to environmental impact of agriculture.

Citizens, NGOs, and social movements, as well as EU directives, can do a lot to pressure national regulation and taxation of chemical inputs and control over the despoilers of the environment. However this is not enough. A clear, strong, and constant national political willingness to defend public goods is also needed, because good intentions will certainly be resisted by actors with vested interests. For example, the self-defined priorities of transnational agro-industrial firms may have little to do with society's values. Yet those self-interests will be defended in political and economic terms. State intervention is often feared and may prove impossible for those members of government promoting a general atmosphere of economic liberalism, deregulation, privatization and market freedom. The power holders supporting this vision cannot avoid the contradiction but they can do little about it. Ideologically, they are in a weak position. Some unsympathetic government regulation in the market and interference with valued property rights would be considered intolerable by both the suppliers of farm technologies and food processors. Moreover, the requirement to internalize the social costs of depletion, degradation and pollution of natural resources in a particular nation inevitably raises the question of lowering economic competitiveness in comparison with those countries who do not follow the same course.

Admitting the existence of an unequivocal, vigorous and constant national political willingness to defend public goods, there still remains the need to have proper quality control legislation, adequate monitoring and impact evaluation systems and institutional co-ordination. This may be difficult to achieve on an adequate scale and particularly at the local level. For instance, the inadequate mechanisms for monitoring food hygiene in Britain have been discussed by Flynn and Marsden (1992). They point to the differentiated power that the agents of the regulatory system have: "A vet can stop an animal going to slaughter, but a local official cannot stop a farmer applying an excess amount of pesticide".

In discussing productivism the limited temporal dimension of political action at the national level has to be considered. Setting aside any doubts about power holders' willingness to regulate, we may wonder how far the government should

go in planning and managing the economy. Particularly worrying might be the limited vision and disposition of politicians to consider the welfare of future generations. This obstacle may be reinforced by the conventional perspective and training of both the civil servants and state consultants. It is worth examining Mikesell's (1992: 141) comparison of sustainable development with conventional development economics: "sustainable development is unlikely to replace, or become a widely recognized rival of conventional economic development. Rather, it is altering conventional development [...]. Although many of the elements of sustainability will be adopted, *ethical concern for the welfare of generations well into the future will probably not become a part of economic development doctrine.* It will be recalled that environmental economists are not in agreement on the degree to which the welfare of future generations should be reflected in the social objective function of the present generation. There will be, however, increased concern for preserving the natural resource base" (author's emphasis). In brief, whereas nature is becoming part of man's concern, mankind itself is not.

Agricultural productivism is undoubtedly under attack, but we should not forget that it may be exported elsewhere. The risk of the intensive farming model being relocated in other areas is not negligible. Intensification can be fostered by a context of poor farming incomes and a lack of off-farm employment and official help to follow such a development. There are sufficient countries very keen to attract overseas investment to allow the exploitation of land and labour to meet the food needs of advanced economies (Munton, 1992). Brazil, Mexico, Tanzania and Thailand are cases in point. According to Van der Ploeg (1991) even "marginal areas" increasingly offer what are becoming structural restrictions elsewhere: *space* to expand production and *clean resources*, that is, not yet contaminated air, water and land. This trend might reinforce the resilience of productivism.

Last but not least, one has also to remember that transnational corporations are key players in the food system and that they may be extremely skilled in reinforcing the globalization trends by locating production at sites of global least cost, by-passing regulations of states and commercial blocks (on, for example, environmental issues), and penetrating markets previously closed to them.

Risk and environmental social movements

Let me turn to the second emergent force affecting agriculture - environmental risk oriented social movements - which Buttel sees as a differentiated, fragmented, moving and complicated scenario. Here there is an odd dualism comprising both a middle class environmentalist left and a social justice oriented left. While the former would be particularly influential in executive agency politics and parliamentary lobbying, the second would be important in electoral politics, particularly among the working class, racial and ethnic minorities, and the poor. How these two lefts might articulate, if ever, is left to our imagination. Ultimately, however, the left alone can not do much. It would be associated with the centre

and "the ascendant social force will [...] be the environmentally-inclined centre-left – to a limited degree in the electorate, and mainly through ('new') social movement organizations" (Buttel, *loc.cit.*: 24). In a nutshell, the scenario presents two very well marked traits. One is the decline of the importance of party politics; the other, the uplifting of interest groups and social movements. These would be better able than parties to represent the diversification of societal concerns.

Environmentalism is taking off, but there is no one jumbo jet. Buttel identifies four jets rolling along two main runways: anti-rationalism versus re-rationalism and centralization versus localism. The versions of environmentalism are: preservationism, indigenism, regulationism, and alternative-technologism. Each type would drag agriculture along a specific path. In brief, while a regulationist would try to minimize the negative environmental impact of farming, a preservationist would simply remove the business, aiming at the natural world; while a follower of indigenism would respect the customary agriculture, the alternative-technologist would reinvent it, eventually as "sustainable". He would have a technologically-led vision, based on research. With respect to farming today, the regulationism and alternative-technologism would be the two most influential forces.

This typology of environmental ideologies, motivations and discourses is firmly founded in two keystones: politico-spatial orientation (centralizing versus localizing) and orientation to the instrumental rationality of modernization (anti-rationalist versus re-rationalist). Analytically, it is illuminating. In spite of some disenchantment as to science and a vague desire of controlling it, rationalism is still applauded. So, in general, "deep ecologists" and followers of indigenism are so far perceived as undesirable radicals. Having in mind Southern Europe, and particularly the Portuguese context, it is difficult to combine both the decline of the importance of party politics and the relatively large role attributed to environmental social movements in respect to agricultural change.

While it is evident that there are changes in both the political system and party sub-system, ultimately I am not convinced that separate interest groups and social movements will override parties in political life. The nature of political life is changing, as is suggested by the current discussions about discredited parties, referenda, opinion polls and electronic democracy, as well as the emergence of new parties. No doubt, they inevitably question the traditional left-right dichotomy, but to acknowledge this is not to admit that parties are bound to be substituted in large measure by environmental and risk-oriented social movements. Parties will remain important actors in the political life in Europe; indeed, in Eastern Europe the multi-party political model has only recently been encouraged.

It is plausible that new social movements will appear and enlarge their sphere of influence in political life, both at the national and EC level, partly as a result of symbolic, political, and financial incentives granted to them for setting up transnational links. These hopefully would help the construction of the several visions of Europe: the workers' Europe, social Europe, Europe of the regions,

citizens' Europe and the single Europe. Globalization of risk and environmental movements is likely, but the emergence and impact of such social movements are limited in the more "closed" societies. Immersed in Portuguese culture and society, I can not help asking the following questions: can we expect much from emerging, scattered, diverse, contradictory social movements? Will they mould tomorrow's farming? I strongly doubt it because the socio-political context is one in which the history of democracy is very recent and the tradition of some institutions very old; where regionalization does not exist and administrative decentralization is practically unknown; where the assumption of civic roles is rather loose and voluntary aid is not a cultural trait; where general education is low, feeding passivity and individualism.

Buttel recognizes that the diversity of the environmental movements will militate against them becoming a single, mighty social force. He accepts that there is no single answer to the question of the significance of multiple environmental movements for the future of agriculture. This will be more situationally shaped than before. No one denies that over recent decades there have been increasing environmentalist pressures. They may grow, particularly if the actors concerned win the endless battles of gathering, analysing and diffusing pertinent information. But neither strident argument nor quiet discussion of the environmental impact of farming will necessarily induce change. Instead, the question is whether or not environmentalists have been and are going to be sufficiently united and strong to promote fairly profound, effective changes in official policies. According to Hoggart (1992) "environmental groups have not been primary movers in changing government policies. The time when environmental groups took governments and the business community by surprise has gone. Producer power might have waned in the 1960s and early 1970s in a sea of confusion over how to tackle criticism from environmental groups that were dominated by the middle classes, but producer power was reasserted in the 1980s".

In respect to agricultural change, the interplay of other actors including the direct and indirect influence of supra-national and national politicians and bureaucrats, transnational and national private agro-food complexes, the farmers' lobbies, educational, research and technology institutions, together with international and national public opinion, are all important. It is worth noting that the social movements referred to in Buttel's paper are typically urban-rooted, middle class phenomena and membership of young people is apparently high. They are issue-concerned movements (often with very specific issues) whereas agriculture is global in nature. In other words, they will remain alien to farming. Both conflict or coalition with farmers' organizations is possible though it is unlikely that middle class social movements will combine with the more unorganized and occasionally violent type of farmers' organizations.

The conspicuous and latent power of the agro-food complexes and retailing chains must be emphasized. They are growing larger, gaining in strength and moving rapidly. In Portugal for example, in a short time span, five corporations have taken control of nearly 60% of national food sales. Agro-food corporations

are undergoing both international concentration and vertical integration, thus merging interests in both farm input and food processing sectors (Munton, 1992: 35, 36). Though rarely involved directly in agricultural production they exert a prevailing influence throughout the agro-food system. In some Third World countries, manufacturers of farm inputs and agricultural processors receive huge direct public subsidies, contrasting sharply with the meagre financial assistance given to producers [12], particularly small-scale family farmers. The global agro-food complexes are ascendant in the world food economy; they are powerful, oligopolistic forces. Farmers are thus caught in a cost-price squeeze, with a marked and rapid increase in the purchase of manufactured farm inputs and an inverse trend as to output sales. Food complexes engage in processing farm goods on a global scale, being able to play off producers in one region against those in another. Moreover, as strong free trade campaigners, they may succeed in shifting the locus of regulation from the national or trade level to the international one. Consequences for market discipline, technology, marketing and merchandizing standards would surely follow. Last but not least, their highly mobile, pervasive and invisible hand would tend to hold farmers, consumers and their organizations at a distance from the new centres of decision-making.

State policy: is it feasible under a stateless vision?

In several recent papers on agricultural change, the state appears as a minor, almost passive, actor - a somewhat surprising configuration, when set against the long history of state intervention in agriculture and the interconnected nets of farming and the broader socio-economic context.

No doubt, in Eastern Europe state socialism has collapsed. In Western Europe, for some time, the national political ideology has been to 'roll back the state' [13]. The overall result shows that the state is in retreat. Moreover, the con-ventional notion of the state has also been worn away by the fact that countries have become integrated into economic blocs, and large firms no longer are rooted in a given territory [14]. Last, but not least, the notion of the state is also consumed, to a certain extent, by a growing supra-national political structure, the EU. On one hand, this is an incomplete, multi-state structure which regulates important national issues. The distance between any citizen and the politicians is

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[12] Hoggart (1992: 9, 11) mentions that World Bank (1986) data indicates that subsidies account for 80-90% of the costs of fertilizer production in Nigeria and that between 1976 and 1984 Brazil is estimated to have lost $1.7 billion in assistance to its soya bean processors.

[13] UK and Portugal are good cases, although decentralist rhetoric went together with centralization trends, denying decision-making powers at the regional and local level.

[14] Big firms are neither in, nor out of "the" country. They are "transwhere". But this is globalization. Anyway, they can be discovered in a few financial centres.

getting larger; Brussels seems too far away to be properly accountable. On the other hand, such a supra-national structure is beginning to allow, to a limited extent, metropolitan centres, regions and regional partnerships to 'circumvent' the nation state and to deal directly with Eurocrats. Here, possibly is the renaissance of regionalism and localism. The subsidiarity principle has gained ground. In caricature one may say that the state, as a concept, is becoming increasingly redundant. In the intense neo-liberal atmosphere of many places around the world the state seems a deprecatory term. Consequently, state interventionism is no longer fashionable. However, the problem is that even the promotion of deregulation and privatization requires the state's presence and action. It seems reasonable therefore to examine three essential issues concerning the future of the state in regard to agriculture: food self-sufficiency at the national level, defence of national economic interests, and national autonomy in agro-food policy-making and regulation.

Individuals do not relate only to themselves, God and nature; they also establish relations with other individuals. Co-operation and conflict are undeniable phenomena. They start, end and restart at some point in time and space. Society, through state organizations, must also deal with these phenomena, and so a minister of agriculture may have to respond to consumers (particularly concerning their health anxieties related to food) and, at the same time, placate the farmers' interests. In Portugal farmers recognize that the country is increasingly dependent on agricultural products from abroad and protest vigorously against food imports *inter alia*. Their overall political influence is minor, but they are numerous, have small-scale holdings and there are few off-farm jobs available. Severe agro-ecological conditions, the lack of infrastructure and farmers' organisations, poor market facilities, irritating bureaucracy etc. make farming a difficult, arduous and badly remunerated job. Massive rural exodus has been encouraged. The agricultural minister, as a politician and for good reason, cannot avoid contemplating the regulatory functions of the state towards the agro-food system, the social welfare in the countryside, the minimum population threshold in the territory and landscape conservation. The degree of food self-sufficiency versus dependence on external food supplies, food security and food quality become unavoidable food for the minister's thoughts. He may wonder whether or not reliance on accessible food markets justifies the state's relaxing its efforts to improve farm structures. He may ask himself: are the vagaries of currency exchange relationships irrelevant? He cannot help realizing that, out of the EU context, external markets are typically slim, unstable, and suffer from the humours of international politics (Hoggart, 1992: 16). He might go on pondering the distributional impact of loose deregulation, fearing predictions of extensive bankruptcies as well as eventual social unrest. As Munton (1992: 32) wrote, "it is debatable whether states will readily and voluntarily concede their right and ability to regulate not only the quantity and range of food supplies to their populations but also the conditions under which they are processed and sold". The strategic and political facet of food is a closed door for the globalization of

agriculture. At the same time it is a venue for state interventionism. According to Hoggart (1992: 13) European farming has been blessed by war. Protectionism certainly causes damage within the nation-state and elsewhere, but a vital question remains: which politicians will dare forget that the twentieth century was in military terms, "the century of war" (Giddens, 1992: 7)?

Security and defence are unavoidable state duties which impinge on farming. Other duties, such as the defence of "national" economic (e.g. farming) interests, call for state involvement. Response, both in the international arena and in a more integrated (and further enlarged) EU forum is becoming harder. Even the EU, despite its being a major trading bloc, faces increasing obstacles to the isolation of its internal agricultural market from the external ones. On the one hand, the costs of maintaining such a policy become unbearable, while on the other corporations and agro-food complexes, in particular those focused on the final food production chain, are not surprisingly obstinate defenders of free trade (Munton, 1992: 35). For them the farmers are at a remove, but politicians and senior officials of nation states and the EU are much closer; so too are the institutions of GATT, the World Bank and FAO. Protectionism is under severe attack and the narrowing of the gap between world market prices and European prices appears to be inevitable. The economic dimension of food *sensu stricto* is, of course, an open door for globalization of agriculture.

Similarly, as globalization trends extend and deepen, national "autonomy" in agro-food policy-making and state regulation may become more difficult to achieve. On one side, the state faces a demanding, concerned and risk-sensitive society; on the other it sees that the main actors are no longer clear-cut nationals or foreigners. They are "transwhere" people skilled in by-passing regulations. As Flynn and Marsden (1992: 90) put it "the prospects of an increasingly pan-European food retailing sector, along with a multinational food processing sector, is likely to throw up further regulatory challenges. Central government will need to be able to legitimise its own actions on food quality to a more sensitised consuming public at a time when a national regulatory framework will be increasingly threatened".

Agriculture – primarily an environmental or a societal issue?

The present paper revolves around three main concepts: agricultural change, rural society and the state. Buttel's paper addresses all three, but in content emphasizes the first. Not only has the state receded but the distinctiveness of rural society has also disappeared. Despite difficulty in drawing boundaries between rural and urban milieux or detaching it from the wider socio-economic environment, rural society nonetheless remains a meaningful notion. It is reinforced by the empirical realities of a small-scale territory; moderate to low population densities; old nucleated settlements; polycultural man-made landscapes – as opposed to large-scale, monotonous and machine-made ones, which endanger the maintenance of

small village communities, ancient houses and land patrimonies of little monetary value but an undeniable societal worth; and local, long lasting cultural traditions and social customs, many of which retain an informal character. One may argue that Buttel's neglect of rural society is culturally shaped, as indeed is my own positive evaluation of the social environment moulded by the experience of Southern Europe.

If agriculture is to be represented theoretically as separate from rural society, then it must appear externally commanded, 'de-societalized' and remote from empirical reality. This is not to suggest that key economic structures, ranging in scale from local to international, do not strongly influence farming. Still less is it intended to imply that farmers alone determine their own behaviour. The social actors differ in their ability to face the external structural fabric. Hence, their scope for manoeuvre is very variable. The endowments needed to confront the external structures are both collective and individual, private as well as public. They include resources, experience, knowledge, access to opportunities, but also will. Some farmers will be able to grasp potentialities and/or minimise the restraints of structures; others are unable to do so. As a result adjustment occurs between global and local structures, as well as between global and local circumstances. Van der Ploeg (1992: 35) noted that "modern agriculture is an arena that represents both very strong tendencies towards homogenization (i.e. the liquidation of locality) and new, specific and local responses to these tendencies". Agriculture is thus enmeshed into the nation state, which is in turn linked to the world economy.

If, by contrast, rural society is reduced, agriculture becomes unrelated to the rural economy and appears as a separate entity. In fact agriculture is a node within the rural economy linked to other "sectors" and spaces, both local and regional, as well as national and international. Without such a framework, how can migration and off-farm work within and without a particular space be explained? or commuting patterns and flows of goods and money be evaluated? or the utilization of land and farm buildings for housing, industry and tourist development assessed?

Buttel's notion of industrial, productivist farming is related to and reinforces a farming concept that appears to be disassociated from local rural society. By reducing the production dimension of agriculture, it stresses the inter-linkages between farmers and upstream input industries and downstream food processor complexes. Farming is essentially treated as an intermediate part of the food system. Consequently, farmers can be conceptualised as mere intermediate, non-unionised, non-family labourers in a lengthy, distribution chain, another input intended to guarantee a particular process of conversion of resources into valued commodities. The model may then resemble the "farmers" that sustain the American poultry and pork industries. They neither own the animals that they raise, nor the feed they supply to them. Biotechnologists and industrialists take care of the input supply. Industrialists and biotechnologists, again, will handle the food to be processed under minimum standards fixed in the "Codex Alimentarius".

A combination of circumstances, rather than isolated events, is likely to erode the productivist model. Significant reductions in state support for agricultural research may help to undermine its material basis. Food may increasingly become more of a health issue. As Flynn and Marsden (1992: 90) have noted "food quality itself, from once being an accepted publicly held norm, has now become commodotized, and a particularly significant factor in maintaining consumer demand and market growth". There has also been a tendency to play down consumers' resistance to 'unnatural' foods, as the greening of industrial food testifies. Undermining this approach, but enlightening the same resistance to food products that have little in common with their condition at the farm, one could point to the emergent phenomenon of consumers wishing to get closer to the producers. Different solutions are available: at the farm gate, or in the produce markets, or even through the shopkeeper. These trends might be strengthened as consumers grow wealthier, and as food continues to absorb a declining share of the family budget.

Agriculture may be seen as a moving system. By enumerating both its elements and interrelationships and keeping in mind the fact that any system is greater than the sum of its parts, we can begin to understand agriculture. In terms of political economy and as a system of values, which are the concerns of society rather than nature, agriculture is far greater than just an item on the GATT agenda or an economic sector in a national economy. Today, agriculture is a global social issue. Farmers have "global village" expectations and local outputs are increasingly valued at international prices. Governments increasingly need foreign earnings. Corporations search globally for cheap production sites for processing agricultural commodities. Crowning all this, as Hoggart (1992: 16) observed "a small number of actors dominate world agricultural markets and their vision of self-interest, set within a world economy that has been in flux for at least two decades, has resulted in an increasingly unpredictable and unstable agriculture predicament".

Due to the concentrated power of a few and the overall uncertainty of international politics, it is no wonder that food security stands as an important issue for the trade blocs and nation states. Farming can thus be seen also as an element of national defence and the state's external policy. Agricultural produce has been and will continue to be a powerful tool in the hands of ministers for foreign affairs. Transactions of food, through sales and aid, will continue to feed international politics.

Agriculture will also retain its strong national identity. Notwithstanding the "global village" expectations, farming may be also seen as an internal national affair. More than just a productive sector, an element of the food system or a part of the rural economy, farming may also be seen as a "socio-occupational" sector, where the actors are continuously making comparison with their fellow citizens' circumstances of work, mobility and leisure, their incomes and living standards and their conditions of life, retirement, and death. They will continue to ask themselves: how prosperous are we? Is the agriculture:non-agricultural gap

widening, as in the past, or have we achieved a standard of living equivalent to national norms? Is the repeated political rhetoric of concern matched by effective preventive and remedial action concerning net job creation, the reductory of disparities in incomes, under- and un-employment and access to basic services? Are there responsible authorities, civil servants and effective institutional arrangements for welcoming local initiatives and jointly formulating, implementing and evaluating integrated policies and programmes of development? Are farmers considered on their own terms or as a residual category? Do we not also have much to give to society as a whole: the aesthetic beauty of the countryside, an outdoor amenity, clean and fresh air, friendly and cohesive communities, and a rich heritage? In brief, farming is also a question of citizenship, and today a matter of European citizenship. Obviously, the centrality of agricultural politics has much to do with this concept of social justice.

Agriculture is spatially grounded and climatically dependent. Being nothing without plants, crops, animals and herds, it has a biological side. The interplay of these traits inevitably feeds regional, micro-regional and local dimensions. The northern European green, meadow landscapes are not the yellows of southern Europe, centred around a triple alliance of bread, wine, olive-oil. Agriculture is also time-located or historically bounded, explaining, for instance, the concomitant existence of the vast, concentrated land of *latifundia* and the fragmented and scattered plots of the *minifundia* in countries like Portugal. Large, new tractors or small, old barns as well as other assets are inextricably related to the development of markets and technology. This temporal facet of farming also reinforces the point that a common policy has to be built from "below", recognising the specificity of the place, the time and the intrinsic craft basis of agriculture. I can not help supporting Symes's view (1992: 195) that "there is need for a much closer fit between policy and specific regional circumstances. Off-the-peg solutions applied across the highly differentiated surface of European agriculture have proved increasingly unsuitable. Relative little headway has been made with attempts to regionalize agricultural policy through the Less Favoured Areas Directive and the Integrated Mediterranean Programme".

Physical and biological resource management is essential to production. But this is not an external process. Not only is production at stake but reproduction too. Normally, farming is not a single activity and the sole source of earnings. The labour process has to be fine-tuned with respect to differentiated time (past, present, future; short, intermediate, long term), space and people, both from within and without the farm unit. The necessary co-ordination, while dealing largely with the technicalities of production, is a conscious and goal-oriented process. "Farming emerges as a *social construction*: as a coherent, multi-dimensional constellation, in which the unity and synergy of practices, internal and external relations, knowledge, norms, opinions, experiences, interests and perspectives are more striking than the tensions and contradictions [...] Culture is encountered in the *specific co-ordination* between internal and external relations, between experience and perspective, between past, present and future. Culture is

not a phenomenon 'outside' the so-called 'hard realities of market and technology' [...] culture is not to be eliminated from the analysis, nor from the (theoretical) representation of agriculture. Culture is at the heart of it" (Van der Ploeg, 1992: 35-36; his emphasis).

Drawing all aspects together, one must conclude that agriculture is primarily a societal issue, not an environmental one. One cannot ignore the fact that it is also an environmental matter. It presupposes nature. This is where it starts, even when farming is largely disconnected from "natural resources". Nature may also be where farming finishes if its disconnectedness is "maximal" or "optimal", leading to a depleted, degraded or polluted condition of the natural resource base and endangering the life or even the survival of future generations.

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Chapter 4

Spatial Relations in the Global Socio-Economic System and the Implications for Development Planning

Alessandro Bonanno and Karen Bradley

Current critiques of the project of modernization reflect both the theoretical and the historical inadequacies of existing models of development. Alternative approaches have been formulated in a number of ways. Some emphasize the totalizing dimension of the transfer of information and strategies from core countries to the periphery. These accounts reclaim the importance of indigenous knowledge and of local participation in development planning and project implementation. Other theories underscore the neglected link between development and underdevelopment. Moreover, they reject the nationally oriented posture of modernists to argue a global understanding of socio-economic growth. Within this framework, rural development and planning are proposed in terms of radical reformulations of existing socio-economic arrangements. On the other hand, theories based in multiculturalism insist on the diversity of social change and the variety of meanings which culture assigns to concepts such as growth and development. They refute unifying and universal objectives in the name of harmonious co-existence among diverse groups. Accordingly, regional planning is redefined as connecting various and often diverging regional realities in a mutually acknowledging system of interdependence.

In this context, space is increasingly considered a central element of analysis as many of the manifestations of uneven development have been explicitly spatial. In the following pages we would like to accentuate this issue by further scrutinizing the position of space in development projects.

Our analysis begins by underscoring the social creation of space. More specifically, we view space as a socially constructed institution such as nature (Busch, 1989), science (Latour, 1987), and development (Cardoso and Faletto, 1979). Specifically we are interested in the way in which space is manifested within two forms of economic organization – the Fordist and the global post-Fordist international divisions of labour. In essence, we argue that the re-organization of spatial relations within the global post-Fordist international division of labour involves a qualitative shift from the Fordist past.

The change from Fordism to global post-Fordism entails a central reorganization of space. In Fordism, understanding and practices maintained a spatial uni-

ty between the economic and the socio-political spheres. Consequently, undesirable consequences of economic expansion could be controlled in a spatially confined territory allowing for unprecedented levels of growth. Moreover, economic action and its benefits could be localized spatially. Indeed, this understanding is a significant part of current thinking on social change and development.

However, as we will point out, global post-Fordism has fractured the spatial unity between the economic and socio-political spheres. New social relations realigned the use of space and the space of action of numerous social groups whose socio-economic conditions deteriorated despite increases in the rate of accumulation of capital (Mishel and Bernstein, 1993; Strobel, 1993). This situation called for a rethinking of the way in which space is constituted.

The paper is divided into four sections. In the first section relevant literature on the social creation of space is briefly reviewed. The next section illustrates salient characteristics of Fordism and its use and conceptualization of space. Following this, an analysis of the characteristics of space in global post-Fordism is presented, underscoring the spatial fracture of the economic and socio-political realms. The fourth and final section discusses the limitations of development models founded on Fordist models of space. As we demonstrate, they are inadequate to address the consequences of the post-Fordist spatial alignments entailed in practices such as hyper-mobility and flexibility.

The social creation of space

Established functionalist and positivist theories of development (e.g., Parsons, 1971; Rostow, 1960) reject the assumption of the social creation of space. In these theoretical constructions, space is regarded as external to social action, is taken for granted and defined physically as a fact. Moreover, space is considered 'neutral', e.g., space is viewed as an arena which may affect socio-economic development, yet always transcends human agency. Therefore, social arrangements regard space as an obstacle or an advantage which is then dealt with to achieve specific goals. Once measured and mapped out, space becomes a tool to be used or managed. Though central in the formulation of functionalist and positivist inspired 'development' strategies, space was never conceptualized as an entity emerging out of social relations.

Recent formulations of traditional approaches assume a more sophisticated posture, yet fail to overcome the central assumption of a transcendental, neutral dimension of space. Attempts within the new human ecology perspective (e.g., Albrecht and Murdock, 1990) continue to view space as an element of a broader 'environment' to which humans and their communities must adjust in order to prosper. Though space is conceived as an 'interactive' element with human agency, it is understood as a preordained physical condition. Other recent approaches acknowledge subjective variations. In fact it has generally become accepted that there are multiple ways of subjectively experiencing the physical

space or 'landscape'. However as Harvey (1990) points out, these attempts continue to retain a sense of some single, empirically verifiable dimension of space against which we can measure the diversity of perceptions.

A wealth of studies from alternative perspectives (e.g. Foucault, 1975; Giddens, 1990; Harvey, 1990; Lefebvre, 1991) dismiss the reified vision of space to underscore its social creation. In these works it is argued that space is the outcome of social relations. Both the understanding of space and practices about space are established within the process of the construction of social arrangements. Additionally, space is viewed as a social relation in itself for its material dimensions and abstract formulations reflect social dynamics among groups.

Michel Foucault (1975) exemplifies this posture in his discussion of the transformation of the conceptualization and practice of 'space' associated with the development of the medical profession and the institution of the medical clinic. He argues that the scientific definition of disease and the parallel development of the profession of medicine were constituted in the spatial creation of clinical wards and in the reorganization of the clinic itself. Moreover, space not only corresponded with changes in society but was explicitly associated with the exercise of power. In this context, the definition of sickness emerged concurrently with the development of capitalism, as well as the scientific and intellectual principles of the Enlightenment. Indeed, scientifically-based definitions or discoveries of disease established what was considered an 'objective' dimension of medicine with which the scientific reorganization of space concurred. This construction was in turn considered value-free so that the net result was that the social construction of both disease and space (and the social relations embedded within) were recorded as natural processes.

Space as an historical product is also argued by Anthony Giddens (1990). He maintains that modern space is "empty space", a space severed from place. Premodern spatial practices can be characterized by the fact the virtually all the significant factors determining social activities were 'present' in the same geographical area (a place). In this context, the concept of space was largely interchangeable with the concept of place. With the advent of modernity, Giddens continues, social activities are increasingly affected by events not necessarily present at the local level. For instance, local economic activities can be affected by decisions made by distant producers, consumers and/or financial institutions. The emptying of space consists then in the establishment of relationships among 'absent' others, actors who are distantly located from one another, hence the severing of space from place.

The social construction of space has been a central concern not only for sociologists but also for political geographers such as David Harvey (1990). He connects the construction of space with the evolution of capitalism, arguing that in times of crisis restructuring is sought in spatial terms and reflected in spatial reorganization. In this context, space becomes one of the loci of class struggle and where empowerment and disempowerment are manifested. Space, consequently, is the product of capitalist social relations as well as defined and main-

tained by the manners in which various social groups interact within capitalism. Capitalist institutions, such as the state, in varying degrees have the ability to locate power in spaces which can benefit the dominant classes. Conversely, they also have the ability to disempower spaces where opposition may retain greater strength. Explicit examples of this phenomenon are the denial of self-government in regions and cities of some advanced societies such as Great Britain and France where working class organization attained the greater part of the electoral power.

Perhaps the best argument for the social construction of space is made in the classic book by Henri Lefebvre, *The Production of Space* (1991) which originally appeared in French in 1974. Lefebvre shares with the authors mentioned above the ideas of the historical dimension of space, its relation to capitalism and positive science, as well as its relations to processes of empowerment. However, he goes further to argue that there are three dialectically related manifestations of space: spatial practice, representation of space and the space of representation. "Spatial practice" refers to material locations and spatial sets characterizing a society's forms of production and reproduction and the actualized relationship between these locations, social actors and practice. The concept of "representations of space," on the other hand, refers to the way in which space is conceived in the form of models. Here Lefebvre is careful in underlining that the formal conceptualization of space is not external to the social order, but it is tied to the existing relations of production. This is contrasted to "representational spaces" which he suggests refers to various symbolic representations of space including those in the everyday life as well as those in art. These constructs of space are dialectically interwoven and contain contradictions. As a unit they create an unfolding of space in the historical evolution of society.

Space in Fordism: the spatial unity of the economic and socio-political spheres in development

Lefebvre is forever warning of the temptation of reducing the social creation of space to the outcome of economic processes or ideological constructions. It is important to point out, however, that he also argues that the complex connection between the construction of space and social relations can be represented through salient aspects of the historical evolution of capitalism. In this respect, the illustration of economic, cultural and political aspects of Fordism constitutes a framework within which the analysis of the construction of space can be appropriately carried out.

The concept of Fordism has been employed to describe the social relations established after World War II in the context of the Pax Americana (Aglietta, 1979; Lipietz, 1987). In essence, it refers to the creation of an economic system increasingly dependent on the reduction of market risks through corporate management, state intervention, and stable accords between management and workers' organizations. It also involved the establishment of high levels of

productivity, a polarization of qualifications, tasks and responsibilities between those in control of production and those who were actually producing, legitimized through the existence of relatively stable high wages. The entire process was also based on a steady transfer of wealth from developing to developed countries controlled through political and financial means. The net result was the creation of a "rigid" form of social organization of production based on vertically integrated corporations, increased concentration and centralization of capital and a limited ability to address sudden and unexpected changes in the market. The latter demanded long-range planning which became a paramount feature in corporate and state arenas (Harvey, 1990).

In terms of the social organization of space, the consolidation of rigid forms of production accelerated the vanishing of patterns of spatial organization in earlier periods of modernity (Giddens, 1990). Space was increasingly conceived and practised in terms of *concentration*. This was reflected in production processes as well as in terms of mass consumption. In terms of production, spatial concentration indicated the development of operations often situated in a few specific locations such as industrial centres and/or poles of development. Mass consumption was marked by spatial concentration as well. The development of large centralized shopping centres and malls was one of the instruments that allowed mass consumption to match expanding production (Sassen, 1993). Transit systems then linked production and consumption centres with 'dormitory communities' and suburbia which rapidly developed during the first three decades after World War II (Harvey, 1990), creating specific kinds of spatial networks.

Furthermore, this concentration constituted particular dualities such as those between rural and urban and between developed and underdeveloped regions. Rural space was increasingly identified by its distance from the concentrated 'urban' centres, despite recognition that its resource links are crucial to the development of urban areas. The discourse of the rural-urban continuum reflected the distancing and opposition between the two 'poles' while at the same time stressing their interconnectedness.

Importantly, the Fordist organization of rural space required a reduction of the 'distance' from urban centres. This became a central feature of models of development and strategies established in modernity. At root, it involved rapid modernization through processes of industrialization, the introduction of retail centres, the strengthening of social services and the curbing of psychological and cultural patterns (consequently) identified as 'backward'. Though this process was resisted by groups emphasizing the significance of local cultural values and lack of density, by and large the task of improving rural living was equated with introducing features typical of urban life (Ford, 1978). The net result was the spatial reification of 'rural'. Rural became a naturally-existing category on which

numerous schools of theoretical work were constructed [1].

The spatial construction of duality which is reflected in the rural-urban continuum is central to other features as well. Dominant interpretations of social change stressed the distinction between first and third worlds as spatial realities separated by differing degrees of modernization. As in the case of the urban-rural dichotomy, the first-third world distinction was to be overcome by the increasing interjection of modern elements into the lives and social arrangements of 'underdeveloped' societies. Spatial locations became synonymous with degrees of socio-economic growth and with differing strategies for socio-economic development. Like Western rural areas, underdeveloped regions were the targets of programmes aimed at increasing modernization, i.e. the presence of Western, urban-oriented components [2].

Despite the socio-economic progress underscored by modernization theories, capitalism still entailed sharp socio-economic inequalities among regions and social groups. Importantly, these contradictions were mitigated by increases in mass consumption so that even the most excluded groups had more access to material rewards. Augmented productivity and expanded production levels were accompanied by higher wages and salaries. In turn, the latter were able to sustain high levels of demand. Through the maintenance of a relative balance between increased production and increased consumption, Western countries were able to sustain high levels of economic expansion (Polenberg, 1980). Parsons (1971) refers to this link between economic expansion and increases in remuneration of labour as the universal model of development. The US, in his view, was the "lead" society in the world whose model had to be exported to other countries to guarantee continuous and unlimited development. Mass consumption became a characteristic of the 'Americanized' model of development. The sharing of expanded wealth legitimized Fordist economic strategies, solidified a particular arrangement and understanding of space as part of those strategies, as well as limiting the perceived need to participate in political processes in order to intervene in those same strategies.

Social scientists described the new model in terms of a sustainable system of continuous growth. Post-industrial thinkers (e.g., Bell, 1976; Lipset, 1959) viewed this new abundance of choice as the expression of achieved democracy and well being. Indeed, the material abundance was equated with the overcoming of social systems based on particularistic and ascribed forms of organization. In

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[1] Members of the discipline of rural sociology, particularly in the United States, established substantive areas of investigation in which "rurality" was considered the qualifying element. Accordingly, they studied areas such as deviance, family, education, development, etc. as qualitatively different from their urban counterparts. Though this posture was forcefully rejected (e.g., Friedland, 1982) it still finds significant support in various circles.

[2] As indicated by modernization theorists (e.g., Parsons, 1971; Allen, 1974), this situation involved not only the introduction of economic forms of modernity but also the assimilation of cultural and psychological traits associated with modern, urban social arrangements.

the new formulations, the Americanized society is organized on technical ability and merit. The allocation of resources, including space, is achieved following rational and scientifically based choices, oriented toward the satisfaction of the entire society.

Alternative theories of development (e.g., Amin, 1980; Frank, 1969; Wallerstein, 1974; Cardoso and Faletto, 1979) pointed out the inverse relationship between economic growth in advanced societies and underdevelopment. Their critiques were directed not only at the economic consequences of the moderni-zation model but also at the significant injuries generated at the cultural, environmental and spatial levels. They emphasized the depletion of local natural resources and the destruction of indigenous culture and knowledge generated by the indiscriminate introduction of processes of colonization. Moreover, they underscored the explicit as well as implicit effects that the de-rooting of local ways of life have for individuals and societies in the developing world. The indigenous use of space, along with other expressions of these societies, became backward elements which were to be replaced by the modern Western forms. The local village, the market, local spatial practices were undervalued, while the practice itself was legitimized by ambitious imageries of future fast economic growth [3].

Central to the project of the modernization school was the assumption of *a spatial unity between the economy and socio-political spheres*. Following classic theories of development (e.g., Durkheim, 1984; Weber, 1958) and the Keynesian economic doctrine, it was maintained that sustained expansion of capitalism has to be paralleled by forms of control of unwanted social consequences. More specifically, laissez-faire postures were rejected, arguing that unregulated individual interests and utility maximization resulted in social disintegration rather than spontaneous order. Importantly, the exercise of control was spatially defined. Though it was recognized that forms of international control of unwanted social consequences of economic expansion ought to be pursued [4], regulation of economic processes was primarily exercised at the community, regional and/or national levels. Indeed, in modernization projects national boundaries were

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[3] Alternative views to modernization (e.g., Marcuse, 1964) also emphasized that behind the mass participation in higher living standards and consumption patterns rest more regressive patterns of control and oppression. The material abundance drastically reduced the capacity of scrutiny of existing social arrangements and consequently almost completely eliminated the possibility of resistance. This situation evolved despite the continued existence of significant pockets of poverty and processes of socio-economic marginalization within advanced societies and sharply growing gaps between developed and developing regions.

[4] The post-World War II creation of various regulatory agencies within the United Nations as well as the creation of "unofficial" organizations such as the Trilateral Commission attest to attempts to regulate the economy at the international level.

identified as the territorial limits of these actions [5] (Bonanno, 1993: 342)[6]. Consequently, the role of the national state was increasingly viewed as that of an agent redistributing and redirecting allocation of resources as well as mitigating unwanted consequences (Galbraith, 1967). Moreover, it was assumed that investments aimed at the creation of productive structures and jobs would produce results in the same spatial area. Development committees at the regional and local levels, for instance, became expressions of the actions of local groups aimed at securing the 'presence' of development patterns i.e., they acted believing that the generation of profit at the local enterprise level would create multiplying waves of benefits for the community.

Following Lefebvre's analysis, the Fordist organization of space became "real" through the practices of social actors in their historical context, social interaction and conflicts. The geographical concentration of capital, the rigidity of the social relations of production, the sustained economic growth in the first world, the possibility of identifying capital with the country of origin, and the relative ability of the state to redistribute wealth, among other things, supported the constitution of this particular construction of space. Alternative views, while still available, were marginalized as scientifically inadequate, ideologically biased, not heard, or simply 'wrong'. The process of consolidating the acceptance of the Fordist conception of space reified it in the eyes of scientists, politicians and planners who employed it as a black box whose original and constructed elements were taken for granted (Latour, 1987).

The end of Fordism and global post-Fordism: the spatial fracture

As previously pointed out, Harvey (1990) argues that changes in the relations of production tend to be worked out through alternative spatial arrangements. The

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[5] The exemplary work W.W. Rostow (1960) identifies the nation as the context within which socio-economic development unfolds. He depicts the evolution of the economy of nations as a sequence of stages necessary to reach the maximum level of development which he equates with "mass consumption".

[6] Though sharply differing from the modernization approach, the dependency school (e.g. Frank, 1969; Cardoso and Faletto, 1979) as well as the ECLA school (Prebisch, 1979; Singer, 1964) also maintained the centrality of the nation-state as the locus of the recomposition of socio-economic processes. According to these theories, nations cannot be viewed as separate autonomous entities operating independently in the world system. On the contrary, they are linked with other nations through development patterns involving the uneven transfer of wealth. In so doing, these conceptions point out the limits that individual nations have in terms of autonomous plans for socio-economic development. Despite their emphasis on imperialism, dependency and world system theories continue to maintain the centrality of the nation. They underscored the ability of national capital to penetrate other social formations (i.e. societies) to benefit "metropolitan" interests against interests of peripheral countries. These processes of exploitation are augmented by the creation of imperialistic spheres of influence and inter-imperialist competition.

transition from Fordism to global post-Fordism [7] can be viewed as a realignment of productive relations and consequently as a context for new spatial forms. An exact date for the break between Fordism and post-Fordism is difficult to pinpoint. Moreover, it would be premature to argue that the core elements of Fordism are in permanent eclipse. Current conditions contain too many uncertainties and the nascent restructuring is an ongoing process involving many experimental strategies. Consequently, any portrayal of the new arrangement's salient aspects has to be tentative.

Nevertheless, the early 1970s have been viewed as a point of reorganization in the evolution of post-war capitalism (Mingione, 1991). By that time, the impact of two international movements significantly undermined the conditions for the existence of Fordism. First, within advanced capitalist societies, the Fordist regime was challenged by social movements which demanded changes in the redistribution of wealth and in the control of the production process. Political and economic actions led by trade unions were a hallmark of the social terrain of the 1960s. Both in Western Europe and North America, unions were successful in their demands for further increases in worker remuneration and, more importantly, for greater participation in directing enterprises. Both of these worker gains violated the conditions of Fordism. Increased labour costs translated into declining returns to investment for firms. Further, labour's greater control over the production process signified a weakening of the rigid separation between the control and execution aspects of production. In light of these changes, the organization of production in advanced capitalist societies became an "organized negotiation" between labour and management that was mediated by state actions (Offe, 1985; Dahrendorf, 1959). Union-led movements were paralleled by other socially-oriented organized activities, such as students' movements and civil rights movements, which demanded that subordinate segments of the population be granted further participation in all social realms. The political successes of these forces placed constraints on dominant groups' activities.

The second factor refers to the development of anti-Western, anti-modern movements in developing countries which resisted established patterns of core-periphery relations. National liberation movements, OPEC, Islamic fundamentalism and other expressions of resistance redefined the shape and extent of the flow of wealth from developing to developed countries. Though these movements were certainly not able to reverse the disadvantaged position of Third World countries, they challenged the existing international division of labour and the terms through which resources in the periphery were made available for the development of the core. By altering the terms of exchange, these movements established new con-

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[7] The end of fordism has been associated with a number of factors. Some observers have pointed to technological changes as the major force generating the restructuring of the production process (Lipietz, 1987, 1991). Others have noted that political changes allowed a freer and therefore more rapid circulation of capital. This situation mandated, in turn, a reshaping of the production process (Bullock, 1991). Still others have indicated that the current restructuring process is the tail end of a long wave of production reorganization dating back to the 1920s (Gordon, 1988).

ditions which forced the developed West to pay higher economic and political 'prices'. The oil crisis of 1973-74, the crisis of the dollar, and the consequent end of the Breton Woods parity system are some outcomes of the realignment process of north-south relations which severely taxed Fordist enterprises. In essence, firms were confronted with increasing costs of production and diminishing political spaces for action. Governments were faced with declining resources and increasing social demands, resulting in the development of chronic fiscal crises.

Confronted with declining profits and opportunities for capital accumulation, entrepreneurial and financial classes experimented with new strategies for economic growth. Though resisted both domestically and internationally, these attempts matured into that complex of international relations referred to as global post-Fordism.

The central feature of global post-Fordism is the concerted effort to diminish *rigidity* and increase *flexibility*. More specifically, this situation refers to the effort to eliminate all constraints to the free mobility of capital and to maximize its speed of movement. This process is manifested in the enhanced capacity of capital to bypass local, regional and national controls and to do so with growing rapidity. In other words, the core dimension of global post-Fordism refers to the hypermobility of capital across the globe and the consequent weakening of nation states' capacity to regulate and plan the development of their economies and other environments. A number of specifications should be added to this general definition [8]. Among these, it is central to mention that new forms of instant communication, transport, credit and other innovative technological mechanisms facilitate connections between locations which counter the effects of the dispersion of decentralized operations to distant geographical locations (Harvey, 1990). This situation reduces the spatial and temporal dimensions typical of Fordism. Harvey refers to it in terms of "spatial-temporal compression" to indicate that space and time have been reformulated to facilitate a maximum extension and velocity of operations.

A prime example of the post-Fordist spatial-temporal compression and of the new restructuring of space is "global sourcing". Global sourcing refers to strategies in which firms seek the least expensive factors of production on an unlimited worldwide basis and speedily decentralize operations accordingly. In addition to greatly enhancing the range of economic choices, global sourcing vastly improves the firm's leverage with labour and the state. Workers understand that higher wage demands or unwillingness to accept cuts will 'force' the operation to be relocated. Public bodies operate with the same awareness. Many states have 'economic development' programmes that use tax abatements and various other subsidies to attract or simply hold businesses. Firms seek settings

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[8] For a more detailed description of these specifications see Bonanno (1992). Important aspects of global post-fordism include: decentralization of production; transformation of the nature and quality of work; the emergence of a new form of transnational capitalism, and the preservation of financial centres and research capacity within countries of the first world.

with good 'business environments'. While this concept often includes qualities such as a skilled labour force and highly developed and maintained infrastructure, it also very frequently means low wages, weak unions and lax regulation of the workplace and environment. For example as illustrated in a recent study (Bonanno et al., 1993) poultry producers avoid having to deal with very high environmental costs by seeking sites where environmental legislation is less stringent. Hence, they selected Oklahoma over nearby Kansas, and should regulation be increased in Oklahoma they might move to still another state or outside the nation (Giardina and Bates, 1991).

Following this pattern, manufacturing has been relocating in regions characterized by relatively low wages, a docile labour force, adequate infrastructures and favourable legal framework (Reich, 1991; Ross and Trachte, 1990). These regions are often located outside the boundaries of advanced Western societies such as the United States. In terms of regional development this situation signifies that the availability of manufacturing jobs and investments depends increasingly on worldwide competition based upon low production costs and increased efficiency (Pitelis, 1991). Additionally, the availability of jobs and investments is increasingly linked to processes which are global in nature. Finally, local wages tend to be determined by factors operating outside the local labour market. More specifically, they are determined by labour pools existing in other regional contexts which become attractive for investments, or by labour pools which can be brought in, displacing local workers (Gouveia, 1992; Mingione and Pugliese, 1994). Global sourcing, therefore, contributes significantly to the declining capacity of the local, regional and nation states to protect their people and to determine their own developmental path (Lambert, 1991: 9; Mingione, 1991). This situation *does not* mean that all dimensions of the state have been necessarily weakened (e.g., police and military power and assistance to financial segments of society have often been increased [Pitelis, 1991]). Furthermore, it does not signify that prerogatives associated with the role of the state have been permanently eliminated. Instead, global sourcing has been paralleled by the transferring and/or delegating of state prerogatives to the non-public sphere as a consequence of a complex and contradictory set of phenomena. The latter refers to, among other things, the actions of transnational corporations, the implementation of neo-liberal economic policies and the emergence of supra-national regulatory agencies. However, from a spatial viewpoint, global post-Fordism fractures the spatial unity of the economic and socio-political spheres which characterized the Fordist phase of capitalist development. The qualitative difference between Fordism and global post-Fordism rests in the fact that capitalism operates increasingly outside of traditional spatial boundaries, while the State remains confined to finite jurisdictions. This gap restricts the state's regulatory role and its overall ability to control undesirable consequences of economic expansion. In essence, the public sphere's capacity for planning socio-economic development and providing coordination for stable long-term profit seeking, which were 'successfully' experimented during the Fordism era, has been crippled.

As indicated above, the spatial unity of the economic and socio-political spheres resulted in the establishment of patterns of relatively controlled development. The negative consequences of capitalism were maintained within socially accepted boundaries by the growth of profits, wages and welfare and by the consequent inclusion of larger and more diverse segments of the population into the mainstream of middle class society. In global post-Fordism the restored profitability of capital is maintained at the cost of weakening welfare systems, diminishing wages and increasing class polarity. For example, in the last decade, in the once most economically advanced country in the world, the US, welfare programmes have been significantly reduced and important programmes severely restructured or simply eliminated (Strobel, 1993; Mishel and Bernstein, 1993). Labour remuneration declined while the remuneration of capital escalated. Weekly earnings of American workers, measured in constant dollars, declined to levels equal to those of 1960 (Strobel, 1993: 49), while productivity increased at a steady pace after 1979 (Mishel and Frankel, 1992: 71). Indeed, the income growth of the top 5% of American families increased 15.6% while the top one per cent experienced a 62.9% income growth (Mishel and Bernstein, 1993). In 1959 the sum of the earnings of the top 4% of American families was equal to those of the bottom 35%. Today, the earnings of the top 4% is equal to those of 51% of all American families (Barlett and Steele, 1992: 9, 40). In essence, global post-Fordism signifies that while accumulation of capital still occurs it does not necessarily happen in a spatially immediate manner nor does it benefit all segments of society.

Global post-Fordist hyper-mobility of capital is paralleled by relatively lower levels in the mobility of labour (Bluestone and Harrison, 1982: 18; Strobel, 1993: 84-87). While capital can be moved electronically and investments allocated quite rapidly, reallocation of labour depends upon a number of time-consuming and spatially-constraining activities. These activities for instance can include the ability to get out of current housing situations and locate new arrangements, paying for moving expenses, or perhaps, changing schools for children or finding alternative employment for significant others (Strobel, 1993). Aside from the material logistics involved, numerous human realities keep labour tied to particular places. Places are often connected to personal and family histories, as well as social and affective networks, which are not easily left behind (Mingione and Pugliese, 1994).

The differential mobility between capital and labour produces consequences which are spatially manifested at the local level in a variety of dimensions. Most directly, the relocation of productive structures leaves behind local unemployment. Additionally, community efforts to enhance the protection of the environment, improve basic social services and other similar activities are often viewed as cost-increasing factors which weaken the business climate. Consequently, corporations seek more manageable communities where these 'barriers' to good business do not exist (Barnet and Muller, 1974; Wasylenko and McGuire, 1985). Even in the case of communities which are 'successful' in gaining external

investments, they typically have to make concessions in terms of regulations and/or accept low wage structures which negatively affect community well-being (Freudenburg, 1992). More importantly, economic and fiscal concessions to corporations translate into an erosion of local resources which signifies a decreased ability for the community to fulfil social demands (Bluestone and Harrison, 1982; Strobel, 1993). For example, a recent study (Gouveia, 1992) illustrates the case of a mid-western rural town where, in the aftermath of the mid-eighties farm crisis, local business and residents supported additional taxation to establish an industrial park. This initiative attracted a large business which, in turn, recruited and employed migrant alien workers rather than local unemployed residents, paid minimum wages and consequently overloaded the community's infrastructures and social services.

Implications of the spatial fracture for development planning

The reconstruction and contradictions of space brought about through the emerging social relations make efforts to co-ordinate socio-economic development and planning problematic. Despite the variety of development alternatives alluded to in the introduction, it is our contention that any local, regional or national planning of development that retains a Fordist conception of spatial relationships will face serious limits. We can identify at least three levels where these limits can be manifested.

First, planning based on Fordist conceptions of space will face limits in terms of organization and implementation as a result of the spatial fracture between the sphere of action of public entities and that of economic actors. Those in charge of planning are confined to jurisdictions that do not match the range of action of economic actors. What this means is that these latter actors have the ability to make decisions that cut across broader geographic boundaries. This is often the result of very deliberate calculations which take into consideration the very advantages included in the selection of one location over another. For example, pro-environmental legislation can be weighed against pro-industrial settlement legislation over a wide range of labour markets to find the optimal and less costly combination of factors of production. What results then is a decrease in the ability of local development efforts to assert socio-economic or environmental agendas that in some way attempt to bridle economic activities.

Second, the rearrangement of space under these new industrial conditions accentuates the already existing fiscal crisis of development agencies. Local authorities as well as national states intensely compete with similar entities in other locations for exogenous investments. This action involves expenses which are often financed thorough local taxation. However, there remains no guarantee that there will be new economic activities generated nor does it insure that the revenue generated matches the financial effort made to attract business in the first place. Indeed, because of the way in which capital operates within transnational corpora-

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Chapter 5

Ruralization and Rurality
Three Perspectives

Paweł Starosta *)

Recent years have witnessed a marked growth of interest in rural areas and villages in mass media and research. Problems connected with the countryside have also received a great deal of attention from politicians. One example was the 1987/8 European Campaign for Rural Areas carried out under the slogan "The rural challenge".

In the 1980s an intensification of activity could also be observed among associations and institutions propagating rural culture and architecture and the protection of nature and rural landscape. Examples here are ECOVAST or Europa Nostra. In this all-European debate sociologists also took part alongside representatives of other scientific disciplines. They attempted not only to describe and explain the phenomenon of rurality but also to influence its future form. Thus, we can see today an increasingly wide, partly planned and partly spontaneous social movement in favour of 'villages', 'rural areas' or 'rurality'. Under the influence of Redfield's concepts and rapidly progressing urbanization processes, however, that which is rural has been treated by most sociologists rather as a passive aspect of processes of social change, and sometimes even as artificially sustained folklorism.

The present paper tries to show that besides prevailing processes of urbanization, parallel ruralization processes are also occurring, which should not be treated solely as an early phase or defective form of urbanization. They are noticeable both in developing and in developed societies, although they naturally take different courses in each.

Rural-urban relations as a basis for ruralization processes

The reciprocal impact of the town on the village and the village on the town is not just a result of the last hundred years during which intensified industrialization processes could be observed. It has existed since the time such forms of human settlements as towns or villages first appeared on earth. Nevertheless, it is

*) I wish to thank M. Mormont for the detailed comments on the earlier draft of the manuscript. All shortcomings of the paper can, of course, be blamed only on its author.

Faced with the lack of identifiable differences between these phenomena, which are sufficiently explicit and relatively durable over time, some sociologists (Dewey, 1960) tend to consider the problem as either insignificant or insoluble. On the other hand, however, in many countries persistent differences between the city and the village imply a whole range of different social phenomena. In China those differences are still the basis for a caste-like system of stratification (Potter and Potter, 1990). It seems that the meanings of the terms 'rural' and 'urban', despite their comprehensive presentation, have varying semantic contexts. In other words, they consist of three semantic levels relating to various functions of these concepts, which are confused by sociologists in the course of discussion. These three semantic contexts are ideological, methodological and empirical.

The first means that both 'urban' and 'rural' are idealized and simplified sets of values, a focus for certain desires, drives and propensities to action. Any distinction between these two phenomena within the sphere of ideology is of an emotional-evaluative nature. In the process of definition we are referring, out of necessity, to imprecise impressions rather than to clearly-defined conceptual categories. Anyway, it is more important here to outline the frames of some philosophy of environment and life in this socio-natural environment than to use a precise network of concepts. In this context, as pointed out by Mormont, "Rurality is claimed not only as a space to be appropriated but as a way of life or model of an alternative society inspiring a social project that challenges contemporary social and economic ills" (Mormont, 1987: 18). Rural and urban are, thus, used as terms to express certain social ideologies with all the consequences ensuing for each ideology.

Secondly, the terms 'rural' and 'urban' perform a certain methodological function. This means they are sometimes used as measures by means of which sociologists attempt to describe changes occurring in a society. This is usually done by constructing ideal types as in the case of Max Weber or a rural-urban continuum, on which village and town represent sets of the same characteristics with opposite values. In such a situation it is quite easy to make some simplification of reality through pointing out and simply reversing changes or also taking into consideration only those common characteristics which can be presented as mutual, logically opposite phenomena (Bertrand and Wierzbicki, 1970). As with any ideal of a 'model' attempts are made here to identify absolute permanent characteristics, which would be also repeatable under different conditions, because only such characteristics would constitute the basis for a decent instrument of scientific analysis. Consequently, the processes of change and transformation of characteristics are ignored here to some degree. Lack of reliable and absolute knowledge about the nature of what is rural and urban leads, in our opinion, to rashly neglecting the usefulness of partial and limited knowledge about these phenomena.

And thirdly, the terms 'rural' and 'urban' refer to some concrete models empirically existing in a given society, in relation to which there is some tacit agreement that they should be treated as urban or rural. In this sense, rurality and

urbanity are dominant patterns of cultural behaviour of agricultural and non-agricultural populations, which can be explained in strictly defined historical and time contexts.

The above remarks lead to the following conclusions.

1. It is very difficult to formulate an explicit and firm definition of what is the very essence of rural and urban phenomena, and thus of the processes transmitting these features to the rest of society. This is due to transformations in these phenomena, which in the past were easily distinguishable as the village and the town. Moreover, it is also a result of using different empirical designations to determine rural and urban phenomena in different cultural circles. One of the commonest mistakes, for instance, is to compare characteristics of a relatively isolated, traditional 19th century village with a modern metropolis.
2. The methodological sense of the terms 'rural' and 'urban' should neither overshadow nor disqualify the empirical sense of these concepts and vice versa. In other words, certain empirical differences between these phenomena do not provide sufficient grounds to treat them as pairs of opposites. Certain similarities determined empirically do not constitute sufficient premises for stating that there are no differences between these phenomena.
3. Pure types of village and town only exist in the form of ideal conceptual constructs. In practice, primarily indirect forms are found. "Localities tend to be both rural and urban: they are rural-urban or as Charles Galpin (1955) suggests, rurban" (Wilkinson, 1991: 59).

Our efforts would be incomplete, however, if we did not attempt to outline certain elements or characteristics, which today make up the content of rural cultural models transmitted to the remainder of society. We can start with a statement that "in the linguistic sense the term 'rural' comes from Latin 'rus' and it means the word for room or open space, as does 'rustic', which means typical of the country. Rustic, however, also means simple and unrefined" (Wilkinson, 1990: 55-56). In the sociological tradition, we can find rurality being composed of three elements: the first of them is an environmental, the second an occupational, and the third a cultural element.

In the ecological sense, rurality unlike urbanity means: 1) a relatively small population density on a given area; 2) settlement structures characterized by an open spatial organization free from any sharp boundaries and fences; 3) strong ties with the natural environment as an integral element of human universe, and 4) local functions of a given population cluster.

In the occupational sense, rurality means "a particular occupational pattern, namely farming (or work in other industries producing raw materials), as the basis of sustenance organization" (Wilkinson, 1991: 56).

In the socio-cultural sense, rurality denotes a certain style of life based on systems of values, behaviour patterns and types of social attitudes of inhabitants

differing from those adhered to by urban inhabitants. "The fundamental difference between a city and a village, from the point of view of sociology, is not the mere size of the aggregates or the number of individuals of which they are composed, but the degree to which these different aggregates have been integrated and organized for concerted action" (Park, 1955: 14-15).

Also some contemporary sociologists understand rurality in terms of behaviour patterns and social attitudes. It seems that the main elements of the socio-cultural aspect "of rurality are such characteristics as particularism, affectivity, ascription, expressive-consummatory functional diffuseness, familism" (Loomis, 1960: 61). In the past, environmental-spatial, social (occupational), and socio-cultural aspects were closely interrelated. A division into rural and urban was relatively clear. The situation is more complicated in the contemporary world. The number of persons employed in agriculture and other industries producing raw materials is shrinking. Does it mean that environmental and socio-cultural aspects of rural phenomena have completely disappeared? I think not, and what is more, the environmental dimension of rurality is becoming increasingly important.

Three paths of ruralization

In our opinion, the contemporary ruralization processes in Europe are proceeding more or less according to three scenarios or paths. The first could be called a planned and deliberately stimulated ruralization process. Signs of it can mainly be perceived in the highly-developed countries. Another is a largely spontaneous process generated by industrialization in the countries of Central and Eastern Europe. This can be called socio-cultural ruralization. Finally, the third type existed in some countries of Latin America, and today it can be found, for instance, in Poland. It could be called class-occupational ruralization or ruralization through 'peasantization' of the countryside.

The starting point for the first process is criticism of industrial society, of its negative consequences for the psycho-cultural development of individuals and social groups, of its economic expansiveness leading to ecological crisis and profit-oriented subordination of the food sector to the rules of the industrial production. "The modern way of practising agriculture, which is rather orientated towards short-term economic goals, has caused numerous, formerly hardly known problems..... Another consequence of orientating the progress in agriculture towards industry is that many people migrate from the rural areas thus causing further problems. At the same time, the importance of agriculture has already decreased considerably in villages as in the whole society" (Muscher and Kölsch, 1989: 1-2).

Sociologists underline the loss of humanistic feeling in contemporary industrial civilization. Time and space in a contemporary city appear, first of all, as functions of production, labour productivity and efficiency. According to Chombart de Lauwe (1978) the city is an accumulation of technical means, machines

for dwelling, which ensure a supply of labour; fast roads speeding up exchange of goods and people. He claims that the modern city is not created for man but the other way round - man is being formed for the city. "Urban space is an expression of non-sense. Similarly, time is divided into its parts and calculated according to price-hours and amounts of manufactured goods. Even the so-called leisure time is a time for regenerating working abilities, and a time of cultural consumption, as well as a source of profit and an object of manipulation" (Jałowiecki, 1987: 21).

The above remarks indicate that economic and technological progress has allowed, on the one hand, the satisfaction of many material and consumption needs while, on the other hand, it has generated new needs in the psychic, cultural and social layer of the functioning of societies belonging to western civilization. They may be said to include lack of cultural identity, anomy of social life, escape into individuality, cultural unification. Taking all that as well as the ecological threat into account, the countries of Western Europe have launched activities intended to promote rural areas as places of employment, dwelling and cultural heritage.

Ruralization approached in this way possesses, first of all, an environmental aspect and is not merely an ideology of a simple return to the state of nature. While accepting achievements of the contemporary civilization it makes reference in its romantic idyllic image "to wide open spaces, scenic vistas, verdant growth, and a pastoral harmony, that contrasts sharply with the hurried activity and crowded conditions inevitably associated with urban living" (Rural Public Management, 1986: 12).

A point of departure for this type of ruralization is a critical analysis of industrial society. The objectives of ruralization are ecological equilibrium, a community as a basic form of social life and biodynamic agriculture producing healthy food. This process is characterized by activities partly planned and deliberately implemented by appropriate circles of decision-makers and experts. In order to disseminate the models of rurality, the promoters use special development programmes and propaganda via the mass media. This process is accompanied by the promotion of values connected with the so-called rural lifestyle and criticism of values composing the urban lifestyle.

The ruralization process in developing societies proceeds in a somewhat different way although some similarities do exist. A starting point continues to be the problem of productivity in industry. A relatively low level of farm mechanization and extensive development of industry in these countries means that rural areas are still regarded as a source of cheap labour for industrial production. The rural environment is deprived of many infrastructure facilities of the contemporary civilization and in social awareness it is perceived as a poorer part of society. The city is a symbol of freedom, development of civilization, a place offering a wide variety of lifestyles. The village remains under strong influence of traditionalism and conservatism in social life.

In the ideological sense there predominates here a stereotype of the Marxist "idiotism of rural life", whose basis is constituted by the peasantry, "a relic of the past". Human effort and social consciousness of many people are oriented, first of all, to satisfying basic material needs. Ecological awareness is poorly developed. The village is treated mainly as an environment lacking the comforts of civilization. Cultural priorities give way to economic priorities. Profit by any means and consciousness of the demands of capital underline a fascination with free-market capitalism. At the same time, processes of the embourgeoisement of society can be seen, particularly of the peasant class possessing its own means of production (Szelenyi, 1985; Kovach, 1990). However, as a result of massive migration of rural populations to cities, the rural value systems, traditional behaviour patterns and rural elements of material culture are automatically transferred to cities and other social groups by migrants from rural areas and part-time farmers.

"This flow of population, transferring with itself its habits, behaviour patterns and ways of thinking, its ideas and systems of value had serious social effects. A lot is being said and written about urbanization of Poland, about a transfer of people to towns and cities, about an impact of urban culture on rural communities and transformation of their culture. On the other hand, systematic studies of the peasant invasion of towns and cities, or the ruralization of urban culture resulting from this population flow are missing" (Szczepański, 1973: 205). This type of ruralization is occurring not only in the countries of Central and Eastern Europe but also in South America and Asia. On the basis of many studies of large cities from these regions, Pahl claims that "urban villages exist in the centre of cities in which there is a high level of social cohesion based on interwoven kinship networks and a high level of primary contact with familiar faces" (Pahl, 1966: 302).

The main characteristics of the process of cultural ruralization are as follows. A point of departure is a critical analysis of the rural milieu as a synonym of tyranny and hard work. This process is accompanied by an apotheosis of the town ideology of extensive economic growth and profit at all costs. The system of rural values is considered to be a barrier to social promotion. Mainly as a result of socialization and upbringing, rural patterns of behaviour are disseminated and are readily internalized by the city population of peasant origin. The dissemination of rural models takes place both through migration from the countryside to the town and through a transfer of the rural population to non-agricultural jobs.

The third type of ruralization can be found in some countries of Latin America. This is a process of expansion of the peasant class as a counterbalance for processes of proletarization and marginalization of the peasantry. The process was described in greater detail by Stavenhagen (1974), who called it 'peasantization' of the countryside. Ruralization through peasantization is an alternative to concentration of land and technical trade assistance only for large farms. It represents a temporary solution to conflicts of interest appearing between a

rapidly enriching and quantitatively diminishing class of big landowners and a growing mass of poorer and poorer agricultural hired labourers. Ruralization through peasantization has a social character, because it results in a certain social class being preserved as a significant element of the global society's structure. The socio-economic status of this part of the structure overlaps, to a large extent, with the idea of agrarian socialism. In its assumptions, the principle of diminishing social distances is more important than the principle of profit maximization (Lipset, 1967). In Poland, this type of ruralization began to intensify after 1989. As a result of the economic crisis and removal of the hidden labour surplus in industry, the number of part-time farmers in the entire economy was reduced considerably. Persons employed in urban industrial firms lost one of their sources of livelihood and became again members of the exclusively peasant class. Meanwhile, lack of jobs in the countryside meant that land became again the main source of livelihood for many inhabitants of villages. Possessing land helps to mitigate the consequences of unemployment caused by industrial firms going bankrupt. The surplus of redundant labour is temporarily retained in villages by operating of small and medium-sized farms. Thus sudden impoverishment is partly checked. Processes of social polarization are checked too and social conflicts are defused. However, an obvious consequence of the third type of ruralization is growth of hidden unemployment in rural areas.

Conclusions

This article draws attention to the advisability of using 'ruralization' as a term denoting phenomena parallel to urbanization. The social process called ruralization occurs at three levels, which are not necessarily integrated with one another; environmental ruralization, psycho-cultural ruralization and class-occupational ruralization. The ruralization phenomenon has a clearly defined historical-spatial context, and that is why there is no common pattern of ruralization. Instead, only certain types are found depending on socio-cultural foundations of a given society. This means that ruralization is not reduced here to a solely psycho-social phenomenon. It is not treated solely as a relic of the past. The three types of ruralization distinguished in the paper dominated in different periods of development of industrial society. The psycho-cultural ruralization seems to be typical of an early phase of industrialization. In fact, it signifies the ruralization of cities during the initial phase of industrial urbanization. In turn, the class-occupational ruralization appears mainly at a later stage of industrialization. First of all, it occurs in countries where sustained growth predominates. This is, in fact, the ruralization of the countryside. Finally, the third type of ruralization seems to be emerging along with the crisis of industrial society, and it is a social process taking place in both rural and urban areas. Rurality assumes here not the form of cultivating traditions and supporting the peasant class but

were perceived primarily as 'resources' and as part of the 'toolkit' of a 'modernity' project aimed at isolating the central driving forces and mechanisms of social change.

Later, sociologists concerned with issues of popular education argued that 'external' forms of knowledge needed translation in order to become effective in local development. These translation tasks were the mission of so-called 'popular promoters', *animateurs*, 'change agents', and the like, whose assignment was linked to the overall goal of using knowledge for transforming society in an effort to achieve greater equity and political participation (see, for example, Freire, 1970; Galjart, 1980 and Fals Borda, 1981). In this way the worlds of research and development practice became interconnected through the discussion of how to organize and use knowledge and science appropriately [2].

More recently, the sociology of knowledge has embraced a social constructivist perspective which provides fresh insights into how 'expert' and everyday forms of knowledge relate to development processes. For instance, Knorr-Cetina (1981), studying 'practical epistemologies' within science, has shown how expert scientific knowledge is produced and re-created not simply in the laboratories of research institutions but also in the canteens and corridors of scientific establishments. Parallel views within the field of development studies have been expressed by Robert Chambers (1983) and Paul Richards (1985) who argue that the practical everyday knowledge of ordinary people can enrich 'science' and improve development practice. Thus two rather different research strands converge in insisting that rather than exploring the nature and epistemology of knowledge in an abstract and formalist manner, we should open the path to a re-evaluation of science-in-the-making. Such a perspective takes full cognisance of social actors, their values and understandings in the construction of knowledge, and in the scientific design for alternative or competing 'projects of society'. It also takes a stand against treating science and everyday knowledge as being ontologically different.

Hence the demystification of science through the ethnographic study of scientific practice and everyday knowledge brings into perspective a whole new set of images and representations of how the social world is constructed and organized. From this new standpoint, a fresh panorama unfolds where the interplay and interfaces of local people and scientists become central to the production of more acceptable and 'human' solutions aimed at countering the 'supremacy' and 'excesses' of modern technological and economic development.

These various attempts to study and analyse expert science, scientists' interests, and people's knowledge and aspirations opened the way to detailed ethnographic studies on how knowledge is created and used by all sorts of actors in their practical attempts to cope with issues of livelihood and planned intervention by outsiders. But the creation and transformation of knowledge, we argue,

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[2] See also Scott and Shore (1979) who explore these issues by dichotomizing, in our opinion somewhat unconvincingly, between 'knowledge for understanding' and 'knowledge for action'.

can only effectively be studied and analysed through an appreciation of how knowledgeable and capable actors – whether peasants, bureaucrats or scientists – build bridges and manage critical knowledge interfaces that constitute the points of intersection between their diverse lifeworlds (Arce and Long, 1987; Long, 1989; Long and Villareal, 1993). This requires giving close attention to the practices of everyday social life, involving actor strategies, manoeuvres, discourses, speech games, and struggles over identity networks and social imagery, since only in this way can one tease out the intricacies of how knowledge is internalized, used and reconstructed by the different actors. It is in this way that an actor-oriented perspective on knowledge and knowledge encounters can help us go beyond earlier social constructivist views which tend to suggest a dichotomized representation of different forms of knowledge (i.e. in terms of 'modern science' versus 'peoples' science', 'external' versus 'local' knowledge) [3].

This new focus concentrates upon exploring how practices are organized cognitively and enacted in everyday performances, not as self-contained cultural or institutional systems of social thought that frame or guide behavioral responses. An actor-oriented perspective refuses to draw sharp distinctions between different kinds of knowledge on the basis of their origin, pedigree and so-called authority. Knowledge is generated and transformed not *in abstracto* but in the everyday contingencies and struggles that constitute social life. It is not given by simple institutional commitments or assumed sources of power and authority, but rather is an outcome of interactions, negotiations, interfaces and accommodations between different actors and their lifeworlds.

In other words, as an analytical concept, knowledge does not have rigid social boundaries. Nevertheless it remains a usable concept. The lack of commonality in the concept of knowledge (i.e. the contradictions, inconsistencies, struggles and negotiations that it implies) means that there are many different intersecting knowledge frames – some more diffuse and fragmented than others – that intersect in the construction social arrangements and practices. These 'multiple realities' may mean many things and entail different rationalities at the same time to the actors involved, but somehow they are contained and interact within the same social context or arena [4]. It is these knowledge encounters and interactions that generate locally-situated knowledge, whether this takes place in the setting of a

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[3] This dichotomized view can be traced back to the lively anthropological and philosophical debate about the 'rationalities' of 'modern' versus 'traditional' peoples (see, for example, Horton, 1967; Horton and Finnegan, 1973 and Hallpike, 1976). In this process anthropologists discovered the value of relativism through asking questions concerning "what it is to be modern" across different cultures and peoples. As Mary Douglas's work shows, this implicitly means a break with western philosophical conceptions, leading to the exploration of alternative cultural understandings of fundamental natural, social and institutional phenomena, including the so-called 'trivia', 'habitus', 'customs' and 'manners' of social life (Douglas, 1975).

[4] Van Velsen's (1964 and 1967) depiction of how 'situational analysis' enables us to grasp the ambiguities, inconsistencies and conflicting interpretations of normative orders is an early attempt to place the issue of social discontinuity at the centre of analysis.

research station or on the farm, or even among tramps or drug addicts in a large, metropolitan city. In developing a methodology for studying such processes, we necessarily leave behind epistemological debates about the nature of knowledge and of knowledge universals. Instead we aim to analyse specific knowledge interfaces in order to understand how knowledge impinges upon the re-organization or 'ordering' processes of everyday life (Law, 1993). We do this by ethnographically following actors' uses and transformations of knowledge. Yet we also build upon the insights of previous theoretical work that has finally exploded the 'project' of a western philosophy of science through according detailed attention to the complex practices of science as constructed by actors [5].

In the following sections we develop our theoretical perspective through a discussion of a number of interconnected issues concerning the centrality of knowledge processes in understanding rural development. We illustrate our arguments by reference to recent empirical cases which, broadly speaking, adopt an actor perspective.

Users of technology and actors' knowledge

A recent study by Leeuwis and Arkesteyn (1991) on the use of information technology (i.e. computerized production models) among Dutch farmers argues that the category of knowledge 'users' must be extended beyond farmers-as-clients to cover also government agencies and farmers' organizations wishing to use technology to improve their competitiveness *vis-à-vis* other producer groups, to researchers and extension workers who deploy it to promote their own models of farming, and to agro-industrial enterprises that seek to tie customers to their business interests. Leeuwis and Arkesteyn suggest that conceptualizations of the uses and information needs of such technologies are often problematic because these depend upon how the various actors involved perceive and assess them. Technology dissemination and use cannot be simply understood in terms of the target group for which the technology has been originally designed, since the process is constituted by a wider constellation of enroled actors. Hence it is impossible to link the use of a certain body or type of knowledge to a specific stakeholder category; nor can one assume a set of common interests in developing, diffusing and utilizing a particular technology. Even the farmers (in this case Dutch cucumber producers) will interpret the value of the technology and deploy it quite differently in accordance with their variable interests and social circumstances. In this example, Leeuwis and Arkesteyn show how particular software programmes are differentially used, even to the extent that some farmers re-write

[5] Compare Evan-Pritchard's (1937) treatment of the situational logic of Azande witchcraft and magic with Knorr-Cetina's (1981) study of the social construction of science in a high-tech laboratory of Silicon Valley, California.

the programmes and create new versions which are then marketed through their networks, thus, as it were, reclaiming their own knowledge expertise *vis-à-vis* 'the experts'.

In order then to understand these complex processes entailed in the development, dissemination and utilization of technological knowledge, it becomes necessary to explore ethnographically the network of actors enroled, and to assess the transactions involved in the construction and the representation of such knowledge in actors' everyday lifeworlds.

Informal networks, organization and knowledge

In a second Dutch study, Hilhorst (1993) explores the ways in which knowledge is assembled by women farmers through combining informal networks with the membership of a multiplicity of women's organizations set up to represent them. In her study, agrarian women organize their own networks for the circulation of information concerning farming practice, such as the raising of cows or the pruning of fruit trees, or concerning social problems, such as how to draw up a will or to deal with family disputes involving the division of tasks within the household or how to cope with economic crisis on the farm arising from mounting debts. This knowledge network builds bridges between women's lifeworlds and cross-cuts official women's organizations 'representing' them. These informal ties function as binding elements in the lives of rural women, often more than do formal organizations since the latter are, for some, too remote from their everyday experiences and interests. However the experiences that women gain from participating in official organizations feeds into their existing interpersonal networks, thus generating a complex and changing pattern of loyalties, affiliations and perceptions. This cross-cutting configuration of knowledge and interpersonal organization forms the basis upon which specific items of information, new world views and various types of social support are acquired, internalized and reworked *vis-à-vis* specific problematic situations.

A major implication of this study is that we need to understand the significance of these social networks and modes of knowledge creation and transformation, if we are to go beyond institutional analysis that gives undue emphasis to formal patterns of organization, communication and information-seeking. Hence an actor-oriented approach enables us to appreciate the essentially differentiated character of women's lives and meanings, while at the same time revealing the organizing nature of knowledge in action.

Knowledge interfaces and lifeworlds: accommodation and distancing

A related issue we now wish to explore concerns the notion of knowledge as an accommodation between different actors' lifeworlds. In order to do this we need

to introduce the idea of 'knowledge interfaces'. We define interfaces as the critical points of intersection between different social fields or domains of actors' practices where discontinuities, based upon differences of existing lifeworlds, values and social interests are most likely to be found (cp. Long, 1989: 1-2 and Long and Long, 1992).

One such type of interface can be identified where government or outside agencies intervene in local contexts to implement development programmes. The encounters and interactions that develop between intervening agency personnel and local so-called 'recipient' groups generate situations wherein conflicts of knowledge and interest take place. These encounters cannot be analysed adequately within a framework of generalized conceptions such as 'state-peasant relations' or by resorting to normative notions such as 'local participation' or by reducing the situation to a simple confrontation between 'exogenous' and 'endogenous' knowledge.

These interactions must be analysed as part of the ongoing processes of negotiation, adaptation and transfer of meaning that take place between the specific actors concerned. This is a difficult research topic but one which, we believe, is central to understanding the intended and unintended results of planned intervention carried out 'from above' by public authorities, NGOs or development agencies, or initiated 'from below' by diverse local interests and organizations. The interaction and accommodation between lifeworlds entails both covert and overt power processes as well as the interweaving of contrasting, and even seemingly incompatible, bodies of knowledge. Indeed the field of rural development involves not so much a confrontation of epistemologies but rather an accommodation between distinct knowledge repertoires based upon different conceptions of 'society' and 'nature', and the implications these different cosmologies might have for negotiating and defining development practices such as 'participation', 'accountability' and 'organizational efficiency'.

These processes can be illustrated through a case study drawn from our research in Western Mexico [6]. The study concerns a struggle between two social groups with different views of local development: one in favour and the other against the revival of export-oriented fruit and vegetable production as a means of rejuvenating the local economy (see Arce, 1990 and 1994). The case brings out how state authority – as applied by one prominent government field officer arguing the case against a return to export agriculture – is challenged and eventually subverted by the political skills and practices of a single farmer. The actor in question develops a repertoire of knowledge that makes him indispensable to the other actors and manages to lock a majority of farmers into his own

[6] This project was directed by Norman Long and carried out in the Autlan-El Grullo region of the state of Jalisco during the period 1988-1990. The work involved a team of Dutch and Mexican researchers exploring different aspects of the regional political economy from an actor-oriented perspective. The research was funded by WOTRO (the Dutch research council promoting tropical studies) and the Ford Foundation. Several monographs and publications have resulted (see for example the Mexican chapters and bibliography in Long and Long, 1992).

politico-economic 'project'. He builds a powerful internal and external network based not merely upon his persuasive advocacy for agro-export production, but also upon his practical organizing capabilities, which he deploys to make contact with multinational agro-food companies and with officers of the Ministry of Agriculture, and to negotiate access to plots of land in a newly-constructed irrigation system to which, formally speaking, local farmers had no *de jure* use-rights. Hence, in these ways, he is able to redefine farmers' roles and economic priorities *vis-à-vis* the authority of the Ministry and central government.

This case also brings out how local actors' knowledge and strategies can open up room for manoeuvre and negotiation within local-level interfaces. It emphasizes that, though often diverse and conflicting, knowledge at the interface provides the basis upon which bridges can be built between actors who apparently espouse opposing interests and evaluate information quite differently. This allows for modes of accommodation to develop which, at least for the time being, make it possible for the actors within specific networks to achieve certain negotiated goals. In this way contrasting lifeworlds, institutions and diverse economic interests – that will always contain the seeds of antagonism – are brought together creatively in the construction of 'new' cognitive and organizational options.

Recognizing the significance of accommodation processes within knowledge interfaces should not, however, imply that knowledge discontinuities can always be overcome through negotiation. Indeed, as we have demonstrated elsewhere (Arce and Long, 1987 and 1992), knowledge conflict often reinforces the existence of opposing world views and practices, especially when we consider the struggles that take place during the implementation of development projects. Development represents a 'battlefield of knowledge' within which different visions of needs and priorities are fought out. The outcome of these struggles is often to further distance bodies of knowledge, not only for instance those separating peasants and field officers but also between the latter and their senior office staff. Furthermore, this distancing frequently generates areas of ignorance which perpetuate the unequal distribution of power based upon social relationships that reproduce the superiority of 'expert' over 'local' forms of knowledge.

This point of view conflicts with Giddens' (1990: 21-9) characterization of 'expert systems' as 'disembedding mechanisms' that 'lift out' social relations from local contexts of interaction and restructure them across 'indefinite spans of time-space'. This, he claims, essentially undermines the validity of 'lay' knowledge and 'local' organizing practices in favour of modern technology and science which people must trust and rely upon because they possess little knowledge of the workings of these modern 'technicalities'. What this view fails to appreciate sociologically is that 'ignorance' is systematically generated (see Hobart, 1993) and reproduced through the dynamics of knowledge interfaces. These interface dynamics involve both face-to-face and more distant relationships, create new kinds of social actors and new social arrangements and organizing processes. These new social relations must be critically deconstructed and analysed in order to understand precisely how much clout so-called 'expert systems' carry within

the 'project of modernity'. Only in this way can we unravel the ambivalent attitudes that actors have towards science and expert knowledge, and understand the power contests that arise from the confrontation and negotiation of different bodies of knowledge.

This perspective allows for a more sophisticated interpretation of how changing scales of social relations, institutions and disputed knowledge claims create new values and social commitments. These processes thereby beget new types of agency such as those represented by changing interpretations of social action (both lay and expert) and novel organizing practices at both the level of social interaction and *vis-à-vis* various 'imagined communities' which shape individuals self-perceptions and identities.

This approach places knowledge issues at the centre of a more grounded theory of action that is important for reinvigorating the field of development studies and social science in general. Far from being an issue of an abstract kind that some sociologists of knowledge might delight in, these observations reveal the pivotal character of knowledge, its use and transformation in the practices of development, and stress the analytical significance of an actor-oriented strategy for unravelling intervention and local organizing processes.

Development conditions and knowledge controversies

As already noted, knowledge is not merely part of a theoretical framework for analysing the relationships between theory of action and the practices of development. It also a provides a focus for identifying some of the most critical dimensions in rural development intervention. Such dimensions can be illustrated through the exploration of a number of knowledge controversies that arose within a Mexican development project. The case brings out the close connection between concepts used to describe conflicts and negotiations within rural development projects and our own critical actor-oriented assessment of 'experts' designed processes of agricultural modernization and development [7].

In 1981, Agrover – a Hungarian Co-operative that was exporting its expertise via the government SAM (*Sistema Alimentario Mexicano*) programme – initiated an agricultural development project in Lomas de Tejeda, an ejido in western Mexico. The project was aimed at solving local rainfed agricultural problems through the promotion of a technological package combined with producer participation. The participatory element was included in order to ensure farmer commitment, and was based on the assumption that farmers would respond positively to the logic of technical expertise and the market incentive. In short, participation was unashamedly conceived of as a social tool that could be manipulated by of-

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[7] For a complete version of this case see, A. Arce (1993), *Negotiating agricultural development: Entanglements of bureaucrats and rural producers in Western Mexico* (Wageningen: Wageningen University Press), Chapter 7: 146-163

fering monetary rewards to producers through increased marketing of maize, credit provision for machinery, payment of labour, crop insurance benefits and the building of a small irrigation scheme. The interests of producers, it was assumed, were primarily driven by the desire for cash and commodities. Furthermore, the use of a technological package or 'recipe' approach disregarded any previous local modes of managing agricultural change, thus marginalizing existing bodies of knowledge, skills and experience. National political pressure for an increase in rainfed production through the introduction of new technologies reinforced this trend and encouraged the project to view any local initiative as an unwelcome challenge to external authoritative constructions of rural change and 'progress'.

This orientation led to a series of struggles between local producers and the technocrats. In this way, the project became a power arena characterized by a tussle over whose knowledge was to blaze the path to progress. These struggles centred around the meanings attributed to, and the social implications of, particular strategies in relation to the production of maize. For example, while producers acknowledged that the Hungarian system of applying fertilizer on the flat was an improvement on existing practices in terms of labour input and predicted levels of productivity, they were less secure in terms of the survival of the plant in the face of strong winds and rain when plants on the flat would be decimated. They therefore preferred the traditional furrow system which spread the risk of damage since only a few plants would be destroyed. This debate about the respective merits of the two systems went on for some weeks.

In the same way, producers were not convinced of the efficacy of herbicides for controlling weeds. They claimed that the Hungarian methods were expensive and ineffective in relation to local agricultural conditions. This judgement was related to their local experience with the practice of *beneficio* (namely the furrow system) and their resistance to it being replaced by modern technology. Producers argued that *beneficio* could not be evaluated simply in terms of labour productivity or cost saving measures. According to them, *beneficio* was good for soil conservation and weed control. As they put it, this prevented the 'soil from becoming hard' (ie. compacted). Moreover, local producers argued that the Hungarians tried to eliminate the *beneficio* to force them to use expensive and complicated machinery to open up the compacted soil in their plots.

Another point of conflict between producers and the experts was over the practice of burning the stalks of maize after harvesting. The producers stated that this was done every two or three years in order to control pests and soil disease. The Hungarian experts argued that it was necessary to stop this practice of burning in order to improve soil conservation management because, according to them, this practice mineralized the soil (ie. the fire extracted the moisture and life matter of the soil, leaving nothing but stones), whereas the farmers believed that burning released the 'life forces' of the soil ('la vida del suelo'), benefiting the plant environment.

Another example concerns the Hungarians' knowledge about mulching. The stalks were cut and then left to rot in the ground to produce nitrogen. Yet this

seemingly simple technical matter entailing the release of nitrogen quickly brought the project into political conflict. The few cattle dealers of the *ejido* (the community), who used the maize stalks for fodder for their animals, opposed this 'free' release of nitrogen! But, in the end, the Hungarian experts were supported by the majority of the community, not because they believed in the method of releasing nitrogen organically but because this situation enabled them to confront and terminate the influence of the livestock group. As a result, the livestock group had to give up cattle raising because they were forced to start purchasing a good (ie. pasture) that was previously a community asset and therefore free of monetary value. They simply could no longer afford it. This, then, is a clear case of the way in which expert knowledge becomes locally embedded and serves the interests of the 'little tradition'.

A further illustration of knowledge conflict between producers and experts/project administrators concerns the organization of labour. The labour of producers was seen to be central to the project since monetary remuneration of agricultural labour was considered a main creator of wealth. However, while accepting the wages they received, they thought it somewhat strange to be paid when one 'laboured' in one's own plot! This marked the difference between the experts who saw labour somehow alienated from property ownership and the producers whose attitude was that doing a good job on one's own fields was a reward in itself, not to be translated into monetarized terms. As one farmer put it, 'everything we did for the project was paid for, as if the land was not ours'.

These various examples illustrate the impossibility of separating the conditions of rural development from controversies over knowledge. Hence the different views and conceptualizations expressed by experts and rural producers, in respect of various development tasks and options, open up the larger question as to the contribution that this sort of development programme with its stress on external 'expert' knowledge can have on the well-being of local populations.

In our view, then, it is essential to give high priority to the elucidation and analysis of knowledge controversies in development projects, and to the ways in which actors manoeuvre between various knowledge options in attempting to resolve their everyday problems.

Conclusion

The foregoing discussion on knowledge processes was not aimed at establishing a systematic theoretical framework but, rather, at surveying and discussing some recent studies on knowledge and development. The paper focused especially on the social construction of agrarian knowledge. If, however, one wished to arrive at a more systemic assessment, then we would need to advance on two fronts: it would entail the empirical accumulation and analysis of case studies (ethnographies) concerning the existence and relevance of these diverse forms of knowledge in rural development and, second, would require centring the analysis on

issues of diversity and the domain of actors and actions, rather than treating people's circumstances and events as the outcome of so-called 'basic' structures in society.

This paper has raised several important questions for those interested in rural development. Is the focus on knowledge increasing our understanding of rural change and continuity? Are we altering our ways of conceptualizing intervention? What are the theoretical, practical and political implications of taking knowledge from an actor-oriented perspective as a point of departure in the sociology of rural development?

And these questions point to the significance of developing new analytical insights on the following types of issues: planned intervention as a negotiated ordering of interests and relationships; the social construction of power in rural development practice; the interlocking of discourses in local 'participation'; the meaning and political significance of people's struggles for survival and the role of diversity, fluidity and translation of knowledge in the implementation of centralized rural policies.

These processes and issues indicate the crucial link that exists between the practical and epistemological dimensions of rural development practices. Indeed, the main thrust of this paper has been to reveal the relevance that knowledge can have for exploring these important theoretical and practical underpinnings. What we need now is a theoretically-informed body of detailed ethnographic case studies that focus on actors' knowledge and strategies in conditions of development. On the basis of this, we can reposition knowledge in development studies.

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SECTION 2

AGRICULTURAL RESTRUCTURING IN EUROPE

Chapter 7

Agricultural Change and Agro-Food Districts in Italy

Roberto Fanfani

The contribution of agriculture to the fast growth of the Italian economy in the post-war period has been largely underestimated. The traditional dualistic analyses currently employed during the 1950s and 1960s stressed the sharp contrast between the rich industrialized north and the backward south, in which society and economy were still dominated by agriculture. Recent analyses, developed since the mid-1970s, have changed and deepened these dualistic analyses and stressed more articulated differences between Italian regions. Bagnasco (1977) offered the first innovation with his analyses based on the notion of the "three Italys", then followed Fuà's (1983) "Adriatic line" of development and, more recently, several studies on local specific systems by Becattini (1987), Brusco (1989) and Nuti (1989). These new studies paid little attention to agriculture and rapid changes that it was undergoing. They focused mainly on part-time farming and flexible jobs. In particular, these studies stressed the importance of part-time farming as a means to reduce the social cost of reproduction of labour for the development of regional industry. No wonder that Italian studies on part-time farming have run parallel to those on regional systems based on small- and medium-sized enterprises, often written by the same authors (Brusco, 1989; Calza-Bini, 1976).

Agricultural change in Italy in recent decades has been very rapid and the role of agriculture in the process of economic and social development has been modified. Many phenomena, including part-time farming, have contributed to the general and local socio-economic development of Italy. Among these are the progressive concentration of agricultural production in the richest and flattest areas and the consequent marginalization of many hilly and mountain areas. At the same time agricultural production has also been concentrated on a limited number of Italy's three million farms. The sharp reduction of labour has been accompanied by a growing requirement for industrial inputs and rapid mechanization.

Recent research on agricultural change and economic development in Italy has failed to analyse the growing integration between production, processing, retailing and consumption of foodstuffs. Few studies have been devoted to the relations between agriculture and industry or to the agro-food system at large. This is why the latest change in Italy's agricultural and foodstuffs system and the

changed according to whether some of them prevailed upon the others, while inter-firm relations bore little resemblance to mere co-operation. This led scholars to amend the definition of "industrial district" accordingly.

The paper asks whether local models of development can be extended to the agro-food system of certain Italian areas. "Agro-food districts" could represent the main direction of change in Italian agriculture in its process of integration inside the European Union.

Agro-food districts

The rapid and complex process of change in Italian agriculture after the Second World War cannot be fully understood without attention to the process which has led to the formation of agro-food districts, a process linked to change in the entire length of the food chain.

The process of specialization in agricultural production in Italy has concentrated production on few intensive areas and farms. More than sixty per cent of total agricultural production now comes from flat areas which cover no more than thirty per cent of agricultural utilized surface. The importance of vast mountain and hilly areas is rapidly declining and in these areas not only agriculture, but the whole socio-economic system is facing great difficulties.

The concentration of production has been even stronger at the farm level: the 1990 Agriculture Census has counted about three million farms, but only six per cent produce about sixty per cent of agricultural gross production. These farms are mainly concentrated in the richest agricultural areas.

The importance of agricultural production inside the food system is progressively reducing. If in the 1950s the gross value of agricultural production was about seventy per cent of the value of total food consumption, in 1990 it is under fifty per cent. The importance of food industries is growing and its added value is now reaching that of agriculture. Although in recent years there has been a strong process of concentration in food industries, which has led to the formation of some big national groups and the penetration of multinational firms, the small and medium-sized processing firm is still typical. The process of concentration of the food industries in Italy has been characterized by a progressive move to the richest agricultural areas and areas closest to the main market. The present main concentration, about seventy per cent in terms of added value, is in the northern part of Italy, close to the main Italian and European food market.

In this process of radical change of the agro-food system in Italy, the task is to identify agro-food districts within local systems of development. The analysis should also try to find which factors determine their origin, permanence, success and failure. Recent studies, including on-going research, have thrown light on the nature of Italian agro-food districts. A short comparison shows that these districts are not homogeneous, but very dynamic and different from each other. This depends particularly on the differences in their origin and the local development of specialization and concentration. Relations between farming and industrial food

processing also vary strictly according to the type of production. The structure of and relations among firms often depends on their relations with the distribution chain and the market.

Data from recent research may help to explain these different situations. The cases refer to the production of Parmesan cheese in the provinces of Parma and Reggio Emilia between Milan and Bologna, the processing of pork meat and ham production in Modena, close to Bologna, and poultry production in Verona and Forlì [4].

The *Parmesan cheese area* is very large. It includes the provinces of Parma, Reggio Emilia, Modena and part of Bologna and Mantova. Local rules have controlled the production of the cheese for decades in order to ensure a high quality product and give value to the milk produced in the area.

Today, Parmesan cheese is produced with the milk from about 15,000 farms, almost 900 cheese factories and many maturing and marketing enterprises. The business has a total turnover of about 1,000 billion lire. Agriculture and milk processing are tightly linked mainly due to the rules that forbid dairy cows to be fed silage and of formaldehyde to be used during the milk processing. The milk receives a higher price than ordinary drinking milk (about 10-15%), this makes for stable relations between production and processing. More particularly, the Parmesan-cheese area still supports many small- and medium-sized farms averaging about 12 ha.

Milk is processed in small cheese factories with craftsman techniques: 1,500 tonnes of milk is their average production capacity. Most are co-operatives. The restructuring of cheese factories is significant: at the end of the 1950s there were more than 2,000 while now there are less than 900; the organization of production, the location of plants and relations with farmers are therefore changing. Cheese factories' management and performance, especially as regards quality, are due to the skill and competence of the *casaro* (cheese-maker). Production is a craft which considerably limits the scope to enlarge firm size [5].

Maturing and marketing processes have gained in importance; both are limiting factors because Parmesan cheese needs 18 months to mature, and the market is regulated. The adoption of industrial-like processes would modify product characteristics, making them more like those of a similar cheese produced in neighbouring areas (Grana Padano cheese). In these processing phases, which were undertaken by only about fifty private dealers, there have been considerable structural changes in recent years. On the other hand, the leading

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[4] Other areas where a strong concentration and integration of farming and food industry may suggest agro-industrial districts are: around Vignola (cherries), Romagna (fruit and beverages processing), Parma and Naples-Salerno (tomato vegetable preserves), Agronocerino sarnese (vegetables), Imperia, Pescia, Ercolano (ornamental plants and flowers).

[5] Such a conclusion came from research on cheese factories carried out by Giovannetti (1991) utilizing Georgescu-Roegen methodology.

dominate relations with local farms [10].

Characteristics and limits of agro-food districts

The analysis of agro-food districts is important for two reasons. First of all, it shows the same tendencies as other types of industrial district, not only for the type of production, but also for the origin and the internal organization of firms. Second, it clearly shows some general weaknesses of the district approach. Moreover, these studies show some peculiarities of agro-food districts. Although locally the relations between agriculture and processing industries have progressively declined, agro-food districts often originated through a strong agricultural specialization and traditional artisan-like transformation processes.

Decentralization of production, which is so important in the creation of other types of industrial district in Italy, is certainly less important in the agro-food sector. In the case of Parmesan cheese we can see a close connection between agricultural production and transformation processes. The production discipline which is necessary to produce this type of cheese, allows the valorisation of milk produced in small and medium-sized farms, contributing to their survival. In the case of pork processing, and especially in poultry districts, the relation with local agricultural production is really weak. In these latter cases, their origin owes much to food demand, and many types of products satisfy a diversified demand.

A specific feature of agro-food districts is their territorial dimension. In some case studies, partial territorial overlaps are found with other industrial districts. Moreover, while industrial districts are concentrated in a limited area (few municipalities), the dimension of agro-food districts varies greatly, from several provinces, in the case of Parmesan cheese production, to a part of a province in pork processing, to a few municipalities in poultry production.

The analysis of agro-food districts confirms the main weakness in the industrial district as an analytical tool. That is that local systems cannot generally spread to other areas since the conditions to their success can hardly be transferred (Amin and Robins, 1990). In fact the district implies know-how, skills, traditions and co-operation, institutional involvement in specialized services and infrastructure that cannot be created using the traditional instruments of regional policy. On the other hand these conditions are also barriers to entry against other operators who do not share similar systems of internal relations.

With regard to the main critical factors and difficulties, the agro-food district may also be affected by the trend towards mass production. This can result in a change of strategy that exposes the product to international competition. But this is more unlikely in the agro-food industry since affluent and developed countries tend to prefer high-quality products.

Another important critical factor may be the disappearance of regulation and

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[10] Montresor (1991) contains a preliminary study of poultry industries in Verona and Forlì areas.

promotional mechanisms among local firms, institutions and authorities, which are important in providing several types of services.

The analytical approach focusing on agro-food districts is certainly useful. However, it often fails to encompass the complexity of the restructuring processes currently under way in developed countries where the traditional duality of food processing and farming is transformed by innovative agents.

The analysis needs to be more complex, searching for the underlying causes of success and failure of whole local systems of production and transformation. It is therefore necessary to combine analyses of general economic change over space and time, and particularly those of the agro-food sector, especially when production systems show a capacity to adapt to internal and external unpredictable changes. The research on agro-food districts can then be integrated and completed in many directions to better comprehend the issues of competition and co-operation at local level. This may even mean abandoning the very restricted concept of district. The development of the analysis of local models raises significant new issues related to the adaptability and flexibility of production and production systems in order to meet international changes and increasing differentiation in the demand for foodstuffs.

Some basic elements of local development in Italy

The inquiries conducted on agro-food districts in Italy point to some basic elements of development that deserve special attention, such as the progressive shift towards services, the importance of technological developments and their diffusion, the level of human resources training, and the role played by institutions and local authorities.

Looking at the shift to the service element of the production process is very important in order to understand current changes, even on the territorial level. All studies show that services to firms and among firms is a generally growing function throughout the food chain. The study of services may provide new insights and a more general view of the agro-business system by allowing both vertical and horizontal integration. The former would look at the integration of various parts, from farming to processing and distribution, giving new insight into the traditional approach of vertical integration and production decentralization.

Technological development and its diffusion are crucial for current changes in food and farming industry. Studies of districts stress the fact that the diffusion of process and product innovations are very rapid while new technologies – increasingly endogenous to the production system – can be adapted very well to production processes. Technologies are shown to migrate from other industrial districts towards food and farming. For example, in the pork meat processing district, technologies are often used which have developed in the packing or ceramic industries in nearby areas. Also in ham seasoning, temperature control technologies have been adapted from those developed for preserving fruit, and in many

cases using the over-capacity of fruit storage plants.

Technological and computing innovations are so important that they affect both industrial structure and the organization of production, thus changing local food systems. A good example is the influence of computing and communication innovations on information transfers. They cover not only the type and time of delivery, but also the more direct links between the local system of production and suppliers, clients and distribution outlets.

Human-resources training is often decisive in improving local productivity levels. In general terms, people aged between 15 and 19 living in the less developed, Objective 1 regions of Europe are half as well educated and trained as those in more developed regions [11]. As in the case of pork meat processing or Parmesan cheese production, labour force training and skills often give significant competitive advantages. In addition, the general training level of entrepreneurs and workers influence creation and transformation of local firms. Training levels and opportunities for retraining are the most important factors in terms of technological changes and growing real services to firms.

The role of institutions and local authorities has long been overlooked, with respect to the provision of general services such as education, health, transport, etc., but also for the creation of infrastructure and the provision of real services for firms. Consider, for instance, the work of consortia for protection of production and quality guarantee in which local authorities play an important role. Local authorities also play an important role in the protection of the environment, regulating polluting emissions and imposing rates and charges on the use of natural resources. Monitoring the performance of recent EU reform of structural funds policies, to encourage, manage and control rural development initiatives, may help to assess the effectiveness of local authorities and institutions. An important insight into the role of local institutions in regional development is given by the PIM, a programme implemented by EEC. In these projects, local institutions are involved in programming the actions and coordinating private and public intervention. In Southern Italy the local institutions have mainly failed in applying such programmes: less than 50% of available funds are utilized. Funds have been much better utilized in Northern Italy, France and Greece. A complete analysis of the PIM projects approved by EEC is to be found in Leonardi (1990).

Looking at these general issues of Italian agro-food systems may help to identify factors critical for their success in domestic and European markets. Finding these local factors is an important step towards developing good policies for Italy's agro-food industry. The aim of this paper, however, is not to show that these local models are superior to other organizational models (large enterprises and "filières" systems) but to provide evidence of their features and capacity to adapt in a period of great change.

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[11] For a description of socio-economic differences between European regions in the 1980s see EEC (1991). In this document are also analysed the main factors of competitiveness on a regional level.

Foods demand and local systems

Food markets are undergoing great restructuring processes, the most important of which is concerned with the final demand and is increasingly determined by product innovation. This is the opposite of the previous approaches in which producers looked at demand as a variable dependent on economic constraints on the supply side.

Changes in the composition of demand are influenced by changes in food consumption models which are twofold. Global and European tastes are becoming more and more similar and are creating the conditions for a 'global' demand. This is mainly due to the internationalization strategies of major groups and enterprises that operate internationally through specific brands and patents (Galizzi and Linda, 1989). The computing and communication revolutions favour these processes, thanks to easy information transfers and cheap means which can reach vast masses of consumers.

Global demand, however, is accompanied by a growing segmentation of the food market due to changes in lifestyle and consumer preferences. This explains the success of high-quality, typical and home-made products among high-income consumers living in more developed and industrialized countries. Other variables have to be considered such as the growing proportion of women at work, one or two-member families and elderly people, and the diffusion of young consumer patterns and of meals in canteens and restaurants must not be overlooked. Final demand globalization processes are not creating a universal consumer with uniform tastes. On the contrary, the new consumer requires more complex foodstuffs to consume with more and better related services. As a consequence, the value added by farming and processing is proportionally less important in final food expenditure. The figures for Italy were 70% in the 1950s, 60% in the early 1960s and about 50% today (Fanfani and Gatti, 1992).

Changes in final demand often cause radical changes in the production system, with new inter- and intra-firm relations which effectively change the production structure of food and farming [12]. Increasing instability in the market and product innovations have led to a flexible food and farming economy (Amin, 1991). Hirst and Zeitlin (1990) and Piore and Sabel (1987) showed that the process of flexible specialization, as described in the previous paragraph for local systems, allows rapid production of differentiated and high-quality goods at the lowest possible cost. The production of standardized foodstuffs on the world market encourages large groups and multinationals to adopt strategies of decentralization of production in several countries and the creation of global links and networks.

Different consumption patterns, and the demand for high quality production seem to be typical for affluent, developed societies. This is why local production

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[12] The passage to a flexible food and farming economy is stimulated by increasing instability of the market and by product innovations (Amin, 1991).

systems (both regional and sub-regional) must now face a very wide demand that goes beyond traditional market niches. The reason has often been used in the past to explain how productive systems based on small and medium-sized enterprises are still alive and kicking. On the other hand, Malassis (1992) convincingly showed that general development trends in agriculture and food and farming have now passed the stage of "generalized societies" and can be better described as "qualitative-substitution societies". Several recent economic studies contain useful indications on current changes and the consolidation of this kind of demand.

Product life-cycle studies define foodstuffs as mature goods (Hirsh, 1974; Vernon, 1966), therefore competitiveness is increasingly based on production differentiation with more sophisticated variants and versions of standard products. Such differentiations increasingly meet consumers' demand such as the demand for wholemeal and diet products but, above all, they try to incorporate larger proportions of services in the final output.

International specialization studies stress the significance of income level and distribution in their attempts to account for developed countries' growing tendency towards intra-industry exchanges of manufactured goods (Linder, 1961; Barker, 1977). Higher incomes and similar income distributions lead to a sort of "horizontal specialization" for certain ranges of goods and types of product in order to meet a consumer demand for wider ranges and more variety of goods within individual countries. This is all the more so for consumer goods, and hence for foodstuffs because comparative advantages and human resources are still significant for trade in raw materials, including agricultural ones (Onida, 1984).

Logistics and distribution are also changing. This facilitates the specialization processes described above. It is not by chance that some authors (Fanfani and Gatti, 1992) spoke of the protectionist effect of the old and traditional system of distribution in Italy. Major distribution concerns have recently adopted "welcome-the-customer" policies in which a wide range of products and several additional services (product certification, just to name one) are crucial elements. Modern computing technologies enable timely supply of many products proceeding from different production systems and meeting typical regional demands with no extra transport and stocking costs.

If foodstuffs demand becomes more differentiated and international specialization processes tend to favour the production of an ever-wider range of foodstuffs, the room for stronger local systems of production would be much greater than in the past. These local systems, however, could take advantage of an expanding domestic demand which they could meet properly and with flexibility. Internationalization processes and, above all, the development of the European Common Market enhance both opportunities and risks of competition among European production systems. These changes will help to determine whether these systems of production can adapt and survive.

Some conclusions

The concept of the agro-food district brings new insight to the role of agriculture in Italy's complex and rapid development during recent decades. The analysis carried out for certain areas of Northern Italy shows the main characteristics of the agro-food districts, not only in terms of their origin, but also of their structural organization and dynamic transformation.

The origin of the agro-food district is often due to pronounced specialization in agricultural production, or to the presence of artisan processing activities to satisfy a significant local demand of regional food. In this case, less importance has been given to the process of production decentralization by large firms who have played a greater role in Italy in the development of industrial districts.

The relations between local agricultural production and processing industries are progressively less relevant, but in some cases, they remain tight (as in the Parmesan cheese district), whereas in other cases agricultural products are mainly imported from other regions or countries, such as the salami and ham producing areas.

The differences between agro-food districts are relevant not only in terms of the type of production, but also in production structure and the relations between the agents of each area. Inter-firm relations between small and medium-sized businesses are often balanced but show a tendency for the biggest firm to become dominant in the market. In many cases there is segmentation of the production process, development of services and *contoterzismo* between firms, a marked specialization of firms in certain types of product. This results in the production of a diversified range of food products in a particular district.

Technological adaptation and the rapid diffusion of process and product innovations are the main characteristics of agro-food districts. The role of institutions and local authorities is often crucial in providing general services and infrastructure, but also in organizing real services for firms.

The Italian experience with agro-food districts shows several problems with adopting this model in other areas, and eventually utilizing the district as a tool for political economic action. But the concept of agro-food districts gives insight into the main factors of success and/or failure of local systems and shows a process of rapid and flexible adaptation to the change in food demand and in international competitiveness. The tendency towards a differentiation of food demand in high income countries, and wide consumer choice among different types of food products, could help the consolidation and development of agro-food districts, especially when these are quality-oriented. The development of the Common Market gives new opportunities for products from agro-food districts, increasing demand from a regional and "niche" level to a national and international market.

Chapter 8

Specialized Farmers' Associations in The Netherlands

Recent developments and perspectives

Jaap Frouws and Maarten Ettema

Since the war, interest representation and policy-making in agriculture have been characterized by a solid corporatist structure (Frouws and Van Tatenhove, 1993). The participating farmers' organizations were *horizontal* unions, representing the farming community as a whole. *Vertical*, product-based associations were largely integrated into the horizontal structure. They hardly exercized any representative function on their own. The call for powerful and autonomous forms of *sectoral* (i.e. product-based) interest articulation has become stronger in recent years, however. The primacy of horizontal organizations is being questioned. Specialization, vertical integration and market relations are colouring farmers' interests. Constraints caused by saturated markets and limited budgets have provoked competition and conflicts between sectoral interests.

Agrarian corporatism in The Netherlands is put under strain. Both the internal consensus of the agrarian lobby, and the external consensus between the farmers' unions and the Government, are being challenged. The resulting erosion of the corporatist system has cleared the way for a process of agro-political re-orientation and institutional restructuring, in which there seems to be more room for the development of specialized farmers' associations (SFA).

The established farmers' unions are faced with the difficult challenge of controlling the growing 'sectoralization' of agrarian interests and preventing the existing structure from splitting up into competing vertical organizations [1].

SFA in The Netherlands: limited representative tasks

Specialized, product-based organizations have existed ever since farmers collectively promoted their interests. The activities of this kind of farmers' association

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[1] Recent research identifies the tendency towards sectoralization as one of the main problems of agrarian interest articulation in the years to come (Ettema et al., 1993).

usually focus on the technical aspects of farming. Examples are the more or less independent technical organizations of market gardeners, fruit growers and poultry farmers. They promote the development and exchange of professional knowledge and are consulted on production-related matters like veterinary and plant-health regulations, the planning of research projects and extension campaigns.

The history of farmers' organizations in The Netherlands has not witnessed the development of syndicalist SFA defending collective political interests on behalf of a well-defined category of producers. Since the 1920s the representation of farmers' interests vis-à-vis national government departments, local authorities and other (semi-)public bodies has always been monopolized by *general* farmers' unions, which differed only in matters of religion and identity. For a long time family farming in The Netherlands was predominantly mixed farming, which evidently was not a favourable condition for the founding of specialized representative organizations. When specialization tendencies in Dutch agriculture became much stronger in the 1960s, the dominance of the general, 'horizontal' unions was already a well-established tradition.

This horizontal dominance was rooted in the Dutch culture of religious-ideological segregation (*verzuiling*). From the 1920s to the 1960s, segregation was a strong influence on socio-political institutions in The Netherlands. Segregated institutions of Catholics, Protestants and, to a lesser extent of Social Democrats and Conservatives too, existed in many domains of societal life like education, broadcasting, health care, trade unionism, womens' organizations, political parties and farmers' unions. Segregation even left its mark on many technical and economic organizations in agriculture as quite a number of these were related to or even founded by the general Catholic, Protestant or Conservative farmers' unions. Notable exceptions were the associations of market gardeners, bulb producers, tree nurseries, mushroom growers, fruit growers and poultry farmers. But these non-segregated, specialized organizations also left the bulk of external representation of the socio-political interests of their members to the general farmers' unions.

At national level, the regionally-structured general farmers' unions are represented by three so-called Central Farmers' Unions (CFU). Together with the trade unions for agricultural workers, these three CFU constitute the *Landbouwschap*. This statutory Board of Agriculture is a crucial element in the corporatist structure of Dutch agriculture. It is charged with consensus building at the top level, vested with public powers, and it functions as the official spokesman with government in all matters of agricultural policy. Similar institutions exist for several of the agricultural production chains (meat, dairy products, arable products, etc.). It is again the three CFU who dominate the representation of farmers' interests in these so-called *Produktschappen*. In some cases the aforementioned specialized associations do have a single seat. Other members of these product boards are representatives of the employers' organizations and trade

land [2]. Then, we sum up the total hours of work in terms of the variable standardized work time per year as a linear combination of the various productions. This is a measure of volume of output even if it is measured as a standardized work input per year. An increase in standardized work time per year is a result of either increased production capacity or a shift from extensive to more intensive production. The question is whether the farmers have increased their production per unit area in the period. Studying the same farms at different points in time, we have tested the differences between mean values with the "within subject design" in MANOVA in SPSS [3].

The analysis shows that mean "farm size" [4], measured in standardized work time per year, has increased steadily since 1975. Also acreage has increased and most striking is the increase of rented land, which was rare in 1975. The increase in acreage is bigger than the increase in farm size measured as standardized work time per year. A small rise in production per hectare between 1975 and 1979, has been followed by a decline during the 1980s for both owned and even more so for total (including rented) land.

The analysis gives no support to the hypothesis that Norwegian farmers have increased their production per unit area through more intensive production or increased livestock. The empirical data rather reveal the opposite since the growth of cultivated land exceeds the growth in total production. We can probably find many good *post hoc* explanations for this result, e.g. related to the problem of over-production and effects of agricultural policy during the 1980s. However, such explanations have limited interest in this connection.

Another possible consequence of Djurfeldt's model is that increased labour productivity together with a shortage of land for the individual farmer has led to a situation where less working time is being allocated to agriculture. From a similar line of reasoning Reidar Almås has focused on changing working time within Norwegian agriculture between 1945 and 1983.

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[2] The measure of standardized work time per year is an approximate estimate of number of hours spent per year for each kind of animal and each hectare of cultivated land. The following estimates are used in the calculations of standardized work time per year. Number of hours for each hectare: grain and oil-seed 52.5, potatoes 250, vegetables, field grown 600, fruit 700, berries 1500, hothouse 16500, and nurseries 1500. Number of hours for each animal: horses 76, cattle under 1.5 years 71, cattle 1.5 years and over 71, cows 366, sheep (ewes and rams) 16.5, goats 71, pigs for breeding 68, pigs for slaughtering 2.3, hens 0.56, and other poultry 19.5. The method of making these calculations is borrowed from Brox' (1988) study of the allocation of Government subsidies to the agricultural sector in Norway, but the items do not fully correspond with Brox' study as they are based on different data.

[3] MANOVA provides special facilities for analysing "repeated measures" design, in which the same variable is measured at different times for each case. Each of the variables is regarded as a different level of a "within-subjects factor".

[4] "Farm size" here means the size of the farm operation in production units (like animals and hectares of land oilseed, grain etc.).

Table 1. Standardized work time per year, hectares of cultivated land and standardized work time per hectare of cultivated land. Mean values

	Year				Hotellings [5]	
Variable	1975	1979	1984	1989	T^2	F
Standardized work time (hours per year)	2872.52 (4301.53)[a]	3040.08 (4704.42)	3308.91 (4821.79)	3480.40 (4915.75)	.042	6.965 **
Owned land (ha)	8.35 (8.01)	8.81 (8.55)	9.95 (9.85)	11.17 (10.23)	.272	45.300 **
Rented land (ha)	.17 (2.76)	.35 (3.76)	2.25 (5.46)	2.85 (6.54)	.166	27.674 **
Total land (ha)	8.51 (8.13)	9.16 (8.99)	12.19 (12.44)	14.02 (12.79)		
Standardized work per ha owned land	376.17 (691.41)	393.42 (763.34)	370.30 (523.70)	361.19 (519.24)	.028	4.627 **
Standardized work per ha total land	362.65 (675.33)	368.99 (733.47)	271.74 (441.83)	252.61 (448.60)	.148	24.653 **
(N =)	(616)	(612)	(601)	(534)		

a) Standard deviation in brackets
**) $p < .001$ Tested as a repeated measure design with MANOVA in SPSS/PC

Empirical consequences of Almås' model

Almås (1983) is asking why it is primarily the women who have left farm work. With his model of modernization of agriculture he has shown how the capitalization process has affected men's and women's situation in agriculture differently. The rationalization of agriculture has meant that work of both spouses has become unnecessary, but women have reduced their share of work most. Almås' concludes that a *masculinization* of agricultural work is taking place, with men taking over an ever larger share.

It is possible to make an empirical test of this hypothesis as well. Almås made use of data from the period between 1949 and 1979 in his analysis. I will test whether this process of masculinization has continued during the 1980s.

From our questionnaires we have information about the farmer's and the spouse's farm work in the years 1975, 1987 and 1989, as well as information about changes in farm work during the period. From this information I have

[5] Hotellings T^2 is a test of the null hypothesis that the mean values are the same for all four years. This multivariate approach considers the measures to be sampled from a multi-variate normal distribution, and makes no assumption about the characteristics of the variance-covariance matrix.

calculated the farm work for both the farmer and the spouse in the years 1975, 1979, 1984 and 1989. The statistical test, Friedman's test for multiple treatment of a series of subjects, is a test of the null hypothesis that each individual has not changed their working time between the four years [6].

Table 2. The distribution of farmer's work by number of man-years in various years (%)

Number of man-years [7]	1975	1979	1984	1989
Less than 0.1	8	7	6	3
0.1 - 0.4	17	16	20	22
0.4 - 0.8	16	20	21	22
0.8 - 1.2	22	24	22	21
1.2 - 1.6	17	16	19	19
More than 1.6	12	10	9	9
Uncertain *)	9	7	5	3
Total (N =)	101 (614)	100 (612)	102 (601)	99 (534)
Mean Rank **)	2.60	2.60	2.47	2.32

*) Not included in the estimates and the statistical test
**) Friedman Two-way Anova: χ^2 (3 df) = 14.189, p = .0027, (N = 450)

The table shows only small differences in the farmer's farm work after 1975. Still, the statistical test indicates a significant tendency towards less work being allocated to the farm. We cannot, however, say anything about the masculinization hypothesis before we have compared these figures with those for the spouses.

When comparing the two tables we see that spouses allocate considerably less work time to the farm than farmers do. Considering that 92% of the spouses are women, this should be interpreted as a gender difference in work time on the farm. The question is whether this pattern reflects a process of masculinization. Table 3 shows a weak, but significant, tendency towards a fall in work time on the farm for spouses as well.

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[6] Friedman's two-way Anova ranks each of the four variables (the values from 1975, 1979, 1984, and 1989) from 1 to 4 for each case, calculates the mean rank for each variable over all cases, and then calculates a test statistics (G) with approximately a chi-square distribution (Kanji, 1993).

[7] Man-years, or *årsverk*, is a commonly used measure in Norway. One man-year in agriculture equals 1975 hours.

Table 3. The distribution of spouses' farm work by number of man-years in various years (%)

Number of man-years	1975	1979	1984	1989
Do not work on the farm	13	10	12	19
Less than 0.1	10	17	20	14
0.1 - 0.4	22	24	25	26
0.4 - 0.8	25	22	18	16
0.8 - 1.2	8	9	8	10
1.2 - 1.6	1	1	1	1
More than 1.6	0	0	0	0
Unmarried *)	13	13	13	11
Uncertain *)	8	6	4	2
Total (N =)	100 (614)	102 (612)	101 (601)	99 (534)
Mean Rank **)	2.66	2.54	2.46	2.33

*) The value is not included in the statistical test
**) Friedman Two-way Anova: χ^2 (3 df) = 13.147, p = .0047, (N = 381)

Looking at single categories, it is interesting to see that there is stability in the share of spouses with a work input of 0.8 man-years or more on the farm, while there has been a marked decline in the share with 0.4-0.8 man-years. Apparently, we are witnessing a consolidation in the number of female full-time farmers, while the number of female assistants has decreased.

Looking at tables 2 and 3 together, we find the largest decline in spouses' farm work, compared to farmers, during 1975 and 1979. After 1980, spouses and farmers have much the same pattern. We find no evidence indicating that the process of masculinization has continued during the 1980s. The major tendency is for both farmers and spouses to have allocated less time to the farm. The empirical analysis indicates that the masculinization process, which according to Almås started in 1945, ended in the 1970s.

Some might feel tempted to conclude that we now have falsified the model of relative growth of one-man farms. However, an analytical model can never be falsified by means of empirical observations. It is the empirical model we have to question. Perhaps the concept of one-man farm cannot be conceptualized in terms of work time on the farm. Here we have a major problem within social science research: What really happened in the period we are studying? The growing interest in the one-man farm must have some structural reasons.

In USA, women's increased participation in off-farm work has been recognized over a period of time (Bokemeier et al, 1983; Buttel & Gillespie, 1984). Our analysis indicates no clear connection between farm mechanization and the

increase in women's off-farm work. If we move our analysis down to the level of *individual actions* (Elster, 1989), perhaps the masculinization of work tasks was not perceived as an important structural change as long as both farmer and spouse were staying on the farm most of the day. Perhaps it was only when women started to take jobs outside and farmers were left working alone on the farm, that this new situation was perceived as a structural change. That is why we must look more closely into changes in the allocation of work time off the farm as well as on.

An empirical model for women's off-farm work

Table 4. Farmer's off-farm work in different years (%)

Number of man-years	1975	1979	1984	1989
No job outside the farm	48	48	47	50
Less than 0.1	3	4	3	5
0.1 - 0.4	6	6	7	6
04. - 0.8	7	7	8	8
0.8 - 1.2	28	27	28	25
1.2 - 1.6	2	2	2	3
More than 1.6	0	0	0	1
Uncertain [a]	6	6	6	2
Total (N =)	100 (614)	100 (612)	101 (601)	100 (534)
Mean Rank [b]	2.51	2.46	2.49	2.54

a) The value is not included in the statistical test
b) Friedman Two-way Anova: χ^2 (3 df) = 0.734, p = .8651, (N = 465)

Looking first at changes in farmers' off-farm work, we can see that there have been very small changes since 1975. About half the farmers do not work off the farm. There has been no change in the share of farmers working more than 0.8 man-years off the farm, which remains about 30% throughout the period. These are of course gross figures and say nothing about changes on individual farms.

The time spouses spent in off-farm work has on the other hand increased steadily throughout the period since 1975. The structural reasons we were questioning when dealing with the rise in one-man farms appear to be linked with the new feature of spouses taking paid work outside the farm. Since most of the farmers

are men [8], this must be interpreted as a gender effect. The new picture is that women are leaving farms, while men are working alone on the farm most of the day.

Table 5. Off-farm work by farmers' spouses in different years (%)

Number of man-years	1975	1979	1984	1989
No job outside the farm	57	52	47	40
Less than 0.1	1	2	1	3
0.1 - 0.4	4	6	6	8
04. - 0.8	7	7	13	19
0.8 - 1.2	8	10	13	17
1.2 - 1.6	0	0	1	0
More than 1.6	0	0	0	0
Unmarried [a]	14	15	14	11
Uncertain [a]	8	8	6	2
Total (N =)	99 (614)	100 (612)	101 (601)	100 (534)
Mean Rank [b]	2.23	2.35	2.57	2.86

a) The value is not included in the statistical test
b) Friedman Two-way Anova: χ^2 (3 df) = 49.667, p = .0000, (N = 363)

When questioning the motives behind the development of what we refer to as the one-man farm we should turn our attention towards women's new opportunities and commitments in the labour market. If we want to develop an analytical model helping us to understand this new phenomena, we need another starting point than the structural models being discussed so far. My object is to understand the intentionality [9] and the situational logic behind women's choice of paid work. My model is based on three theoretical points: methodological individualism, causal explanation and hypothetic-deductive methodology.

Arguments for an individual-based approach

The Norwegian sociologist Jon Elster (1985) criticizes many Marxist social scientists for their methodological collectivism, for example attaching human

[8] Eight per cent of the farms are operated by female farmers.

[9] Intentionality is used here in a tacit form of actor's knowledgeability, close to Giddens' (1984) concept "practical consciousness".

qualities to capital, and for giving functional explanations to social phenomena. His solution is *methodological individualism* [10]. Throughout the entire analysis we have to put forward hypotheses at the micro-level. This is necessary in order to bring causality into our arguments. Only by involving individual possibilities and preferences can we comprehend the situational logic behind an action.

This logic of actions may be analysed as an outcome of two subsequent filtering operations (Elster, 1989). The first filter consists of all economical, physical, legal, and psychological constraints an individual is facing. Together these limitations and possibilities make up the person's *opportunity set*. The other filter is the mechanisms determining which actions are chosen within this opportunity set. Here we are facing a major sociological challenge. We need sophisticated tools in order to clarify causal links between changes in the opportunity set and the individual choices made. Elster emphasizes causal explanations based on rational choice and social norms.

Ottar Brox (1989) argues for a similar approach. Following Lave and March (1975), Brox suggests we must first find the actor, then find his values, opportunities and limitations which are relevant in the decision process. The way towards understanding proceeds through an analytical model. Only by means of modelling, followed by deducing hypotheses, can we make a problem researchable. Brox' point of departure is different from that of more structuralist model builders. While Djurfeldt and Almås deduce models from structural theory, Brox is arguing for a hypothetical-deductive approach which starts with an abstraction from an empirical fact in a model.

Brox emphasizes the actor's values. However, in order to get a better grasp of the causal order in the model, I would put less emphasis on changes in values and more on changes in the opportunity set. The causal mechanism between the opportunity set and the chosen action can best be explained by *cognitive dissonance reduction* (Festinger, 1962; Elster, 1989). After some time people will not strive for what they cannot get [11]. From an objective perspective, it could be argued that people's preferences should be explained in line with their activities rather than taking their preferences for granted in order to explain activities.

On the basis of Brox's and Elster's approaches I will describe an imaginary model that could have produced the observed fact that farm women have increased their off-farm work during the last 15 years. First, I will describe four important changes in the women's opportunity set. Within this context, I abstract a model about growth of off-farm work among farm women. It is not enough to find an explanation logically consistent with the empirical observations, we must

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[10] Methodological individualism should normally not be confused with *ontological individualism*. Methodological individualism here is an epistemological principle, not an ontological one. When our analysis is model-based it may be useful to distinguish between epistemological and ontological questions even more generally.

[11] We find a good example of such cognitive processes in Aesop's fable about the fox and the sour grapes.

also clarify the causality of the explanation. Here I will emphasize cognitive dissonance reduction and rational adaption as the main causal mechanisms. Finally I wish to deduce some empirical consequences from this model and test them with a multiple regression model.

Farm women with better chances in the labour market

So, back to the question: What happened during the last 15 years to give farm women better chances in the labour market? We should consider changing conditions both inside and outside the agriculture sector including more general changes in society. I will emphasize four factors.

First, the steady masculinization of agricultural work up till about 1980 which led to a female reserve workforce in rural areas. Specialization and mechanization of post-war agriculture led to a transformation of women's work. It became more household-oriented (Vik, 1986), thus making farm women's roles more similar to those of women outside agriculture.

A second factor is the expansion of the public service sector and with it the creation of new job opportunities from the mid-1970s. Much of this expansion was in health and social services in rural areas. Female employment within education, health and social services increased rapidly in the early 1980s, followed by a strong growth within the other services like commodity trade and business services (Bø, 1989).

Women accounted for three-quarters of the net growth of the Norwegian workforce between 1972 and 1990 (Foss & Tornes, 1992). Women from all generations, ages and life phases increased their paid work. Full-time housewives fell as a proportion of women between 25 and 66 years from 47% in 1972 to 15% in 1987. The decrease was most marked among younger women. But a majority of older women ceased being full-time housewives as well (Bø, 1989). Also in a European perspective this expansion of the rural public service sector was very strong (Fevolden & Sørensen, 1987), and within Norway the largest rise in female employment was found in rural areas (Teigen, 1984: 66).

A third factor, related to the second, was that the public service sector took over many of the responsibilities previously held by women. The development of nursing homes and kindergartens released women from some of their earlier tasks, thereby allowing them to take paid jobs outside the home.

In 1980 it was young women (24-39 years), including those with small children, who had the highest professional activity rate, while older women who had finished the child-rearing phase had much less paid work (Teigen, 1984). This difference cannot be explained by child-rearing or other family obligations. In 1990 it was women in the 40-49 age group who had the highest professional

activity rate, while women over 50 still had a substantially lower employment rate than younger women (Statistical Year Book 1991: Table 162). This indicates: The cohorts that were young during the expansion period of female employment are the ones with the highest employment rates today.

The fourth and final factor behind the increased off-farm work among farm women is the very strong increase in education from the 1960s. An example of this increase is that Norwegian universities and colleges today have more female than male students (Statistical Year Book 1991: Table 98). As a result women have a much better chance in the labour market.

A new female life course and its empirical consequences

Within these changes in women's opportunity set, we can construct an analytical model which describes a logical pattern behind the growth of off-farm work among farm women. There is an indirect relationship between the masculinization of farm work and the increased employment rates among farm women, as masculinization made female labour superfluous on the farm. Simultaneously there has probably been a shift in social norms regulating farm women's work (Blekesaune et al, 1993). It is probably no longer expected that a female spouse should work on the farm.

The traditional way women entered agriculture was attached to a particular female life course, which somewhat roughly could be described by three main phases: adolescence when she still lived with her parents, a phase of transition with self-support, and the long phase starting with marriage and continuing with farm work and responsibility for her household and family (Teigen, 1984).

This traditional life course has changed. Women's paid work is no longer attached to the premarital phase (Blekesaune, 1992). The difference in employment between young and old women cannot be described in terms of family obligations, but rather in terms of an extended opportunity set following Elster's model. Much of the increased paid work among farm women may be explained through older women being replaced by younger women with education and career plans.

Young women today have often both education, professional experience, and well-defined career plans when marrying a farmer. They invest time and money in education, indicating that education is part of a larger life plan. In this new female life course an independent professional career has a key position. We might ask why so many young farm women have chosen this option, while older women still orient themselves towards the traditional life course. Research on values indicates that new values tend to be established at an early age and are comparatively stable throughout life (Ingelhart, 1989; Flanagan, 1982). Applied to farm women, I would rather say that since older women had limited opportun-

ities of establishing a career outside the farm, they also adjusted their expectations differently from those of young farm women today.

We may ask whether increased off-farm work among young farm women is related to their family's need for additional income and to the fact that young families have higher consumption needs than older ones. This kind of explanation, based on stages in a life-cycle, is more relevant for the examination of stability than for studies of social change (O'Rand & Krecker, 1990). It is important to distinguish the life-cycle concept from the model of the new female life-course, since only the latter is a structural phenomenon. Many farm families need additional income, particularly on smaller farms (Blekesaune, 1991). Buttel and Gillespie (1984), in a study of New York State farm households, found that men and women, especially among small farm households, tend to specialize mutually in either on-farm or off-farm work. On small farms it is more likely that both spouses have off-farm work. If so, this cannot be related to the growth of one-man farms. Peggy Barlett (1986) found that a majority of part-time farmers in Georgia (USA) rejected full-time farming early, but rather made a commitment to complete their education in order to get stable off-farm jobs. It is more likely that the growth in farm women's off-farm work is related to the new possibilities open to women, and less an intermediate solution to a problem of inadequate farm incomes.

I will now infer some empirical consequences from this analytical model. These hypothesis will be tested by means of a multivariate regression model with the spouse's annual hours in paid off-farm work as a dependent variable. Here, the midpoint of the range was used for all categories except the highest one (1.6 or more work units) where the base value was used. These are conservative estimates that probably underestimate the average number of total hours worked. The value "Unmarried" was coded 0 hours, and "Uncertain" was given the median value. Since the units are spouses, not necessarily women, the variable *gender* will control for the effect of male spouses (value 1) thus allowing the effects of the other variables to be interpreted more gender-specifically.

The main hypothesis concerns the spouse's education, which is represented in the model by dummy variables for *agricultural training*, *vocational training*, and *training (agricultural or professional) at college level*, with no education beyond secondary school as a "reference category".

I have argued that the majority of younger women were working before marriage. A dummy variable *working before marriage* (value 1), represents spouses working more than one year before they took over the farm or married a farmer. Premarital working experience was also a part of the traditional female life course. I expect this variable to have less influence on off-farm work today than the education variables which are more closely related to the new female life course.

The analytical model puts great emphasise on age (young and old farm women). Unfortunately, we lack information about the spouse's age. I have used

the *farmer's age* as a surrogate variable. I have argued that women's off-farm work decreases only slightly during their child-rearing period. This hypothesis is tested by the variable *number of pre-school children*. I have also discussed the need for additional income. This hypothesis is tested by variables representing the farm's *acreage* and the *farmer's off-farm work*. Since a majority of jobs within the public service sector is located close to local council's administrative centres, I have included a variable *driving time to the local council centre*. The empirical model also includes two contextual variables, *local labour market* and *local agricultural conditions*, represented with dummy variables (value 1 = good and value 0 = bad) at local authority level.

The model estimates a positive effect for male spouses (gender), which indicates male spouses working more outside the farm than female spouses. College or university training is the variable with the strongest influence on the spouses' off-farm work. However, only 13% of spouses have such training. The large coefficient primarily reflects the fact that women with higher education have more off-farm work than other women. The effect of vocational training is truly lower, but as many as 51% of spouses have such training. Increased vocational training appears to be an important motive force behind the rise in farm women's off-farm work. It is probable that women's higher education level will help to give this group better career opportunities as new generations of highly educated women replace those with less education.

The negative estimate for farmer's age shows that young farm women have more off-farm work than older ones. Notice that the variable is significant also when we control for the education variables which are also age related. The model indicates a moderate, but significant, tendency towards more off-farm work for those with more than one year of work before marriage. About half the women without off-farm work today were working before they married. This reflects the fact that pre-marital paid work was also part of the traditional female life course. The number of pre-school children has little influence on spouses' off-farm work. The traditional view that women should stay at home while responsible for smaller children is apparently a declining part of the farm women's life course.

The strong positive relationship between farmers' and spouses' off-farm work indicates that farm families tend either to make a living on the farm or choose an off-farm employment strategy. We have assumed that this choice is dependent on the size of the farm. The model has a negative relationship between cultivated farmland and spouse's off-farm work. This may be interpreted as showing the small holders' greater need for additional sources of income and less need for labour.

Table 6. Regression model for spouses' off-farm work measured as hours per year in 1989. Beta-coefficients, standard deviations and standardized beta-coefficients

Variables [12]	Beta	SD	St.beta
Education [a]			
Agricultural	22.441	182.068	.005
Vocational	217.077	70.991	.137 **
College	715.434	115.785	.272 **
Gender	392.933	116.267	.134 **
Working before marriage	139.112	66.021	.089 *
Farmer's age	-6.372	2.876	-.103 *
Number of pre-school children	-15.210	53.417	-.012
Cultivated land in hectares	-8.605	3.284	-.113 **
Farmer's off-farm work (hours)	.178	.036	.215 **
Driving time to local centre (hours)	-4.377	2.381	-.078
Local labour market	-51.497	63.857	-.033
Local agricultural conditions	54.184	66.452	.035
Constant	331.460	225.274	
N = 521 R^2 = .237 F = 13.115 **			

a) Dummy variables with "No education beyond secondary school" as reference category
*) Significant on 5% level
**) Significant on 1% level

Discussion

I started this paper by presenting the differences between analytical and empirical models in social science. Social scientists have widely different views on how they make use of these two types of models. The structural approach is emphasized by Marxist and neo-Marxist sociologists, who usually deduce analytical models from meta-theory. Even if the conclusions from these analytical models are logically consistent with their premises, such models are not necessarily relevant for the empirical world. I use a different approach. My point of departure is to start with an abstraction of the processes behind an empirical fact, and make hypotheses about individual actions contributing to this fact. The first step

[12] Investigation of the correlations between the independent variables shows no multicollinearity problems. Only the correlation between *farmer's age* and *number of pre-school children* is high (r = 45). Removing the age variable does not make the number of pre-school children significant. A decomposition of variances of each of the regression coefficients corresponding to the eigenvalues (Belsley et al., 1980), does not show any variables with high proportions for the same eigenvalue. We have also tested these estimates by means of a 1000 bootstrap sample of the statistical units. Test results were similar to the t-test equivalences.

in the analysis in this paper was the observation of an empirical fact: increased off-farm work among spouses since 1975. The second step was to look at this fact as though it was the result of some unknown process. We identified four processes that might have produced such a result. Then, we developed an analytical model about the new female life course. The fourth step was to deduce some empirical consequences from this model. The last step was to ask whether this empirical model was in accordance with the data. The empirical analysis resembles the hypothesis inferred from the analytical model, and it was not necessary to produce a new model. Thus, we can now move back to the analytical discussion.

The one-man farm has been focused because many farm women have taken paid work outside the farm, and this is a result of their better job opportunities due to the combined effects of more education and more jobs available for them. During the last decade the growth in farm women's off-farm work has not been at the expense of agricultural work. The mechanization of this work would have left many farm women underemployed if we had not seen the expansion of the rural labour market from the mid-1970s. This also indicates that the expansion of the rural public service sector, being such an important female job market, has been of vital importance to the maintenance of family-based and decentralized Norwegian agriculture. This formation of the one-man farm should be considered as a feature which makes family-based agriculture more resilient towards future changes of its economic conditions.

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Chapter 10

The Role of the State in the Transition of Bulgarian Agriculture to a Market Economy

Maya Keliyan

Bulgarian agriculture has been one of the most often-reformed and thoroughly transformed areas in the country's socio-economic life over the past fifty years. Moreover, the declared aims of these reforms have always been linked with loudly-proclaimed plans to attain higher socio-economic status for rural communities and all consumers of agricultural produce. In the name of egalitarianism, to eliminate exploitation and private ownership in agriculture by the end of 1950s, the totalitarian state enforced collectivization of agrarian property. For nearly half a century Bulgarian agriculture laboured under a centrally-planned state economy which, instead of bringing about the expected equality and prosperity, led to acute economic and social problems for both the rural communities and the urban population. In other words, it resulted in a total and still deepening agrarian crisis. After the collapse of communism in 1989 the agrarian reform issue was put forward as a way out of the crisis and a means of easing the transition to a market-oriented agriculture. In 1991 the Bulgarian Parliament passed the Ownership and Use of Farm Land Act, the rules for application of this Act, and the Co-operatives Act, which provided the legal basis for the agrarian reform. At this point new hopes revived that the acute social and economic problems would be solved, that historical justice would triumph after the agricultural land taken away by force, had been given back to the owners or their heirs. This time the magic mechanism was called restitution.

However, disappointment with the agrarian reform came even faster than achievements. Agriculture is still very far from a free market economy, and the crisis goes ever deeper. There is a consensus in post-totalitarian Bulgarian society on the question of whether there should be an agrarian reform and whether private ownership in agriculture should be restored; nevertheless, the slow pace of the reform is a fact.

Major socio-economic problems of Bulgarian agriculture under centralized planning

The aim of this paper is to call attention to the role of the state in the transition of Bulgarian agriculture to a market economy. First a brief outline is given of the main socio-economic problems of agriculture and rural areas stemming from the period of state agrarian economy.

1. In the totalitarian past the main resource in agriculture was labour, in most cases hired labour, and the communist state was the only possible employer. The peasants became serfs of the state. They have lost touch with the agrarian property and farm work.
2. Increasing differences between town and village, the relationship being characterized by the social and economic inferiority of the village.
3. Inefficient agriculture, actual over-employment and, at the same time, a continuous shortage of labour due to inefficient equipment and technology and ineffective forms of organization of agricultural production and labour. The able-bodied rural population is on the decrease and the agricultural enterprises become increasingly indebted to the state. There is an acute shortage of agricultural products on the market. Agriculture is failing and ineffective.
4. The agrarian crisis is characterized both by its social, economic, structural and organizational dimensions, and by its cultural and psychological parameters. The latter can be seen in the rural communities' attitudes towards the equality between the different social strata and the problems of subsistence, safety and risk in agricultural production.

The notion of social equality in terms of property and labour has dominated social attitudes of the rural population for half a century. These attitudes were related to the totalitarian and ideologically-loaded notion of equality in which nobody believed but which nevertheless was officially proclaimed. It was an open secret that the agrarian nomenclature had free access to the public wealth of the country, from which they could take advantage and derive benefits depending on their position in the hierarchy.

The opportunity of working in the family plot and producing agricultural goods created and reproduced another type of inequality. It allowed those who, for a number of reasons, were capable of growing larger amounts of produce and taking it to the market, to earn considerable extra income. Already in the totalitarian society some villages were famous for the production of vegetables and fruit which were in great demand; these producers were called "hothouse millionaires".

The centrally planned state economy gave rise to an attitude that it was the state which should ensure employment, production and wages. And the agricultural worker, although strongly dependent on the state, was relieved of the necessity of taking risks as a producer. This destroyed the initiative and entrepreneurial spirit of the Bulgarian peasant.

The social meaning of the reform

The main task of the agrarian reform in Bulgaria is to restore private ownership in agriculture, thus promoting the transition to a free market economy. The successful accomplishment of this transition is supposed to contribute to overcoming the socio-economic consequences of centrally planned agriculture, which are essentially the dimensions of the agrarian crisis. However, the current pattern of the reforms indicates that some of these effects are intensified, and simultaneously new difficulties arise.

Socio-economic effects of the agrarian reform

A specific feature of the Bulgarian agrarian reform is that lands collectivized in the past are now being restored within their previous real boundaries. This is a slow and difficult process, only 69% of the arable land has been restored up to January 1994 (Information from Ministry of Agriculture, 1994). Due to the structure of the private farm property to be restored, most owners will enter into possession of plots that are small in size and dispersed. Data from a National Statistical Institute survey, representative at national level, show the following size structure of holdings to be expected for the whole country: 29% of the owners will have up to 15 decares of land, 22% 16 to 30 decares, 13% 31 to 50 decares; 10% 51 to 100 decares and 3% over 100 decares (Information from National Statistical Institute about restitution of arable lands, 1992). This peculiarity of the structure of private ownership in Bulgaria determines the orientation of the majority of owners to agricultural co-operatives (Todorova et al., 1993). What is more, they possess no means of production with which to organize private farming on their own (family) farms. Neither do they have the money necessary to buy equipment and new technology.

According to the survey mentioned above, 49% of all agricultural owners and heirs of land will join agricultural co-operatives, 15% will organize a family farm and 13% will lease it out. Since for the time being only a quarter of the total amount of land has been restored, most of this land has been included in agricultural co-operatives. And these co-operatives, paradoxical as it may sound, are still administered by the state. According to the rules of the Ownership and Use of Farm Land Act, all agricultural co-operatives in Bulgaria have to be reorganized. This process was called "liquidation". To enforce the law, the district governors appointed chairs and members of the liquidation committees. The goals of these committees are two. First they have to calculate the share of the co-operative farm's property that each agricultural owner is entitled to. This calculation is based on the area of land collectivized in the past and on work performed. The second is to organize current production activity on these farms.

Members of the liquidation committees have considerable economic power. They can appoint and dismiss agricultural workers and specialists in the co-operatives and assign their wages and salaries. The members also fix the plots of

land to be distributed for private family farms, new private co-operatives, family plots, etc. They are state officials and in many cases they act in favour of the state, or take care of their own interests but do not observe the interests of co-operative members. In many villages there were organized protests and strikes against some decisions and actions of these committees, for example in the villages of Tzalapitza and Gradina near the city of Plovdiv.

In the summer of 1992 a survey was conducted in thirteen villages (Keliyan, 1992). Interviews with experts, co-operative members and peasants show that in many cases the members of the liquidation committees act in their own interests. In three of the villages (Iskra, Muldava, Kuklen) the chairmen of these committees had even organized their own co-operatives. They have been using free of charge the equipment, labour and services available in the state co-operatives, which are in the process of liquidation and evaluation, a process they themselves control. And this is an offence against the law.

Transformation of agrarian property and social stratification

As has been pointed out above, under the conditions of centralized planning of agriculture some social groups, availing themselves of the high positions they occupied in the administrative hierarchy of the rural communities and the agricultural sector, were able to take advantage of state property and accumulate public wealth. In a situation of slow transition to a free market agriculture there was a kind of vacuum when the previous social and economic structures were destroyed. The old mechanisms of government and reproduction were no longer working, and new ones which could effectively replace them had not yet been created. The political struggles for power as well as the numerous imperfections of the legal system and the governing of the former communist party until the autumn of 1991, all assisted the rural nomenclature in its efforts to strengthen its economic power and appropriate greater wealth. On the other hand, those who had enriched themselves from their work on the family plots succeeded in buying equipment and other means of production they needed at still low prices. Some state officials, who had displaced the former village nomenclature, after the collapse of the totalitarian state, also took advantage of the situation, aided by the laws and norms regulating the state's powerful interference in agricultural production. Thus a group has been formed, heterogeneous in origin, which has accumulated and continues to accumulate property and money and which will be the core of tomorrow's class of big landowners.

Data from the sociological survey show that in some villages – for example Kuklen, Iskra, etc. – the chairs of liquidation committees chose the most fertile plots of land for their own family farms and co-operatives (Keliyan, 1992). In other villages - Muldava, Iskra, Popovitza - they had bought agricultural machines and equipment at knock-down prices.

According to a nationwide public opinion poll conducted by NOEMA, 44% of respondents think that hidden privatization is a very frequent phenomenon in

Bulgaria (Monitor of Public Opinion, 1993: 15). Due to the lack of anonymity in rural communities and the relative transparency of village socio-economic life, these processes are no secret to the public in the rural areas, compared with the urban areas where privatization takes place in a more covert manner.

Unemployment

In all the villages surveyed in 1992 there was registered unemployment, mainly among young people. It was a paradox that the agricultural co-operatives in these villages would rather hire workers from among the elderly population, even if they were close to or over pension age. According to Ministry of Labour data reported at the end of January 1994, there were 134,815 people registered as unemployed in the agricultural sector, 6% of them having university education and 23% being under 30 years of age (Information of Ministry of Labour, 1994) [1].

Mechanization

According to data from the National Statistical Institute, the number of tractors in 1985 was 55,161, while in 1989 it was reduced to 53,653; this falling trend continued in 1990, when their number was 52,375, and in 1991 51,171. The same trend is observed with combines: in 1985 their number was 15,645, in 1989 14,215, in 1990 it increased a little to 14,680, and in 1991 it went down again to 14,100 (Statistical Handbook, 1993: 110). Agricultural equipment has not only been reduced in quantity, but it has also not been replaced by new and more efficient machines. The broken-down ones have simply been abandoned and work continues with what is left fit for use.

Agricultural production and the cost of living

The National Statistical Information data show that in 1992, compared to 1989, cattle breeding and sheep breeding had decreased by 40% poultry raising by 51% and pig breeding by 38%. For the same period the output of meat had fallen by 40%, milk by 26%, eggs by 40% (Statistical Handbook, 1993: 120). The prices of these goods keep rising, which reflects on the consumption of the lower income groups of the population, which has decreased anyway. In this way the socio-economic problems of agriculture influence the level of consumption of the population and lead to new social problems connected with the survival of some groups of Bulgarian society.

[1] For comparison the number of unemployed in the country at the end of January 1994 was 631,987.

The landless

The agrarian reform raises expectations of overcoming the peasants' alienation from agrarian property and agricultural labour, but on the other hand, a new problem arises with landless people who, for the most part, lose the jobs they had in the previous agricultural co-operatives. The majority of these people live in the upland and hilly regions of the country and consist mainly of Gypsy and Turkish minorities. The 1992 survey showed that the landless peasants usually looked for jobs in the more fertile parts of the country (Keliyan, 1992). They have been hired by the agricultural co-operatives, for example in the villages of Iskra, Hristo Milevo and Popovitza, as temporary seasonal workers. Increasing unemployment in the rural areas, however, will soon deprive these people of that opportunity as well.

Differences in urban and rural expectations

The inhabitants of rural areas regard the restitution of arable land as an opportunity to ensure their main employment and principal source of income. A large number of former agricultural owners and their heirs have, however, long ago migrated to the towns. Some 50 years ago, collectivization affected the land of 1.5 million people, while nowadays the owners of agricultural land and their heirs number over 3 million people. The place of residence of owners determines their different expectations and intentions with regard to agrarian property that is being restituted. Data from the survey of the National Statistical Institute already mentioned, show that 35% of agricultural owners living in urban areas intend to have their land included in agricultural co-operatives, while the same intentions are shared by 63% of owners living in rural areas (Information of National Statistical Institute, 1992). While 20% of the town inhabitants who are owners of arable land plan to lease it out, only 6.7% of the peasants intend to do so. Inhabitants of urban areas mainly look to the restituted land as a source of extra income. The majority of them do not intend to work it themselves or with the help of their families, but rather to make it a source of rent. This is a potential source of disagreement and conflict between them and the rural owners of land, who are not able to ensure their own employment in the villages, as well as with the landless village dwellers.

Egalitarian attitudes and socio-economic differences

These processes take place against the background of egalitarian and populist attitudes of the rural population, who at the beginning of the reform was averse to agrarian property being restored to those owners who could not or would not work it themselves. Data from a sociological survey, conducted by a research

team of the "Alternatives" Club in April 1990 [2], indicated that 72% of respondents, who where agricultural workers and specialists, were against giving the land back to those who cannot or will not work it, and 66% considered that in these cases the former owners should not even be allowed to use agrarian property as a source of rent (Chipev and Donchev, 1990). The practice of the past 50 years of state ownership in agriculture and the communist ideological stereotypes in public consciousness made it difficult for people at the beginning of the reform to accept the fact that a free market economy was impossible without the restoration of private agrarian property. And it is not possible to transform a failing and ineffective agriculture into a profitable and intensive one without putting the agrarian reform into effect. Later on, with the establishment of democratic institutions, with the collapse of communist mythology and the worsening of the social and economic situation, these views and attitudes underwent a change.

Conclusion

In the situation of agrarian land restitution the post-totalitarian state has to create conditions for the restoration of agriculture and the development of rural areas. Among the ways of helping both agriculture and rural communities are state subventions, subsidies, the appropriate social policy and increasing autonomy of local government. Bulgarian agriculture needs modern infrastructure, suitable organization for trade, purchase, and supplying services. Agricultural business activity should be stimulated by tax concessions and financial help.

But one of the paradoxes of the transition to a free market economy, typical of both agriculture and the other sectors of society, is that the state has renounced its regulating and social security functions of the past, but has still kept its economic power intact. In practice the state still decides, enforces and manages the organizational structures of the economy. These huge powers, legally protected, inevitably create conditions for corruption as well as for the accumulation of money and wealth in certain social groups. This process, in its turn, gives rise to poverty at the opposite pole of social stratification. In Bulgaria the economic and political conditions do not exist for the creation and development of the rural middle class. The situation of a long and painful transition to a market economy provides a most favourable climate for some groups and circles to transform and accumulate property in order to enlarge their economic power and turn into today's and tomorrow's economically strong (and why not politically dominating) social strata of Bulgaria. The interests of these groups are best served by a delay in the agrarian reform, for in this way they prolong the period of their transformation and increase the opportunities of accumulating power and wealth.

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[2] This survey is a typological one, the sample including 1600 agricultural workers and specialists from the co-operative farms of three rural communities.

Delay in the agrarian reform, however, results in a vacuum in which the old mechanisms do not work, the old structures are destroyed, and the new ones are still not established. The rural communities, as well as the society as a whole, expected that the agrarian reform would improve the economic and social situation in the rural areas, that it would lead to a rise in agricultural production that would flood the market with a great variety and abundance of agricultural goods. In the final analysis this aim was not achieved and people became disappointed with the reform. In fact, the origins of the present problems and contradictions lie with the delay and dragging on of the changes rather than in the reform itself.

And if there is still some hope left, it is for the rapid and overall accomplishment of this reform.

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Chapter 11

Restructuring Hungarian Agriculture

The case of 'Golden Age'

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This paper highlights a few specific aspects of the social and economic restructuring of Hungarian agriculture since 1990, the so-called transition. Although it presents only one case in detail, the argument is based on a research project which aimed to explain changes in production and ownership structures as particular responses of former co-operative farms to the various challenges and pressures of their political, social and economic environment. Individual responses in the new production organizations can differ considerably from one to another, in terms of crisis-management, re-allocation of assets and landed property, and relations linking former co-operative members to their respective successor units. These relations can hardly be uniform since, apart from the obvious differentiating effects of external factors they also represent the multiplicity of organizational and power structures already in existence before the transition.

In the first section of the paper we discuss changes in general conditions of agricultural production. In the second section we describe the successor units of the former co-operative 'Golden Age' [1]. We have chosen this example because for historical reasons and due to the heterogeneity of its production, the 'fault lines' along which the co-operative has split are representative of a number of alternative patterns available to former agricultural co-operatives in Hungary. Considering the successor organizations of 'Golden Age' we find re-established producer co-operatives as 'revivals' of historically independent sub-units of the co-operative. We also find independent economic partnerships (limited liability companies) and 'holding co-operatives', the most common post-transition organizations. Fault lines are marked by strong interest groups that are decisive for the structure of successor units as well. We also intend to illustrate that, unexpectedly for many decision makers, new tensions have arisen as part of the transition process itself that mirror the well-known pairs of opposites such as 'property' *versus* 'management', 'individual' *versus* 'collective', 'private' *versus* 'common' or 'small-scale' *versus* 'large-scale' from a radically different perspective. Economic and legal rules on the one hand, representation and/or promotion of

[1] All names given are pseudonyms.

interests of various working groups on the other, are shaping the new organization structures and making agrarian restructuring a continuous process in Hungary.

Hungarian agriculture in transition: changing conditions of production

During the 1970s and 1980s collectivized agriculture was usually presented as an efficient, successful and powerful sector of the Hungarian economy. In fact, collective farms [2] provided some 14% of the GDP, and approximately 25% of all exports, even as late as 1990. According to census data for the same year, one-fifth of the active population was employed by so-called 'agricultural' co-operatives and state farms. However, only about half of this workforce was directly involved in agricultural production itself. The rest worked in the industrial, service, and administrative divisions of the collective farms.

It is difficult to assess the economic efficiency of collective farms because of the distorting influence of state-controlled prices, state subsidies, export and import regulations, etc. Nevertheless, it is undeniable that such external regulations have also favoured the actors in the socialist agricultural system. In other words, the collective farms were integral elements of a political and economic system that was aiming to ensure they continued functioning, to some extent at least, by the use of direct and indirect (macro-economic) regulation. Thus, the severe crisis of large-scale farming in Hungary can be explained as a consequence of the collapse of this political and economic system, or more precisely, of the simultaneous collapse of the whole food system (Fertõ et al., 1992) of which collective farms were an essential constituent. Although some institutions and techniques of the market economy have already been in place since 1982, and more obviously since 1990, the last four years made it evident that to build up an entirely new *system* is a difficult enterprise taking much more time than expected.

The problem of state subsidies to collective farms – in other words, the effects of *state-level redistribution* – has already been discussed in great detail (Illés, 1993; OECD, 1993). Less attention has been paid, however, to another equally important condition of profitable operation of large-scale agricultural producers, namely, the practice of *redistribution within the collective farms* overwhelmingly favouring the administrative centres and agricultural divisions at the expense of the sub-units deriving their income from industrial and service activities. This practice was meant to ensure the overall profitability of the collective farm as an integral unit, though it was characterized by both agricul-

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[2] Using the term *collective farm* we do not distinguish between large-scale agricultural producers of the socialist era such as state farms, producer co-operatives and so-called specialist co-operatives. The latter, existing in a fruit and vegetable-growing area of the Hungarian Great Plain, represented a genuinely peculiar type of co-operative involving a dual organization structure of private farming and collective, mainly industrial,activities (Kovács, 1993 and Hann, 1980).

tural and non-agricultural activities.

By the second half of the 1980s, overall state control of collective farms had practically disappeared. Henceforward the character and importance of non-agricultural activities on a particular farm were mainly determined by the combination of two factors: natural endowments and the economic geography of the region. Industrial and service activities have contributed the majority of income to collective farms, in particular in the surroundings of urban-industrial centres like the case presented here.

It is important to note that collective farms were pursuing industrial activities mainly as sub-contractors of industrial enterprises in urban centres. In this way the industrial crisis could directly influence the system of agriculture. Not surprisingly these industrial centres preferred to close down their branches in order to save their central units, while cutting back production at the latter. Meanwhile, a considerable number of collective farms were hit by the bankruptcy of industrial firms, not getting paid for products which had been delivered before the announcement of the bankruptcy. As a result, the value of output produced by non-agricultural activities of collective farms decreased significantly between 1988 and 1991 (Table 1).

Table 1. Changes in the Share of Non-Agricultural Activities in Value of Output of Collective Farms 1988 and 1991

Type of Collective	**Share of ancillary activities (%)**	
	1988	1991
State enterprises	45.5	31.4
Producer co-operatives	38.2	27.2
Partnerships	35.1	41.6
Specialist co-operatives	64.7	64.8
All collective farms	40.1	30.3
Total value of production in billion HUF	145	114

Source: RIAE, 1992: 9-10

In other words, next to the sharp decline in the amount of state subsidies [3], the disintegration or collapse of the non-agricultural activities of many large-scale farms was among the major factors accelerating the crisis of collective farming in Hungary.

[3] The figures from 1989 to 1993 are as follows (in million forints): 1989: 77 163, 1990: 73 144, 1991: 42 039, 1992: 39 120, 1993 (predicted): 47 490. Source: Ministry of Finance, 1993.

The transition of 'Golden Age'

The pre-history and the short classic period of 'Golden Age'

'Golden Age', a former producer co-operative, was situated on the southern fringe of the Budapest conurbation, about 30 kms from the capital. It was one of the producer co-operatives in the region in which the share of income from non-industrial activities exceeded that from agriculture. Figures for the latter were: 1988: 12.7%, 1989: 13.9%, 1990:10.8%, 1991: 24.2%.

The history of the 'Golden Age' co-operative before the transition had not differed from that of most co-operatives. For our purposes it will be sufficient to highlight the following dates:

1961: Establishment of 'Golden Age' in a small town called 'Nice-Danube'.
1973: First merger with another co-operative of the same town.
1974: Second merger between the enlarged 'Golden Age' and the co-operative called 'Autonomy' in a village (Periphery) which, though belonging to the conurbation of Nice-Danube, was not a neighbouring settlement.
1975: Third merger with the only remaining independent co-operative of Nice-Danube called 'Old Hero'.

Non-agricultural activities were significant in each merging co-operative but had never exceeded 50% of the value of output. In 1976, the first year of the greater 'Golden Age', an ambitious plan was formulated by managers of the co-operative and political leaders of the region: they decided to set up a freezing house complex. Two smaller freezing houses had been constructed outside the micro-region but the largest building of the complex was built at Nice-Danube. A freezing house is practically the peak of a system of vertical integration. It requires a constant and ample supply of local produce, therefore, serious investments had to accompany the construction of the freezing plant in 'Golden Age', such as new fruit plantations (raspberry, apple, cherry, sour-cherry), new irrigation systems to supply orchards and vegetable production in an area of 1700 hectares. Gas was laid on during these years to provide cheap energy, etc.

These investments were mainly carried out during the late 1970s and early 1980s. This was a period during which the character of 'Golden Age' was formed: a huge co-operative with a complete, vertical chain in vegetable and fruit production, a modern beef-breeding ranch and an extensive group of industrial activities. The latter were scarcely connected to agricultural enterprises, nor had the industrial divisions much to do with each other. They were geographically scattered small units with a wide range of industrial and service activities.

1980s: the years of emerging and multiplying crisis symptoms

The programme of large investments led to the decline of the co-operative, which entered the 1980s with enormous debts running up to almost 400 million HUF.

This was one of the reasons why the managers had been rather willing to re-organize production according to the guidelines provided by the latest liberal reforms of the planned economy, adopted in 1982. All legal forms of partnership were established within the co-operative. They were subsumed under and controlled by managers of the main divisions of production such as the Agricultural and Industrial Divisions and the Department of Enterprise Promotion, all directed by the Centre (of the co-operative). The Agricultural and Industrial Divisions operated as 'sub-centres with semi-independent budgets'. This system implied that, although they did not exist as divisions with entirely independent book-keeping, their overall income and costs of production were registered separately in the unified balance-sheet of the co-operative. Meanwhile, they were neither allowed to dispose of their net income nor to determine the magnitude of their share from the so-called 'costs of central administration and management', they were always charged by the Centre. Nevertheless, this form of organization involved two major steps towards greater economic autonomy: both the profitability of main types of production and the success of the managers' work could be evaluated more precisely.

As many as 64 small entrepreneurial groups with a maximum of 14 active employees operated under the umbrella of 'Golden Age' in 1983-84. The term "umbrella" implies a loose connection to the co-operative through special contracts within the organization. The enterprises were to provide a fixed monthly payment to the Centre in exchange for the working capital or production inputs they generally received from 'Golden Age'. "Managers of enterprises only needed our rubber-stamp enabling them to buy whatever they intended within a limit settled by a contract" as the chairman of 'Golden Age' commented in an interview in 1993.

However, there were serious mistakes and numerous miscalculations made over planned production, forecasts and associated investment. All efforts to establish a vegetable-growing enterprise based on small-scale production, were rendered useless by the absence of local tradition. The selection of the area for a raspberry plantation was a mistake, the beef ranch became unprofitable due to falling prices, etc. Agriculture never quite fulfilled the managers' expectations. At the same time, industrial activities underwrote the financial viability of the co-operative as a whole.

The pre-transition period of 'Golden Age': 1988-1991

By the end of the decade the majority of small industrial enterprises had disappeared. On the other hand, three small agricultural enterprises were established as a new development immediately following the passing of the Law on Partnerships in 1988. Two of them were 'one-person' private enterprises: two former members (the former leader of the Department of Integration of Small-Scale Production and an ordinary young member of the co-operative who 'was sitting close to the fire') had been allowed to rent 100 hectares of land. Both of them had

failed by 1991, but a third venture survived and is still operating. It was established as a limited liability company called 'Free Land' by three managers of the agricultural division of 'Golden Age'. They rented 400 hectares of land at that time and the machinery from the co-operative. The first three years were marked by countless conflicts between the Co-operative Centre and the 'Free Landers'. One of the founders decided to quit and later on established his own private business (Priv-Horticultural LLC, Table 5), the two others continued and by 1993 they had become one of the most promising competitors for agricultural land in the region. The beef ranch was also re-established as a limited liability company.

The appearance of these agricultural enterprises established by a few top managers was attributable to one external and one internal factor. On the one hand, a new wave of economic liberalization during the late 1980s, and on the other the sharpening conflict between industrial and agricultural sub-divisions of 'Golden Age'. Managers of industrial branches protested louder and louder against the amount of money taken from their divisions by the Co-operative Centre as a source of intra-organizational redistribution. Meanwhile, agricultural managers themselves felt the rule of top managers and managers of larger industrial units to be oppressive. They argued that they had never enjoyed the level of autonomy exercised by industrial managers whether inside the co-operative or outside (see fixed agricultural prices and markets). To illustrate the prevalent atmosphere of those days, we use a case that was recalled by an interviewee. According to him, the Communist Party secretary of the co-operative at the end of 1987 'set an assignment': "Write an essay with the title: *What would I do if I was the Chairman of the Co-operative?*" Three people, who later became founders of the 'Free Land' LLC, did actually take the task seriously and proceeded to prepare a comprehensive plan. They would have divided the 4500 hectares of land cultivated by 'Golden Age' into 15 separate enterprises. To no one's surprise, the plan was rejected. However, they were allowed to set up their own enterprise as a special experiment, though the top managers warned them not to instigate any 'ordinary members' to do the same.

However, 'Golden Age' was slipping deeper and deeper into a liquidity crisis. The crisis of industry spread and deepened quickly between 1988 and 1990. As a consequence, quite a number of previous sub-contractor industrial enterprises went bankrupt, leaving debts behind to be added to the debts of the co-operative. Even industrial units considered to be rather strong lost a considerable part of their market as some of the largest firms in Budapest cancelled their contracts with 'Golden Age'. Worst of all, in some cases they (contractors in Budapest) announced bankruptcy without ever paying for products already delivered. The closing down of some industrial enterprises and severe cutbacks in the production of surviving ones resulted in a serious reduction of the workforce. 'Golden Age', employing 4000 people less than a decade before, had 1527 active employees in 1988; 902 in 1991; 720 in January, 1992. By the end of 1992 the only possible way of successful crisis management was to 'escape forward' by taking a further step towards autonomy. The systems of independent budget sub-

centres were re-organized into a holding co-operative organization. The last stage of the previous organizational principle (the system of independent budget sub-centres, 1991), and the structure of holding co-operative in 1992 are illustrated by Figure 1.

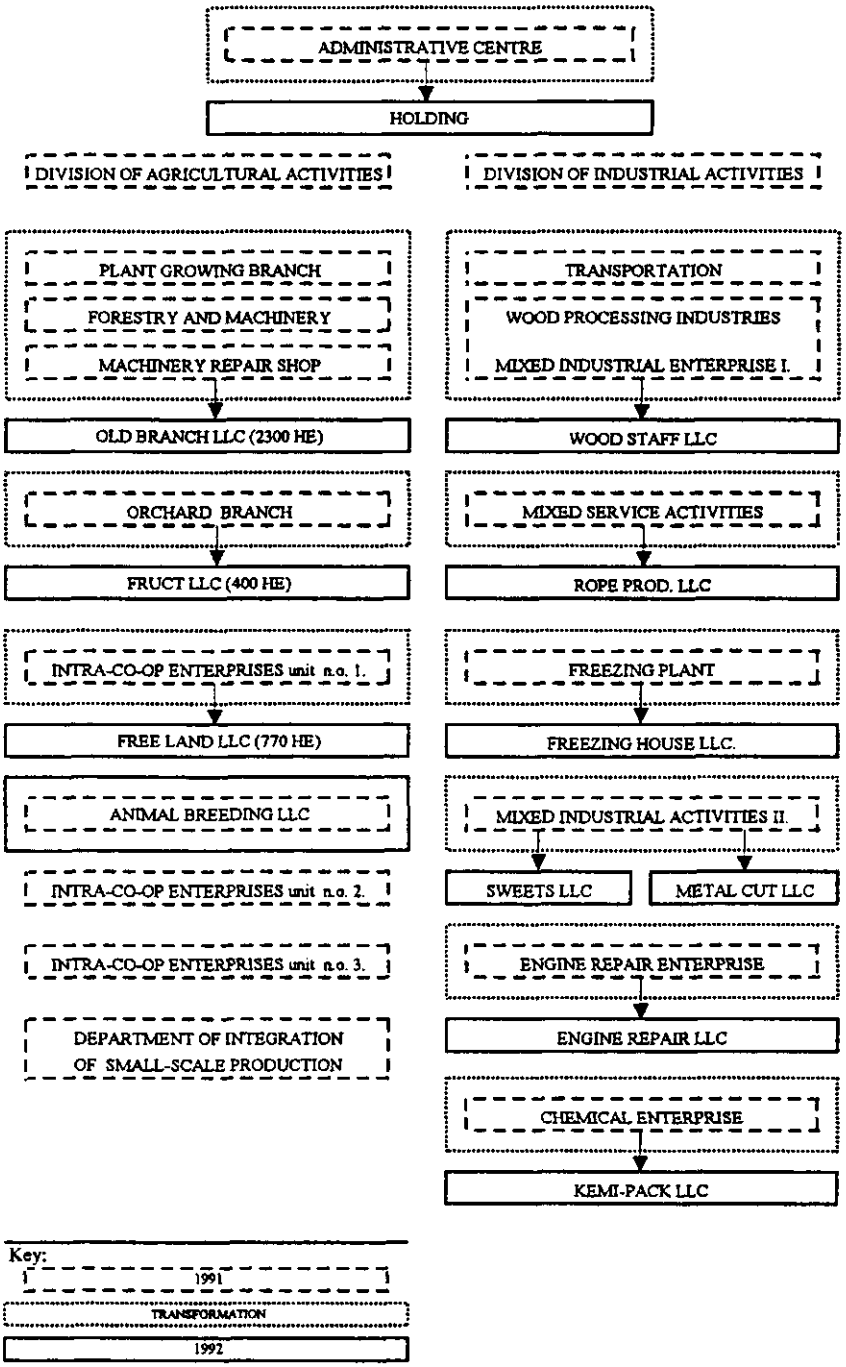
The transition of 'Golden Age': through a holding system to independent successor organizations

As Figure 1 indicates, the number of industrial units had already been reduced considerably by 1990 compared to 1983-84. The same process was continued in 1991. Production units, whether agricultural or industrial potentially capable of profitable operation, according to their managers, were organized into limited liability companies. The co-operative centre, the holding, became the 51% majority shareholder in each limited liability company. To ensure an equal share in servicing debts (25% of the value of assets in 1991) each limited liability company was obliged to pay a proportion. The holding was responsible for providing working capital for production units (limited liability companies and the rest of the agricultural branch), since the holding was not only the majority shareholder in LLCs but also the owner of the assets they operated with and on which creditors could impose mortgage as security.

The last year of 'Golden Age', 1992, marked the real turning-point. The holding system could not solve the accumulating problems, most significantly the liquidity crisis. The level of indebtedness had risen from 25% to 33% by the end of the year. 1992 was also the year of the implementation of the Co-operative Transformation Law. Emotions during the months of evaluation and re-allocation of ownership of the assets belonging to the co-operative had reached unprecedented intensity. By the end of 1992 a full separation of production units and individual claimants was decided upon.

Meanwhile, two interest groups emerged which openly opposed the first suggestions of top managers for allocating property rights (= "naming") over the assets of the co-operative. These were a group of retired members and the majority of residents of Periphery. The latter supported the idea of re-establishing 'Autonomy', an independent co-operative of villagers of Periphery. The leader of this group, a middle-aged former co-operative member, has been the mayor of the reorganized local council of Periphery. Her success in local politics obviously encouraged her and her supporters to recover what had been taken under pressure in 1974, namely, the village co-operative as an economic basis for the community.

Figure 1. Changes in Organizational Structure of 'Golden Age' 1991-1992



The majority of those who supported the re-establishment of the 'Old Hero' co-operative were retired members. Therefore, belonging to a certain generation has been the most important grounds for solidarity among people joining this group. They accepted the leadership of the last chairman of the independent 'Old Hero' (he was in office until 1975), expecting him to represent their values and point of view. As he expressed his supporters' demands: "They have come up to me saying: 'Feri, speak up for us, otherwise they will have us fleeced.'"

This man in his late seventies got involved in local politics rather unexpectedly in 1990, when a journalist, editor of a newly launched private newspaper, asked him to give an interview on a local scandal of the day. This conflict was part of the outbreak of the open political debate, a confrontation of the united "opposition" and local representatives of the Communist "establishment" in 1989-1990. An ambitious plan of co-operative leaders sparked off the scandal presented in the local press. To ease the liquidity crisis, not disclosed to the public at the time, the top leaders of 'Golden Age' had decided to sell the most valuable lands of the co-operative. These pieces of arable land lying close to the Danube's left bank would have been converted into plots suitable for leisure purposes. They had hoped to gain 300 million HUF of profit with 150 million HUF of investment.

There were two main arguments against the decision. On the one hand, many local residents were reluctant to accept "newcomers", future owners of leisure plots, contributing to over-crowdedness and environmental pollution, and limiting the access of the public to the bank of the Danube. On the other hand, in the eyes of elderly inhabitants of Nice-Danube, land was primarily to be used for agricultural production. "They want to sell out our best pieces of land that used to be our vegetable-gardens", they exclaimed. One of the prominent representatives of this opinion was the last chairman of the 'Old Hero' co-operative. "This man saved those plots in 1972-73. At that time he had to run the risk of losing his job as a chairman of the 'Old Hero', since Communist leaders intended to appropriate this land for similar purposes." the journalist explained. "To have an equal income from this 24 hectares by agricultural production, we would have to plant and harvest for 100 years." replied the chairman of 'Golden Age'.

As the procedure itself was unassailable in legal terms and the local council had approved of the plans for a new recreational area, the leaders of the 'Golden Age' won the fight in 1989. However, this public debate provided an opportunity to distinctly formulate different approaches towards issues of land. It also marked the beginnings of the activity of different actors in the subsequently unfolding intra-co-operative debates.

In the transformation of the co-operative in 1992 the first task was to allocate property rights through "naming" the collectively-owned assets. Rules governing the distribution of assets in the form of 'property shares' had partly been determined by the Transformation Law (cf. Swain, 1993), and partly by co-operative members (General Assembly of the Co-operative).

Top managers of 'Golden Age' have lost the support of many retired members by trying to assert the interests of the managers during the allocation of property rights. They based their claims on the alleged merits of young and middle-aged managers in accumulating the assets which were to be allocated. They demanded a share proportionate to their past "efforts". Retired members argued that their contribution had been equally important: "We were forced to join the co-operative in 1961. We were extremely poor in those years. We received but alms in return for the hard work we were doing every day with our bare hands".

The 'Autonomy' and 'Old Hero' groups formed an alliance against top managers, and succeeded in having a vote of confidence taken in June 1992. They would have needed two-thirds of the votes to have the three top managers dismissed. They only received 56%. Although the vote of confidence failed, the results indicated an equal division of power among confronting groups. It was primarily these circumstances that forced representatives to negotiate and seek compromise instead of choosing confrontation. New principles concerning the allocation of assets were accepted by the General Assembly, increasing the value of property shares to be owned by retired members to a considerable extent. In addition, top managers were to give up their original aim, namely, the reorganization of the holding structure into a public share-holding company. A full separation was decided upon according to distinct sections of the assets. All units seceding were to cover 33% of the assets value taken to be paid to various creditors.

The second task was to recover as many property shares as possible from property shareholders in order to cover the value of assets which were to be taken from the co-operative. The actors mainly concerned at this stage were managers of LLCs and groups intending to secede from the co-operative. First, a section of assets to be taken by these groups and individual claimants (28 persons) had been set aside.

Subsequently, a campaign was launched by managers of larger units, relying on both fair and false promises, to attract as many property shareholders as possible. (Tables 2 and 3 indicate the largest groups of assets in 1992 and various aspects of the structure of property shares collected by managers from active and retired members.)

The stakes at this stage of the game could only be clearly assessed by professional gamblers. Two vital issues were of main concern: (i) acquisition of assets by means of which a profitable operation could be carried out; (ii) a considerable reduction in the debts inherited, immediately following the secession itself. The first factor can be viewed as external and therefore not susceptible to influence. However, the second factor could be handled by managers in two ways:

a) acquiring as great a share of movable and small fixed assets as possible (e.g. stocks stored in the freezing plant, leisure plots near the bank of the Danube, flats, etc.), and selling them for cash in order to service debts;
b) claiming a particular array of debts on the assets. In this case the structure of debts would enable managers to re-negotiate the conditions of servicing.

Needless to say, former managers, top managers in particular, were in a much better position than ordinary members without information, relevant knowledge, experience in financial matters or contacts with chief bank officers. These managers were obviously able to exert considerable influence on the conditions of independent production about to be launched.

Table 2. *Owners and Operators of Larger Successor Organizations of 'Golden Age', December 1992*

Successors	Owners of LLCs	Active members + employees	Property shareholders	Vaue of assets taken		Average value of property shares per person
				HUF	%	HUF
Freezing House LLC	9	160	348	181 500 000	21.8	521 552
Sweets LLC	3	17	33	11 667 000	1.4	353 545
Engine Repair LLC	28	153	146	65 717 000	7.9	450 116
Wood Staff LLC	38	43	33	23 315 000	2.8	706 515
Old Branch LLC	30	47	117	70 647 000	8.5	603 821
Fruct LLC	69	64	304	135 435 000	16.2	445 510
Old Hero Co-op	11 *)	6	175	85 291 000	10.2	487 377
Autonomy Co-op	167	1	167	56 584 000	6.8	338 826
Total numbers	355	491	1 323	630 156 000	75.6 **)	476 306

*) Statutory members
**) Total is not equal to 100 as this Table only presents the *larger* successors!

Source: 'Golden Age' Documents

Table 3. Successor Organizations of 'Golden Age' According to Share Ownership

Successors of former 'Golden Age' coop.			Distribution of shares (%) (total = 100)				
Name	Number of employees	% of shares *)	Retired members	Active members	Former employees	Outsiders **)	Others
Legal successor co-op	3	8.7	31.9	23.9	2.6	37.7	3.9
Freezing House LLC	160	21.9	39.8	42.0	3.5	12.4	2.2
Sweets LLC	17	0.4	0.0	54.0	5.4	22.7	17.9
Engine Repair LLC	153	8.8	13.7	62.4	4.4	17.0	2.3
Kemi-Pack LLC	13	1.0	21.4	54.5	5.6	18.4	0.1
Rope Prod. LLC	3	0.4	0.0	79.3	15.3	5.3	0.0
Metal Cut LLC	25	1.2	10.3	77.6	7.6	4.4	0.0
Wood Staff LLC	43	1.9	0.0	75.8	9.7	10.3	4.2
Non-Agricultural Activities	414	35.7	28.5	51.0	4.9	13.5	2.1
Free Land LLC	2	0.4	0.0	54.0	5.4	38.8	1.8
Old Branch LLC	47	6.4	18.4	54.7	7.7	13.8	5.4
Fruct LLC	64	18.4	40.0	25.5	1.7	29.6	3.0
Prov. Horticult. LLC	1	1.1	36.3	18.3	1.3	40.0	4.3
Agricultural Activities	114	26.3	34.0	32.7	3.2	26.4	3.7
Old Hero Co-op	6	13.0	49.0	23.1	1.4	20.9	5.6
Autonomy Co-op	1	15.5	44.1	17.8	1.4	33.2	3.6
Opponents	7	28.4	46.0	20.2	1.5	27.5	4.8

*) of former 'Golden Age' co-operative. Total = 99.1, because of omission of one personal LLC.
**) Former members or heirs

Source: 'Golden Age' Documents

One should not ignore the fact that the transformation of an indebted co-operative was controlled by one of the commercial banks (its most important creditor). Their blueprint of business policy had to be approved by the creditor of the indebted co-operative [4]. In this way commercial banks were able to influence the modes and circumstances of transformation (= restructuring organizations) at a great number of collective farms.

Top managers were well aware of their advantages, and they did their best to make use of their skills. They succeeded in dividing "the alliance of the opposition". 'Old Hero' and 'Autonomy' openly demanded the freezing plant, the most precious of the assets of which the top managers were determined to maintain control. Managers finally attained their objective through a special agreement over the shares of the leaders of 'Old Hero' in the stocks of the freezing plant.

The remaining opponents, the leaders of 'Autonomy', have been fiercely criticized for their "inflexibility" and "ineptitude" in making a compromise. They responded by declaring both the assessment and distribution of the assets and debts unfair, and started "fighting the windmills". They have put their trust in "justice" and the support of leading political forces. For this reason they launched a legal action against top managers of 'Golden Age' in 1992, questioning the validity of the value assessments. In short, they failed. It was far too late to restart the whole tedious and troublesome process once again. 'Autonomy' has found itself isolated. The full secession of other successor units of 'Golden Age', approved of by the creditor bank, had been completed by December 1992. The most important independent partnerships are indicated in Figure 2.

A comparison with Figure 1 clearly proves that the structure of production in 1992 fundamentally determined the set of important successors in 1993. However, one important point is not shown by these figures, namely, the fact that top managers of limited liability companies could maintain their positions intact. Some smaller sub-units have disappeared as their enterprises were not viable financially. Two new units were established: the 'Old Hero' and the 'Autonomy' co-operatives. 'Autonomy' took its share from the legal successor of 'Golden Age' one year later than all other successors. They had finally realized their failure by the end of 1993. By this time their share had decreased to 50% of the original value, indicated in Table 2. 'Autonomy' has been the real loser in the game.

People opting for the losers when investing their property shares have lost accordingly, while those associating themselves with the winners have hitherto managed to stay in the game at least. However, to a large extent, most active members and employees have shared mutual interests with the managers. Active members and employees, no matter what position they would have, aimed at keeping their jobs and investing their property shares into successful enterprises.

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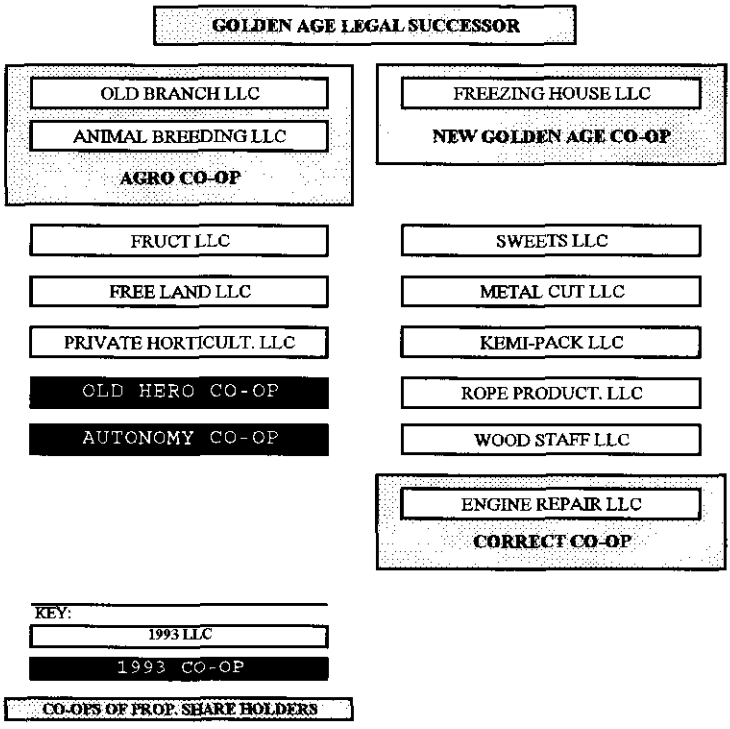
[4] In 1992, the degree of indebtedness (debts related to the value of liquid and fixed assets) of co-operatives was 21.2%, a high rate but much lower than the scale of indebtedness of state enterprises (30.6%) and partnerships (50.2 %)(RIAE, 1993: 8-10).

Figure 2. Successor Organizations of 'Golden Age', July 1993



Source: 'Golden Age' Documents

They have accepted the managers regardless of their political past, style of managing and possible lack of fairness. They considered these managers to be the most likely to meet their expectations by achieving success in business. People have hoped to receive their due share from the profit of these successes. Of course, many of these people have been and will be disappointed in their expectations.

Property *versus* management: experimental forms of compromise

It seems obvious from Figure 2 that in 1993 a compromise between owners of the assets (the former members of 'Golden Age') and managers of LLCs has been reached and put into practice. One of the most important indications of this compromise can be seen in the multiplication and modification of holding co-operatives.

Only two of the six successor co-operatives operating in the summer of 1993 were originally established as co-operatives after their secession in January. ('Old Hero' and 'Autonomy'.) Although these organizations are ordinary producer co-operatives, ironically, they both share a common attribute, their production – though for different reasons – is considerably restrained. 'Autonomy', while distracted by legal and political confrontation, could only cultivate half of the district belonging to its base village, creating only one job opportunity. 'Old Hero' employed six active members, including a top manager, and cultivated 300 hectares of land. Nevertheless, the majority of its income was provided by rents and sales of the assets taken from 'Golden Age'. (Ironically, the editor-journalist, who had played an eminent role in having the chief organizer of this co-operative involved in local politics in 1990, was elected as a top manager of the re-established 'Old Hero'. Even more ironically, this co-operative took five plots that were the focus of the political debate in 1990, from 'Golden Age' . Four of these were sold at a very good price in 1993.)

The legal successor ('Golden Age') was formed to organize auctions for allocating the assets on which more than one claim had been registered. It is also responsible for the sale of remaining assets. A chairman and two administrators constitute its active workforce.

Three holding co-operatives were subsequently established on the initiative of managers of limited liability companies. As appears from Figure 2 and Table 2, the 'New Golden Age' co-operative brings together 348 property shareholders of 182 million HUF of assets in the freezing plant. Agro-Co-op was established by 117 owners of the assets of the former agricultural division (plant-growing and beef-breeding branches of production) and Correct Co-op is the co-operative of 146 owners of the assets of the largest industrial branch. These organizations are, undoubtedly, among the most important successors of former 'Golden Age', taking a considerable part of its assets. By organizing new owner co-operatives, managers have solved the problems of communication emerging between owners (between 100 and 350 persons) and managers. In this way they have only had to keep in touch with the elected leaders of new co-operatives. The same managers head the Old Branch LLC and Agro-Co-op. This organizational structure allows managers to influence the decisions of the owners more successfully.

At the same time, owners have preferred the re-establishment of co-operatives on the same grounds. They wished to exercise collective control over the decisions taken by the managers. Since the majority of owners held property shares of relatively little value, they hoped to have their interests better represented as members of a co-operative in which the principle of 'one member one vote' balances the voting power of shareholders.

The re-establishment of collective ownership six months after the successor units started to produce independently proves that the discrepancy between the fragmented ownership and use of the assets or land property must be bridged. However, these holding co-operatives are considerably different from the 1991

version of 'Golden Age'; they do not own shares in limited liability companies. In this way, limited liability companies are entirely independent organizations; ownership and production are fully separated in this structure. The owners' ambition to exercise individual or collective control over the decisions of managers is frustrated by the extreme fragmentation of property rights. For this reason we consider these parallel structures of production and ownership to be short-lasting, intermediate phenomena. The more or less manifest designs to initiate a process of re-unification coupled with capital concentration have already been prepared by top managers. The contracts of investors will usually terminate in 1998. By this time managers hope to have accumulated sufficient amounts of capital enabling them to buy the majority of shares at a reduced price (30-50% of their value).

Up until 1993 the restructuring of industrial and agricultural successor organizations of former 'Golden Age' have not differed much from one another. Among agricultural producers there are various types of co-operatives, as well as limited liability companies. One of the most promising successors of former 'Golden Age', the Fruct LLC cultivating 400 hectares of orchards, will be reorganized as a public shareholding company according to the plans of its managers. However, there are small enterprises among agricultural successor organizations – such as Free Land in which the two owner-managers cultivated 700 hectares of land in 1993 - and medium-size enterprises such as the Fruct and the Old Branch LLCs. These three units will probably successfully survive in the future (with further cuts in employment in the latter two).

Conclusion

What does the case of 'Golden Age' exemplify? We hope this short story was of some help in understanding the highly complicated and long-lasting transition process. In the final analysis, economic and sociological rules usually underlying far-reaching changes and metamorphoses involving the whole of a society and economy, can be seen at work in this case as well. It also illustrates that initial hopes and intentions to create a market economy, while avoiding polarization of society, proved to be illusory: the shift back (or forward?) to a capitalist system seems to be as dramatic and painful for many as the opposite process 45 to 50 years ago. Nevertheless, some of the new economic units which are the successors of former producer co-operatives have promising aspects. They are certainly much 'healthier' organizations than their predecessors. These results must be regarded as signs of improvement, perhaps initial steps in a positive development that will increasingly prevail in the future.

Considering the background factors, besides economic and social driving forces, the special circumstances brought about by the radical political transition have also conditioned the process of restructuring. In times of such general eagerness to see fundamental changes take place, new forms, new inventions,

new constellations are more likely to come about. Interest groups supported by the triumphant political forces stand a better chance of having their designs considered and even carried out. However, the basically democratic political system of Hungary provides no absolute guarantees for the thorough implementation of any party's programme, especially when that may threaten the interests of a considerable number of social groups. The restructuring of Hungarian agriculture is a good example of this phenomenon. We are not claiming that political forces have not influenced the directions of change whatsoever, but their authority seems to be limited due to the clashing interests of major social groups, directly or indirectly involved in agriculture. Therefore one of the keywords that may help to understand the process of transformation in Hungary is *compromise*.

Acknowledgements

The research was funded by the Hungarian Research Fund (OTKA IV.). It was led by K. Kovács and administered by the Centre for Regional Studies, Hungarian Academy of Sciences. We wish to thank managers and ordinary members of former 'Golden Age' for data and information received.

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Chapter 12

Family Farms in Post-Communist Poland
From repressive tolerance to oppressive freedom

Krzysztof Gorlach, Piotr Nowak and Zygmunt Seręga

The aim of this paper is to discuss some basic elements of the transition process taking place on family farms in Poland as it moves from a communist system to a market economy and political democracy. Poland's 2.1 million private farms and more than 20% of the total labour force involved in private agriculture form the basic demographic parameters of the social and economic phenomenon under consideration. Bearing in mind that individual farmers were the only major class who maintained a relatively independent economic basis in the communist system and formed one of the most important social groups challenging communist power (Lane and Kolankiewicz, 1973), it might be said that this group has been a significant and effective political force as well. Even during the very hard period of Polish history after martial law was declared in December 1981, this political force successfully defended its economic and political interests. In the first half of the 1980s, the communist authorities were forced to add to the Constitution of the Polish People's Republic a clause to the effect that family ownership in agriculture should be treated equally with state and co-operative forms of ownership in the national economy.

In the post-communist period (i.e. from summer 1989 when the first Solidarity-based government was formed), Polish farmers have continued to organize spectacular protests to defend their interests. One can point to several road blocks by tractors and machinery, a sit-in strike in the Ministry of Agriculture building in summer 1990, hunger strikes and protest marches in the streets of Warsaw in 1991 and 1992 and also 1993. As a result of this, some people including political commentators and even some sociologists have began to accuse farmers of being a force opposing the economic reforms being carried out in Poland. As, for example, Edmund Mokrzycki puts it: "(peasant farms in Poland) were adjusted to cheap credits, to centrally fixed and relatively stable prices of supplies and agricultural produce, and above all to an economy marked by chronic shortages, which made the purchase of means of production extremely difficult but guaranteed the easy and centrally organized sale of all products, of virtually any quality and in any amount" (1992: 274).

This problem justifies the careful analysis of family farming issues, in order to describe and explain the paradox that the most important and largest group of private owners in the communist economy, in which family farming was treated

as a residue of a market economy, has become one of the most important forces calling for state intervention on the road to a real market economy.

Two analytical strategies could be used to explain this paradox. First, one could point to certain general phenomena occurring in agriculture in various countries, including the most advanced ones with a long tradition of a capitalist market economy. Such an approach would portray the activities of Polish farmers as quite similar to those of farmers in Western Europe or in the United States. Demands for minimum prices for agricultural commodities, subsidies for agricultural producers, limits on food imports and the promotion of export of agricultural commodities are voiced by various farmers' organizations all over the world. Demonstrations and road blocks, strikes and the destruction of agricultural products to keep their prices from falling etc. - such phenomena can be observed from time to time in many EEC countries. However, this problem is not the main issue here because it might show only some common characteristics of agrarian and rural processes without regard to more specific national or regional phenomena.

The second approach is based on the assumption that farmers, like other groups in Polish society, are burdened with the tradition, experience and patterns of behaviour formed in and inherited from the communist system. Some people express this idea in a very general way, describing the typical post-communist Polish mentality as *Homo sovieticus*. However, a more analytical approach to the problem might be found either in sociological analysis dealing with the social awareness dilemmas of the transitional period (Sztompka, 1991) or in considerations of the possibilities of and obstacles to the introduction of capitalism in Poland (Kochanowicz, 1991).

This study uses the approach of farmers' awareness of problems and suggests a two-fold analysis. First, the family farming situation under the communist system and in the transitional period is described. Second, an attempt is made to illustrate the strategies adopted by farmers, based on research carried out in a typical rural community of south-central Poland. This research was part of a broader research programme focused on the problem of the relationship between the state and the private farming sector. The first interviews with 180 farmers were carried out in 1987, (Gorlach and Seręga, 1991). In 1991 the fieldwork was repeated, this time interviewing 174 farm owners.

"Repressive tolerance" and its consequences

The concept of repressive tolerance (cf. Marcuse, 1976), has become a useful framework for describing the situation experienced by farmers during communism. It characterizes the nature of the relations between peasants and the state in that period (Gorlach, 1989). On the one hand, these relations were based on the political and administrative repression of peasant agriculture and on attempts to subordinate this sector to the state-directed economy. On the other hand some

elements of tolerance might be observed, especially in the face of food shortages when peasant agriculture was treated as a main source of agricultural commodities (Kuczyński, 1981; Gorlach, 1990). But the limits of tolerance were drawn by the communist socio-economic and political doctrine in which, despite official statements, the privileged position of the state and co-operative sectors was quite visible. This was revealed by the legal limitations on maximum acreage owned by individual farmers and in problems of getting a permit to buy farmland.

In practice, the communist period showed that the private economy was unable to integrate with the state sector. Because earlier attempts to eliminate family farms directly through collectivization in the Stalinist period had been unsuccessful, some steps towards so-called artificial integration were taken (Banaszkiewicz, 1988). As a result, family farming was subordinated to local state and political bureaucracy. Local state agencies (*urzędy gminne*) created by the reform of the state administrative system in 1973 were obliged to control agricultural production on family farms. In many cases they determined the volume and type of commodity to be produced by individual farmers. This was especially true in case of specialized farms that were heavily dependent upon state credits and other supplies whose distribution was controlled by state agencies.

Local bureaucracies were also controlling the land market, especially by their power to allow a private farmer to buy land which was handed over to the state authorities by an elderly owner in order to acquire a state pension. These bureaucracies also had the right to decide whether any farmer could buy a tractor or other heavy equipment at the state-controlled price. In the case of a negative decision a farmer was forced to buy such goods on the so-called free market, paying a much higher price. Local state agencies controlled the system of agricultural services and local banks as well. They also ran the local system of co-operative agencies, buying agricultural products from farmers and selling chemicals, pesticides and other supplies to them. Tax collecting offices as well as farmers' advisory agencies were also part of this system.

As a result, it might be said that all activities of the private farmer took place within a framework controlled by the state authorities and were part of a peculiar strategic game with the communist system. This resulted in specific survival strategies among family farmers. The essential aim was to use the elements of tolerance in state policy to maintain family farming despite the elements of repression. Apart from this general strategy, the repressive tolerance system created some other characteristic elements in farmers' reasoning and activity. Some of the more important are briefly discussed below.

The first issue regards the amount of land possessed by the farmer. In general terms this is a problem of the structure of peasant farming. Repressive tolerance prevented the concentration of farmland to the level which could be observed in some Western countries like Germany, France or Scandinavia. For example the average size of family farm in Poland in 1989 was only 7.2 hectares and almost 70% of such farms were smaller than 7 ha (Rocznik Statystyczny, 1990: 319-

320).

A reflection of this phenomenon can be found in the farmers' consciousness and in their production preferences. Farmers used to think in terms of 5 - 10 hectare holdings with mixed farming. According to previous sociological research the farm acreage preferred in most cases reflected the regional or even local situation (Adamski, 1974: 189-192; Kocik, 1986: 51). Farmers' experience since 1989 has not changed this style of reasoning. According to our own investigations in 1991 56% of farmers interviewed pointed to the 6 - 8 ha farm as the optimal model for a family farm, which is in fact a typical farm in the investigated community. Only 17% of family farm owners declared that larger farms are necessary in order to cope with the new situation.

Another issue is the problem of ownership of mechanical equipment by farmers. Shortages in the agricultural machinery market which were typical of the communist economy encouraged certain patterns of thinking. The most important was a phenomenon which might be called a "psychosis of possession", i.e. farmers wanted to possess all available machines and agricultural equipment even if they were not directly needed on the farm. This is a particular expression of a general attitude very typical of the "economy of shortages" under the communist system. This tendency was strengthened because of the inefficiency and corruption of the state system of agricultural services. During harvest time, for example, many farmers did not have access to agricultural services due to a shortage of equipment possessed by state service agencies. The poor quality of such services further encouraged farmers to prefer direct ownership of all the equipment they needed. From a purely economic point of view such technical self-sufficiency was irrational when one regards farm acreage or the level of market orientation (Kocik and Seręga, 1985: 45-47, 78). However, it was rational in this peculiar situation.

Nevertheless, this tendency is still present among farmers. More than 85% of our respondents in 1991 expressed the opinion that technical autonomy or self-sufficiency is necessary today as well. Only less than 10% of our respondents demonstrated purely economic rational thinking stating that the amount of technical farm equipment should depend on the economic parameters of the farm (acreage, profile of production etc.) or that some forms of collective ownership are quite useful in the case of more sophisticated and expensive technical equipment in agriculture (combine harvesters, heavy tractors etc.). However, economic and financial constraints are so tough that these collective types of ownership are beginning to be seen as a possible solution among respondents; 30% of them were of the opinion that these collective types of ownership would be required in future. "Technical equipment for farmers becomes more and more expensive while farmers themselves have less and less money" stated one farmer.

So, even a short period of family farms functioning within the new economic conditions could bring about some changes in the way of thinking about one's farm and its future. However, this has occurred in certain spheres of reasoning

but not in others. Some effects of this new experience can be analysed in more detail in the light of the research.

"Oppressive freedom" and the new experience

The period of political and economic reforms which started after the first Solidarity government could be called one of oppressive freedom. This concept was constructed on the basis of the idea of repressive tolerance, as a result of the changed situation in a society passing from a centrally-controlled economy and a one-party political system to a market economy and political democracy.

A situation of oppressive freedom includes two basic elements. On the one hand political and administrative pressure are no longer impeding individuals and groups from taking initiatives. Such pressure was part of a totalitarian system and was removed when this system was abandoned. Its place was however taken by pressure of another kind, namely economic pressure for competition, flexibility and adaptability. This pressure is part of the market system which is increasingly present in different areas of socio-economic life. On the other hand, the patterns of reasoning and behaviour established during the period of repressive tolerance collide with the new socio-economic situation. Survival strategies and methods of adaptation to political and administrative pressure and the 'game' with the authorities established under the previous system are useless in the face of market pressure and the market game.

As a result the situation of oppressive freedom is really one of economic compulsion. The new situation is oppressive in two ways. First directly following from the need to take decisions and invent a strategy of action in the market game. Second in an indirect (though no less painful) way, arising from the collision of a mentality created during the period of repressive tolerance with a reality functioning according to completely different rules.

From the point of view of family farming, the most important change introduced in economic and political doctrine was the elimination of the restrictions on private ownership which existed under the system of repressive tolerance. Private ownership of land has acquired equal rights with other types of ownership in the national economy. Moreover, it might be said that it has even become the preferred type of ownership, and that it is widely seen as an institutional condition in the process of economic transition to the market system. As for agriculture, there are no longer any legal limitations on farmers buying land or on farm size.

With regard to the relations between family farms and the local administration, one should stress that all the rules and systems of control have been abolished. Local officers are no longer the decision-makers regulating the volume and type of commodity produced in the areas they administer. This kind of state regulation of the economy has been replaced by market forces. On the global level the role of the state has been limited to financial intervention (system of bank

credits, interest rates, minimal prices for agricultural commodities, etc.) or the purchase of surplus agricultural commodities (by the Agricultural Market Agency).

There are three basic issues in the form of transition from repressive tolerance to oppressive freedom. First, the influence of external factors, as Polish agriculture as well as the whole national economy are put to the test by opening up to the European and world economic system. Second, regional differences are becoming more significant than in the past. Large and commercial family farms in the northern and western parts of Poland have started to dominate the small and traditional farms found mainly in central, eastern and southern Poland. Third, local features can be observed in the new situation in which neighbouring farms with different levels of market orientation have started to compete with each other. As a result of these changes a specific situation of oppressive freedom has emerged. This is characterized by a lack of political pressure and limitations imposed by the administrative system, but at the same time people (farmers) are forced to make their own decisions every single day and to adapt to changing economic rules.

The first experience: the case of a farmers' community

Comparing some research findings from 1987 and 1991 illustrates the effects of farmers' new experiences. The research was in two phases. First a few characteristics of rural communities in the Crocow region (former Western Galicia) were studied. These characteristics were the average size of the family farm, the average output of farms (crops and livestock), the number of livestock and the percentage of labour involved in agriculture. In the second phase we visited several communities (*gminy*) selected as a result of the first stage analysis. During these visits we spoke to farmers living in the communities as well as interviewing some members of local authorities. From this approach, one community was chosen as the best example of the region under consideration. Using the example of a typical farming community three basic questions are addressed:

1) What do farmers see as the most important problems faced by family farms?
2) What are the possibilities for action in the new situation?
3) Can farmers count on the help of any other group in society?

The first question is answered by comparing farmers' opinions about the most important difficulties in running a farm during the periods of repressive tolerance and oppressive freedom. The views expressed suggest that the present situation of oppressive freedom is more difficult than the previous period of repressive tolerance. In 1991 only 3% of the farm owners interviewed feel that they presently have no problems in running their farm. Four years previously in 1987 almost 30% of respondents gave this answer. In addition, the difficulties experienced today are different from those experienced earlier. Contemporary pressures are

mostly financial, linked with the comparatively low prices for agricultural products. Almost 80% of the respondents mentioned this in 1991, while only 14% did in 1987. Next are difficulties in selling agricultural products, which might be seen as signs of overproduction and competition among farmers on the market. One third of respondents mentioned this in 1991 while none did so four years earlier.

The next step of the analysis shows how farmers see the survival of their farms after the first experience of oppressive freedom. Almost half of the respondents reveal a sense of complete helplessness, stating that "nothing can be done". Almost 17% are willing to follow a political strategy of pressure on central government, which is considered to be responsible for the situation of their farms. Almost 15% of the respondents propose an economic strategy of increasing their own efforts.

These findings form the basis for the following conclusions. First, there is a clear increase in the awareness of economic pressure; prices, profitability and sales are among the main issues in the respondents' minds. Second, almost half of the farmers have no idea how to act after their first experiences with the system of oppressive freedom.

Turning to the final question, according to the farmers interviewed, are there other social groups willing to assist them in solving their problems and enabling them to function in the new economic and political situation. A step towards answering this question will be to clarify how the changes which took place in Poland since 1989 have influenced the relationship between farmers and workers.

Table 1. Farmers' perceptions of help from other social groups

Source of help	1987 (%)	1991 (%)
Yes (no group mentioned)	8.9	11.5
Yes (workers)	49.4	32.8
Yes (other groups)	6.7	9.0
Yes (government)	3.3	6.0
No one can be counted on	31.7	40.0

On the basis of the results, it is clear that both in 1987 and in 1991 the workers are the group most often chosen as positively inclined towards the farmers. However, overall the percentage of "positive" choices is declining. It reflects the growing feeling of competitiveness in society as well as the idea of many opposing interest groups as a result of the market economy. This tendency is also supported by the increasing percentage of "negative" choices from 31.7% in 1987 to 40.7% in 1991.

Another social category which seems to be positively inclined towards the farmers are the representatives of local authorities, their former partners in the 'game for survival'. This conclusion was reached after asking respondents if they

felt threatened by these authorities. To the question "whether local authorities would support a policy which was in the interest of farmers", 70% of farmers gave clearly positive answers in 1987 and 74% in 1991. This is moreover the only category in whom the farmers place increased trust. By contrast other categories mentioned by respondents, namely workers, town dwellers and the central government, have lost their trust.

Table 2. Opinions on support for a pro-farmer policy by government

Replies	1987 (%)	1991 (%)
Yes	58.3	36.5
No	31.7	39.9
Don't know, hard to say	10.0	25.6

Table 2 shows that the number of persons who think that central government acts in accordance with the interests of farmers has fallen by nearly 22%. At the same time the percentage stating that "the government" is acting against the interest of farmers is growing. Combining the second and third categories, it can be stated that: 41.7% of farmers in 1987 and 65.5% in 1991, consider that the government is indifferent or hostile towards them. It is a cause for concern that this lack of confidence has grown by nearly 25% from 1987 to 1991. During these years the "Solidarity revolution" had taken place and the people holding power in the country should have the support of society, as they have been freely elected.

Conclusion

In the face of the new experiences, two different attitudes can be observed in the family farming community. Among survey respondents the most widespread is an awareness of strong economic pressure on the farms and families as a result of oppressive freedom. At the same time the majority of respondents lack any new plan of action arising in response to old learned patterns of behaviour and the dysfunctional character of the previous strategy of action in a new situation.

Since the local administration is no longer a state agency (the result of free local elections in May 1990) and no longer seen as a partner in the struggle for survival of farms, this attitude leads to an attempt to transfer behavioural patterns developed on the local level to a global level. The fundamental focus is now directed at the central government, which is seen as setting the rules of the oppressive freedom game. It is natural therefore that many farmers point to certain general problems which the central authorities ought to solve for the farmers. Adopting such a strategy leads to spectacular protests in an attempt to attract attention to the oppression suffered by family farmers. This strategy can therefore be described as an attempt to implement learned patterns of behaviour (interaction with the authorities) while shifting the focus of this behaviour from

local to central authorities (government). As a result government policy is seen as anti-farmer by the majority of respondents.

The second strategy consists of changing patterns of behaviour and playing a different kind of game i.e. the market game. Belief in this strategy is expressed by stating that changes must be introduced on farms, and that farmers' efforts should be increased and certain forms of economic co-operation undertaken between farm owners themselves (joint ownership of modern farm machinery). However, acceptance of this strategy makes the growth of competition between farms in a given community inevitable and, in the long run, will encourage more individual activity and the decay of community cohesion.

The move from the previous situation of repressive tolerance to the present one of oppressive freedom has caused many constraints on farming families. It shows that old habits and strategies of action are dysfunctional today and some new patterns and strategies are required. Political freedom has caused many new problems. As one of the farmers interviewed in 1991 said: "*Under communism there was no freedom but there were cheap credits*".

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Chapter 13

Radical Reform of the Russian Village
A route to the destruction of Russian agriculture?

Sergei A. Nickolsky

Attempts at radical reform

The socio-economic situation in Russia today can only be defined as a state of crisis. Unfortunately the radical economic reform programme since the end of 1991 set an unacceptably high tempo of change. One of the basic problems of the Government was the lack of understanding of the very socio-cultural conditions in which Russia was compelled to carry out its reforms.

As a result the situation in the villages is close to collapse. The fall in agricultural production during the last two years is around 20%. Due to high 'free market' prices in industry and low prices in agriculture, the farms and associated agricultural enterprises are no longer able to purchase essential inputs such as machines, fertilizers, new seeds and livestock. Where urgent replacement investment does occur, the returns may not be visible for some years.

Attempts at decollectivization of the Russian village in late 1991 and early 1992 - under the Presidential Decree "On urgent measures for the realization of agrarian reform in Russia" and the Governmental Decision "On the order of reorganization of collective and state farms" - left no room for doubt or delay. According to the most radical statements within these documents, collective and state farms were to disappear during 1992 to make way for joint-stock companies, associations of peasant farms and independent individual producers. Having received ownership of their shares of the land, some the former members of the collective farms and workers on the state farms also acquired rights to sell their shares to other citizens, even to those who were neither members nor workers on the reorganized farms. Land remaining unallocated could subsequently be sold by auction. Collective and state farms unable to pay off their debts before February 1st, 1992 were to be liquidated and reorganized before 1st April. In fact the Decree was not carried out, largely because the theoretical reasoning of the authors of reform was fundamentally flawed. They had mistakenly expected that the peasant, having been forced under collectivization to join collective and state farms and having therefore under- performed as directed labour, would in the new circumstances behave in exactly the opposite way by immediately quitting the collective farms and re-engaging their full labour potential in the new forms of agriculture.

The peasants' response

In Moscow, Vologdo, Smolensk, Lipezk and Belgorod districts, where sociological studies have been carried out, the unwillingness to change demonstrated by the overwhelming majority resulted in their formal registration in joint-stock companies. The main reason for this was that for many, the collective means of production and related earnings from participation in the collectivized economy had become secondary to the means of livelihood afforded by the individual household economy. Under conditions of stagnation of both material and spiritual activity, the household had become the only means worthy of real effort and commitment from the peasant's point of view.

As for the Government's threat to liquidate indebted collective farms, the peasants' response was to sell off part of their machinery, pay their debts to the state, subsist on a market-garden style of production and so forestall the liquidation of the collective farm.

The sum total of agrarian reform in Russia is that out of a total of some 25,000 large socialist farm enterprises, more than 42% have remained in place: 30% openly opted for retention of the old form and a further 12% simply did not participate in the reorganization. Of those which did engage in reorganization, the majority did so purely in formal terms: nothing was really altered in the lives of the peasants. In Kazakhstan less than 20% of farms were reorganized; in Moldavia, fewer than 2%. By June 1992 some 254,000 individual farms were registered in Russia, accounting for only 7% of the agricultural land and for around 2% of the total production. According to the results of surveys among c 40,000 individual farms, 70% of buildings used for cattle breeding lacked water supplies and 30% had no electricity. Two-thirds of the individual farms were situated some 20 to 50 km (or more) from the nearest town; transport and communications were poor.

As a whole, it is clear that the rural population did not support the reforms proposed at the end of 1991. The ideological reasoning of the radical reformers 'to bring capitalistic principles to the village' by forcibly splitting up the collective farms turned out to be inappropriate. This was true not only for Russia but also for Eastern Europe in general and for the former GDR in particular, where ample subventions to aid the process of reform were available from the western part of Germany. The overwhelming majority of peasants simply did not want to leave the frequently inefficient and ineffective collective or state farms, preferring instead to make their living from the household and garden plot and to devote their surplus labour to the collective sector.

Conditions in the Russian village

One reason for this is the deteriorating demographic structure of the Russian

village affecting c 70% of the rural population. The birth rate has fallen from 15.9 to 13.4 per thousand between 1980 and 1990. Meanwhile the rural death rate has been increasing. As a result there are fewer able-bodied people available for work on the collective farms. Part of the explanation for this phenomenon is the worsening position in terms of food supplies. Following the disbanding of the USSR there was a severe dislocation of the food supply system affecting both the quantity, quality and choice of foods traditionally consumed in Russia, part of which was imported from the Ukraine, Kazakhstan, Belorus and other former constituent republics. Together with the general decline in domestic food production in Russia, this led to a decrease in the consumption of basic foods (meat, milk, butter, sugar etc) of between 15 and 25%. Throughout Russia in 1992 it was estimated that deficits in nutritional intake amounted to 25% of the required protein value, 30% of vitamin B, 50% of vitamin C and up to 40% of the fibre intake. For the Russian population as a whole the shortfall in required food energy can be calculated at c 20% – the first time such a situation had occurred since the end of the Second World War which had wrought such devastation throughout the Russian countryside.

Such processes are especially problematic for babies, children and adolescents, as well as for pregnant and breast-feeding women. According to the results of studies carried out by the Institute of Nutrition in the Russian Academy of Medical Sciences, up to 60% of children show signs of rickets, hypotrophy and diathesis and in 10% of children there is evidence of anaemia. Up to 5% of babies are born prematurely. It is scarcely necessary to add that in real life there is no such thing as a statistical norm for malnutrition and that the diet of the rural population is likely to be characterized by greater diversity and adequacy than that of the townspeople.

During the period of the attempted reforms the 'scissors effect' on incomes had increased but affected the countrymen and townspeople somewhat unequally. For instance, in 1992 monthly earnings of the collective farmer were two and half times less than those of the industrial worker. Hence the urgent necessity for the countryman to remain on his own small plot of land which provides between one third and one half of the income for the rural household budget.

But why are peasants and reformers so far apart in their opinions about the collective farm? In some regions the peasantry, which had never studied at the 'school of capitalism' and had never been the true owner of the land, was forced into collective work by historical tradition and the experience of its ancestors. In the same way peasants are influenced by the factors of physical geography and in particular by climatic conditions. Collective forms of organization are also required by the existing structures of production, the 'nomenclature' and by the form and quality of technical and material inputs. Moreover, the Russian peasantry has in many respects not emerged from that form of traditional society which is profoundly influenced by 'moral economics'.

Perhaps the most profound feature of the peasantry's consciousness is 'policy fatigue'. For the village the twentieth century has been a continuing sequence of

periodically repeated profound socio-economic, cultural and moral shocks. Since the beginning of the century the Russian peasantry has experienced no fewer than ten full-scale attempts at agrarian reform and modernization: on average, two and a half per generation.

One must also remember that the memory of the past is especially strong in the agrarian community, unlike many other social groups. The individual countryman may not be acquainted with these historical events through his own personal experience. Nevertheless, the forms of social behaviour developed by his ancestors in former times are handed down from one generation to the next and strict adherence to these traditional norms becomes a necessary condition to be accepted by the majority. In this connection, individual and collective forms of passive self-preservation have been developed within the Russian village as a defence against official interference, under the age-old conditions of internal colonialism. This self-preservation involves strong collectivist and communal mechanisms. To attempt to destroy it merely by means of propaganda in favour of independent farming is a forlorn hope.

Basic conditions for agricultural reform

What then are the basic conditions for the reform of Russian agriculture? One can perhaps recognize five general principles. First, world experience bears witness to the fact that, providing the reformers are intent on avoiding the collapse of production and a long tortuous period of recovery, there is no place for revolution in agriculture. Above all this applies to the form of land ownership. Effective agricultural production can exist under a range of conditions involving both public and private ownership of land and both co-operative and individual forms of enterprise. Destruction of the fabric of agriculture is likely to occur when the traditional forms of ownership are changed abruptly.

In Russia private land ownership has never really existed. Most peasant parties before the October Revolution developed the route to public land ownership on the premise that 'the land belongs to nobody; it belongs only to God'. The 22% of households which acquired shares of land during the Stolypin reforms created the basis for the slow transition from communal to private and co-operative farms. Any move to bring about an abrupt change from state ownership to individualization of agricultural property rights is likely to cause widespread havoc in agricultural production.

As a corollary, *agriculture can only be successfully reformed in a progressive, step by step, evolutionary way* in which all the productive forces undergo modernization. An important empirical feature of American agriculture was highlighted by the French sociologist Henri Mendras. No family farmer ever converts the whole of his land to the production of a new variety of corn without first testing it gradually on different tracts of land – and this in the most market oriented of agricultural economies where the 'spirit of competition' and the

'aspiration for leadership' are dominant. It is also clear that the use of mineral fertilizers cannot be raised to First World levels without first improving the harvesting machines: one can produce a crop which simply proves too much for the old machinery to cope with.

The process of reform must be carefully controlled and this is a function that the Government will, as a rule, take upon itself. Can it perhaps be argued that there is no true market in an efficient, developed agriculture – at least in the sense that the market is understood in Russia today, where something which is unprofitable should not be produced? But this is wildly oversimplified logic. Developed countries will either produce or import all the necessities of modern life, often paying for them with the profits from other branches of the economy. Such decisions are made by the state – the very same state that consciously strives to ensure that agriculture is as productive as possible.

All agricultural change must be subordinate to the interests of the agrarian producer – the peasant, owner-occupier farmer or tenant – rather than to those of the banker, manufacturer or distribution firm. For it is here, at the farm gate, that the question of whether or not society will secure its food supply, be answered. All subsequent links in the distribution chain leading to the retail shop counter depend on the mutuality of interest between agrarian society and the state organizations.

If a country wishes to retain its independence and to be counted among the advanced nations, the interests of the 'agro-sphere' must be accorded the highest priorities, to which all other branches of the economy must be adjusted. *Concern for agriculture must be placed at the very centre of society as a whole.* The reason is to be found in the nature of international relations which, based on the economic interests and power of the state, is constantly changing. Many countries desire to dominate, often through taking the lead in certain branches of the global economy. With the creation of new technologies, however, changes in economic leadership will take place – but those who lag behind economically cannot hope to take the lead politically.

Agriculture is perhaps the one branch of the economy where lagging behind makes the nation state vulnerable. Backwardness in agriculture exacts a high price politically. In the extreme case, the country which is forced to rely on others to feed it places its independence at risk. The modernization of agriculture, therefore, should always occupy first place and command the commitment of society and state alike. The Russian Government, having announced the agricultural reforms, was neither ready nor able to carry them out. Despite its huge natural potential, the decline of Russia's agriculture and the degradation of its physical and human resources is continuing. Small wonder, therefore, that the Russian peasantry is showing increasing opposition to civil authority.

SECTION 3

THE NEW AGRICULTURE: BIOTECHNOLOGY, SUSTAINABILITY AND THE ENVIRONMENT

Chapter 14

European Values and the New Biotechnologies

Post-materialism or a new arena of rural-urban conflict?

Reidar Almås and Berit Nygård

The new biotechnologies [1] in agricultural production have been launched in the same spirit as traditional agricultural technology. Their aim is to increase productivity in plants and animals, promote profitability for the farmer, create cheaper products for the consumer, and – taking the less developed countries into consideration – eliminate hunger. However, some of the new biotechnologies have also created fear and opposition. Religious groups have opposed gene splicing on ethical grounds. Environmental groups have opposed releasing gene-modified organisms (GMO) into the environment out of fear that there will be an uncontrolled spread of genetic material to other organisms. Farmers have protested against the use of the milk hormone, Bovine Somatotropin (BST), one of the arguments being that its extensive use will increase over-production of milk. But Monsanto and others who have invested a great deal in research and development are exerting pressure to have BST accepted, even in highly industrialized countries. "The chief ingredient of agricultural power – the gene – is now in their [read: the multinational biotechnology companies] hands, not farmers'" (Doyle, 1985: 130). Animal protection groups have protested against the creation of transgenic animals because they believe this is impinging on animals' rights. Consumer groups have demanded the marking of food that has been produced with the help of new biotechnologies. And countries in the Third World have claimed ownership of the genetic material that biotechnology companies have taken for manipulation and commercialization for profit. Political parties and groups have nervously followed opinions in the media and the population, and recognize that conflicts concerning the regulation of new biotechnologies will be the new, hot

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[1] Biotechnology we understand as: "The techniques that use living organisms, or parts of organisms such as cells, to make or modify products, for medical objectives, to improve plants or animals, or to develop micro-organisms for specific applications" (Forskningsrådenes Samarbeidsutvalg, 1989). Biotechnology is not one but many techniques. Primarily, it comprises genetic engineering (recombinant DNA technology), then cell and tissue culture, embryo technology, fermentation and production of monoclonal antibodies. These are examples of some of the techniques which come under the collective title of advanced, or new, biotechnology.

political items in the nineties.

This agronomic-technological paradigm has come under serious attack and has been the object of criticism during the past two decades. The first onslaught came from the Third World in the wake of the Green Revolution. There was no certainty that the new grain types developed by Norman Borlaug and his colleagues would lead to less hunger and greater welfare in the Third World. On the contrary, it appeared that there might be an increase in numbers of impoverished small farmers and increased dependence on the multi-national concerns that were marketing seeds, chemicals and fertilizer (Busch et al., 1991). This type of criticism of technology also started appearing in the West, primarily related to the environment. Residues of artificial fertilizer and insecticides accumulated in ground water and food. Consumer and environmental groups became active in their opposition to high-technology production of food, and farmers themselves became concerned (Ward and Munton, 1992). The agronomic project itself, the knowledge that the growth and development of plants and animals could be manipulated to the benefit of mankind, was being threatened. The productivist approach had produced some of its own executioners (Clark and Lowe, 1992).

At the same time, the increase in productivity in agriculture has created a surplus of farm produce and of farmers. For agricultural politics, this has meant that the approach to the problem has moved from the goal of producing enough food to the problem of reducing surplus food and waste. Increasing over-production in the solvent part of the world has placed demands on national budgets by increasing expenditures on export subsidies and deficiency payments. The goal of retaining the level of income for farmers while supplying the rest of the population with nutritious food has therefore been displaced on the political agenda by the goal of reducing environmental damage, subsidies and over-production. In this new political turnaround, technology and those who develop technology, are to a large degree on the same side as those who want to defend the status quo. The political coalition of farmers' organizations, agricultural research, the chemical industry and consumers that, with the blessing of the state, has dominated since the Second World War, has been dissolved.

Criticism of technology has also been expressed in an academic and internally scientific manner. One angle, the "social construction of technology", maintains that all technology has been socially constructed. The technological development in agriculture that we have had in western industrial society is therefore only one of many possible trajectories (Bijker, 1990). The politics of technology have become big politics, even international politics. The naive conception that technology is good, not least in agriculture, has been replaced by scepticism and opposition in wide circles.

The main idea of this paper is to present three perspectives in order to analyse the different ways in which new biotechnologies are perceived within and between various European countries.

Background

The new biotechnologies are perceived differently, both within and between various European countries. Comparing European with American opinion studies, it appears that there is greater scepticism toward modern biotechnology in Europe than in the USA. The Eurobarometer in the spring of 1991 showed that many are concerned about the possible risk that biotechnology might pose to the environment. And with the exception of France, Italy and Spain, virtually all European countries have one or more organizations actively opposing some application of biotechnology (Dixon, 1993).

Regulation of biotechnological activity also differs between Europe and the USA. Patent laws, for instance, are stricter in Europe. The American chemical company, DuPont, was granted a patent on the so-called "onco-mouse" in 1989. The onco-mouse was produced with the help of gene technology, and has been developed especially for cancer research. No patents on living organisms had been granted previously, but this mouse filled the requirements necessary for a patent. It took three years from the time the cancer mouse was patented in USA until the European Patent Office granted a patent.

In the EU and the Nordic countries, the use of Bovine Somatotropin (BST) is forbidden. Regulations over the use of hormones in milk and meat production are more liberal in the USA. The US Food and Drug Administration (FDA) have stated that milk and meat from BST-treated animals are safe for human consumption (Biotech Reporter/Biotechnology News, May 1993). There are those who would like to have the use of hormones in Europe legalized in order to be able to compete with the Americans. Others see it as an advantage to be able to offer the consumer meat and milk that have not been produced with the aid of hormones, because consumers are very sceptical about such products. Major consumer campaigns against the use of hormones are established in both Europe and the USA.

Opinion surveys, organizational activity and different regulations support the claim that reservations about modern biotechnology are greater in Europe than the USA. But attitudes toward modern biotechnology also vary between countries in Europe. Results from the Eurobarometer 35.1 show that there is a north-south division in Europe, with the opinion in Northern Europe tending to be more sceptical (INRA, 1991).

Opposition toward biotechnology is often associated with the idea that people have little knowledge about it (Hoban et al., 1992; Hoban, 1989; Novo Industry, 1987; OTA, 1987). It is not unusual to be sceptical toward the new and unknown, and it is assumed that the scepticism many have will diminish with increasing knowledge about the potential and limitations of biotechnology. However, the results of Eurobarometer 35.1 show that increased knowledge about biotechnology, instead of leading to greater acceptance, can lead to greater scepticism.

The highest levels of information about the opportunities and risks of biotechnology are found in Denmark, Germany and The Netherlands. Scepticism

about biotechnology in these countries can therefore not be explained by their lack of knowledge and a general rejection of what is new and unknown. This aroused our interest in investigating the values upon which people form their attitudes toward biotechnology.

Previous studies (Almås, 1991a, 1991b) show that there is much scepticism towards modern biotechnology in the Norwegian population. Norway was not included in the Eurobarometer study 35.1, so it is difficult to compare directly with other European countries, but Norwegian opinion seems to resemble that which we find in environment-conscious countries such as Denmark, Switzerland, Germany and The Netherlands, while the rest of the EU has a more liberal attitude (Dixon, 1993). During the spring of 1993, a new Eurobarometer study (39.1) was carried out, and this time Norway was included. This material confirms that there is great scepticism toward bio-technology in the Norwegian population.

Several countries have established their own laws for the production and use of gene-modified organisms. The Norwegian law concerning genetic technology was passed on March 10th, 1993. This law requires any release of genetically modified organisms to be ethically justifiable and of use to society (Ot prp nr 8, 1992-93). This requirement has generated much discussion.

Theoretical issues and problems of investigation

In this paper we analyse the conflicts surrounding new biotechnologies from three theoretical perspectives: the value perspective, the agricultural restructuring perspective, and the perspective of social construction of technology. Three areas of conflict will be covered: ethics, perceived risk and safety, and patenting. Conflicts about biotechnology and the environment, and how to control the development of science and technology in a democratic society, will also be discussed.

The value perspective

One perspective is to view biotechnology as a test case for the so-called "new politics" [2]. While industrial growth and political and ideological support for this view could be seen during the productivist period, new green values (protect the environment) have emerged in the post-productivist era. This means that scepticism toward the new biotechnologies is seen as an emergence of post-materialistic values. Economic growth and environmental protection often come into conflict with each other; those who give priority to growth stand for materialistic values, while those who give priority to protection represent post-materialistic values.

In sociological literature there are many definitions and many interpretations

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[2] By "new politics" we mean political issues where personal values are more important than economic interests based on the class system of industrial society, as a foundation for the positions one takes (Jenssen, 1991: 11).

of the value concept. Kluckhohn (1951) has presented a thorough discussion of the concept and has concluded that the following elements are commonly included:

- a value is deeply internalized and is therefore long-lasting (permanent)
- a value contains a moral standard of that which is desirable
- a value prescribes a pattern of attitudes and actions in accordance with these standards.

We will use Kluckhohn's own, commonly used definition, even though Inglehart, for example, builds upon value definitions that are more psychologically oriented. In Parsons and Shils' classic work "Towards a General Theory of Action", Kluckhohn defines a value as follows:

> "A value is a conception, explicit or implicit, distinctive of an individual or characteristic of a group, of the desirable which influences the selection from available modes, means, and ends of action" (Kluckhohn, 1951: 395).

Values are, then, deeply internalized patterns of actions and attitudes that are desirable in a culture.

The new-politics political scientists, with Inglehart (1977) in the lead, maintain that there has been a silent revolution in political culture in the advanced, western countries. This has been a gradual and quiet process of change where political opinions have, to an ever-increasing degree, been formed on personal values. New political conflicts that appear are more and more expressions of such value distinctions. On this basis, new political movements and parties supersede the old parties and movements that were founded on industrial society's conflicts and class interests.

Inglehart claims that our basic values are formed in our "pre-adult years", and are influenced by the basic needs that were satisfied least during these years. To put it simply, a cohort that has suffered from material need or deprivation will be strongly marked by material values. If these material needs have been met, as they have for most of today's younger generation, other needs such as the need for belonging to a social group and the need for self-realization will be more important. There is a certain lapse before these value changes make themselves evident, but as new generations replace the old, there will be a shift in political culture toward post-materialistic values (Inglehart, 1981, 1990).

Flanagan explicitly ties value changes to the process of modernization. In agrarian society with a great degree of physical uncertainty and dependence on the forces of nature, values were generally "collective folk wisdom" where the struggle for food, social submission to authorities and norms for reciprocal dependence were significant (Flanagan, 1982). With the growth of the modern welfare society, material need has been replaced by plenty, social security has increased, traditional authorities have been demystified, and knowledge has

become more important than family.

Inglehart's theory set off a major debate that included the operationalization of materialism versus post-materialism. Flanagan claimed that this value conflict has two sub-dimensions (Flanagan and Lee, 1988: 13):

- authoritarian versus libertarian values
- materialist versus non-materialist values

According to Flanagan these two dimensions are only weakly correlated to each other. He claims that the authoritarian-libertarian dimension is the most important regarding cultural shifts, correlating for instance with age and party preferences.

Inglehart and the other post-materialists have been criticized by many, on both theoretical and empirical grounds. Jenssen (1991) criticizes Inglehart for building upon weakly founded theories of man's psychological needs. Moreover, he believes that the theory's functionalist mode of thought leads to claims that conflicts over values are actually conflicts over priorities, and that these are the same at all times and in all societies. Knutsen (1985) refutes on empirical grounds that the value conflict between materialism and post-materialism has been the dominating political controversy in Norway. All the same, Knutsen accords this controversy a certain importance, but he maintains that the main differences in Norwegian politics are between socialist and conservative ideologies. These value differences have lost some of their foundation in social classes, but live on because they have been institutionalized in political culture and democratic institutions.

Jenssen's work supports Knutsen's findings and he maintains that the differences between "new" and "old" values do not replace the conflict lines between the socialist and conservative. But Jenssen shows that the significance of values has increased in politics. He calls these new values relational values, having two sub-dimensions; egalitarian versus authoritarian values, and individualism versus collectivism (Jenssen, 1991: 160). The combination of egalitarian and collectivism forms radical humanism, while the combination of individualism and authoritarianism is called popular individualism in Jenssen's work. Attitudes toward industrial growth and protection of the environment are typical cases where radical humanists take their position on the protection side, while popular individualists position themselves on the side of growth. Popular individualism dominates the older generation with the lowest level of education, while radical humanism predominates among the young people who have grown up in the welfare and education society. Popular individualism is strongest among men who work in the private sector, while radical humanism is strongest among women in the public sector.

According to Buttel, as a consequence of the greening of politics, environmental issues have replaced social justice as the leading political issue in post-industrial society. Buttel considers this as part of neo-conservatism (or disorganized capitalism) in the advanced capitalist countries, which has replaced the social

democratic regime of regulation (or organized capitalism)(Buttel, 1992). A strong social force is exerted by the new social movements, of which environmental groups are some of the most prominent. These groups are able to influence the political agenda and form new political alliances along conflict lines other than the left-right dimension. We clearly see this in Norway in issues on new biotechnology where Christian and conservative groups form alliances with centre-left groups inside and outside Parliament. This may be a good example of new politics, where new left liberals, who base their policy on radical and humanistic values, seek a coalition with centre and Christian conservative politicians who are more ethically oriented toward traditional Christian values. There are reasons to believe that "value politics" will have more impact in the future and politicians will adapt their rhetoric to this trend (Jenssen, 1991). Attitudes toward the new biotechnologies may then be seen as a case where policies are more based on values than economic interests.

The agricultural restructuring perspective

Another perspective is to view conflicts about agricultural biotechnologies as a battleground over the restructuring of agriculture. According to this perspective, the new biotechnologies will reshape the food industry by taking control away from primary producers on the farm and giving more control to multinational food companies. In the new global food system, not only food but nature itself is "refashioned" to serve industrial profit (Goodman and Redclift, 1991). In an earlier work, Goodman and his colleagues analysed two simultaneous processes: *appropriation* and *substitution*. By "appropriation" they mean taking rural activities away from the farm and transforming them into industrial production. By "substitution" they mean the process of substituting agricultural products with industrial products (Goodman et al., 1987). The food industry has been turned into a high technology sector by the emerging nexus between biotechnology and automation (Goodman et al., 1987: 123). According to this perspective, agriculture has been subordinated to other food sectors, creating an integrated food system controlled by food manufacturers and retailers.

This development creates winners and losers. The losers may be old farmers on small livestock farms, and farmers with low income and education, who will be unable to share the fruits of technological progress. The winners will be young, affluent and well-educated farmers. Regional and national agricultural economies may also be losers, like those who have been protected by trade barriers in the past and now are open to stiffer competition through deregulation and free market policies. Norwegian agriculture will be badly hurt by liberalization and deregulation because, for climatic reasons and its small farm structure, it has been strongly protected (Dånmark, 1989; Hindar et al., 1990). According to Molnar and Kinnuchan (1989) the new biotechnologies will play a central role in what they call "the new agricultural revolution". If this technological revolution comes together with a free trade regime on agricultural production, its hard

to imagine that there will be much of Norway's small-scale agriculture left.

There will also be winners and losers in the processing industries and among consumers. Workers in the food processing industries that rely on protectionist measures and home markets will be losers, while those working in expanding, global firms may be winners (Friedland, 1991). Among consumers, the affluent and high-educated consumers may be able to buy themselves out of the dilemma. They may trust their own knowledge about modern food production, and they have the purchasing power to buy safe food. If they do not believe that mass produced food is safe, they can go to the organic food store.

This illustrates the dualism of the food market in advanced industrialized countries. On the one hand most people will buy cheap food in the supermarket. However, more and more consumers will search for special products, like brand products, organic products or ethnic foods. This dualism coincides with changes of organization in food production, distribution and consumption, theoretically described as post-Fordism, restructuring or flexible specialization. Marsden has analysed this theoretical position in an appropriate way:

> "Whilst Fordism continues in sectors ranging from battery farming to mass retailing, fast food and mass transit, emergent economic forms of the late 1970s and 1980s expressed *transition* to a new phase, order or stage. Coupled, not coincidentally with the rise in neo-conservative and 'Keynesian-breaking' politics, economic development was to be seen as establishing itself upon a new social and political platform (...) This required an emergent conservative liberalism concerned with the opening of markets, new forms of 'flexibility' over the hiring and firing of labour and a new internationalized deregulated *recirculation* of capital and credit to fund the restructuring of industry. This would lead to new social and economic forms based on, for instance, new 'industrial districts' and decentralized firms, and a new spatial rearrangement of global and local processes (...) Productive activities and the markets they rely upon are increasingly and variably *socially constructed and regulated*" (Marsden, 1992: 211-213).

As we see, what happens is a total reconstruction of the social and spatial ways of organizing production and consumption of goods and services. Food is not exempt from this process. In the social construction of new patterns of production, distribution and consumption, science and technology play a pivotal role (Busch et al., 1989). Those authors claim that research and development will make a strong contribution to the restructuring of agriculture in the long run. Consequently public participation in debates on the new technologies is necessary, so that regulation may be under democratic control.

Under this perspective one may also look at new conflicts between farmers and industry that have been created by patent laws applied to modern biotechnologies. Plant growers are afraid that the patenting of gene modified plants may force them to pay a fee every time they sow, even if they have their own seed. Other technologies, like the use of Bovine Somatotropin (BST) may force milk producers out of business (Buttel and Geisler, 1989). Consumers may refuse to buy milk from farmers who use BST, or the farmers themselves may regard the use of BST as unethical. The debate on BST is very complicated in that it includes elements from economics, ethics, and the health of animals and people.

Positions on ethics may be based on economic interests as much as on moral values.

The social constructionist perspective

A third perspective, the social constructionist perspective on technology, is developed within the field of sociology of technology (Bijker, 1990). From this perspective one may ask questions like:

> "How do inventions emerge? How are machines and production processes modified during their design? How are artifacts modifying social relations? Who is taking part in the shaping of machines? Is society shaping technology, or the other way round?" (Bijker, 1990: 10).

This theory or model is called "social construction of technology". Within the sociological tradition this perspective is related to previous works of Ogburn (1945), Berger and Luckmann (1966) and Kuhn (1970). The starting point is that you need to analyse technical change as a social process. Key concepts are "relevant social groups", "interpretative flexibility", and "technological frame" (Bijker, 1990: 171). Other social groups than engineers at the drawing board and biologists in the laboratory participate in shaping the technology. A central method is to identify the relevant social groups and follow them backwards toward the starting point of a new technology. Through snowballing and following actors, the process of technological development is unmasked. Latour has been the founding father of this methodological strategy of following scientists and engineers through society, although his claim that technologies may be social actors has limited support (Latour, 1987). In this way this school of social constructionism may show how networks are created to promote certain technologies, and how these networks work. The concept of relevant social group is then linked to the concept of interpretative flexibility. By analysing technological failures and successes symmetrically, they want to show that a working technology is not to be considered as a cause of its success, but as the result of being accepted in relevant social groups (Bijker, 1990).

The next step in their analyses, after having demonstrated the interpretative flexibility of an artifact, is to map increasing or decreasing degrees of stabilization. The concept of "closure of a technology" is borrowed from the sociology of science and there it denotes the end of scientific controversy over a new paradigm. In sociology of technology "closure" is used to signify the emergence of consensus over technology disputes. The closure results in the reduction of interpretative flexibility, i.e. one meaning is attributed across relevant social groups (Bijker, 1990). First stabilization and later closure illustrates how one technological artifact becomes dominant. Freedom of choice is narrowed down by contextual constraints and alliances. From the point of no return, this is an almost irreversible process.

"Technological frame" is another central concept in this social construction of technology model and denotes the goals, thoughts and tools for action in technol-

ogy development. "A technological frame offers both the central problems and the related strategies to solve them" (Bijker, 1990: 175). A technological frame is located at the level of a relevant social group, comprising the values, goals and theories of action. The concept is similar to Kuhn's "scientific paradigm", but technological frame is meant to apply to all relevant social groups, not just scientists. The meaning attributed to a technology for a relevant social group is derived from the technological frame. The meaning of agricultural technology for farmers is deeply rooted in their beliefs and preferences of what farming is and what it should be.

Relevant social groups for the new biotechnologies will be researchers, industrial leaders, farmers, environmental activists, consumers and politicians. Before the new biotechnologies are stabilized and closed, these groups will participate in the shaping of the new technologies. They will act within a technological frame where values such as industrial growth versus safety and protection of nature are central. Both farmers and consumers have to face these new technologies in the context of how they see the future of food production in society. Should we develop more productive technologies which alienate farming from nature, or should we turn back to more organic and ecologically sound production? And is it possible, by the use of modern biotechnology, to develop a more ecologically sound agriculture? Disease resistant crops may be a good example of "technological ecofarming". The whole productivist paradigm is at stake, and logically enough agricultural research tries to invent solutions which may save the agronomy approach. According to the social constructionist school the dominant social group will in the end decide the future course of modern biotechnology.

Discussion

Norwegian farmers' and consumers' attitudes toward biotechnology have undoubtedly played a role in giving us more restrictive legislation than most other advanced industrial countries. The scepticism shown by the agricultural sector, together with the environmental movement's strong position in Norway, also contributed to the postponement of the first GMO release to the spring of 1992 [3]. From data to which we have just had access, respondents were asked which out of six current technologies will contribute most to the improvement of our way of life. Biotechnology is here ranked at the bottom, with solar energy and telecommunications on top (Eurobarometer 39.1). Only nuclear energy, which was not included in the survey, would have scored worse in such a ranking in Norway.

We are now in the middle of a differentiation process in biotechnology. Public opinion is discovering that several, unequal biotechnologies are developing and that these may have extremely different consequences depending on their

[3] Norway's first and only experience with releasing genemodified plants into nature took place at Kvithamar Research Station. The plants released were genetic engineered potatoes (Kraft, 1993).

field of application. From the same Eurobarometer study (39.1) it appears that a great majority think that the application of genetic engineering in order to develop new medicines and vaccines is worthwhile and should be encouraged. On the other hand application of biotechnology and genetic engineering to change farm animals has far less support. Norwegian opinion is divided into two equal parts on the question of allowing development of transgenic animals. These paradoxical findings, that more people are willing to allow the use of genetic engineering on human beings than on animals, may certainly be explained by realizing that these applications have different goals: in the case of human beings and genetically developed medicine it is a question of saving human life, while developing transgenic animals is not a case of improving these animals' welfare, but giving someone a larger profit. Awareness of animals' and nature's own rights (Bengt-Pedersen and Thomassen, 1990) in which people are not entitled to interfere, will most certainly spread in all advanced industrial countries during the years to come.

In view of the great scepticism towards new technologies that we have witnessed both within and outside agriculture, how will the most developed technologies be able to influence the reconstruction of food markets in future years? This approach raises more question than answers. From a recent study of the chicken sector, Kim and Curry (1993) claim to prove that mass production and automation are dominating the broiler industry. It is hard to imagine that manipulation of the genetic material of broilers would lead to changes in the nature of this production. Recently, a transgenic cockerel is reported to have been produced in Edinburgh, UK, by injecting DNA into a fertilized egg cell [4]. Similar transgenic engineering will favour vertical integration with large research institutions and financially strong companies as integrators.

There might, however, spring up niche markets for non-manipulated broilers, in parallel with the dualism in food markets introduced above (Friedland, 1991). Producers would in that case aim at customers who do not accept transgenic chickens. The consumer may thus be free to choose which technology is used to produce his food. One could imagine an *à la carte* production where the technology is tailor-made according to the values of the customer. Those who may call this position a post-modern feature, have a point.

Anyway, a position like this is neglecting the fact that each society must have laws and regulations with regard to the standard technology which is used at any time within industry and agriculture. A technology policy like this has to be developed through current social discourse, where ethical standards and conventions are posed against what is economically favourable. In the Norwegian part of Eurobarometer 39.1, there is a great majority for strong regulation of biotechnical research and development. This view is so strong that Norway may easily be left isolated in a European context. One may also ask what the Norwegian

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[4] Media Advisory to the VXXII International Congress of Genetics, Birmingham, England 15-21 August 1993.

consumer's reaction will be if other countries develop new biotechnologies leading to cheap, mass produced food. Maybe the consumer's answer will be different from the voter's.

On the other hand it is not only in Norway that the concern is felt about ethics and morals related to biotechnology. Hoban and colleagues demonstrate that "moral objection appears to be the strongest basis for opposition to genetic engineering" in the USA (Hoban et al., 1992: 489). We have also learned that opposition against genetic engineering is stronger over animals than plants, and here we find the same picture in Norway as in the rest of Europe (Eurobarometer 35.1 and 39.1). Women and people with low education and incomes are also more opposed to genetic engineering. This finding is interpreted by Hoban and his colleagues as a sign of these groups' assumption that they will have less economic benefit from the new biotechnologies and that they feel that they are excluded from the decision process at an earlier stage (Hoban et al., 1992). These groups have also very little confidence in social institutions and authorities, and "could reflect a more general erosion of confidence in government" (Hoban et al., 1992: 489).

Considering the alienation among people with low income and education from the new biotechnologies in light of the theory of social construction of technology, one may conclude that these are groups which can only learn about or participate in the creation of technology politics to a modest degree. We are in reality talking about political alienation which is being transformed into technology alienation because those groups lack knowledge, information and influence. The value parties of new politics may be able to mobilize those groups by bringing technology politics into the public discourse.

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Chapter 15

Perspectives for Environmentally Sound Agriculture in East Germany

Karl Bruckmeier and Herbert Grund

> "Both modernization roads in agriculture, unconditional capitalization as well as socially destructive collectivization, appear to be breaking down from a social, ecological and also economic aspect. At the same time, in the analyses of both agricultural systems, reference is made to the significance of peasant structures and behaviour for overcoming the crisis". (Pongratz, 1990: 13)

Is peasant farming the way for European agriculture to go if it is to achieve social and ecological sustainability? In Western Europe peasant structures seem to be breaking down at the present time as a consequence of the agricultural policy of the European Community (cf. Symes, 1992: 196). The development of agriculture in the rapidly changing East German society after the collapse of socialism can perhaps give some new pointers to the possibilities and limits of the move towards environmentally sound agriculture. The post-socialist reorganization of agriculture gives more room for experiments with ecofarming than in West Germany, where agricultural policy seems to be at a dead end. However, the forces limiting change, mainly the re-establishment of old property structures (the old feudal proprietors and their descendants already control large areas), the control of more and more agricultural areas from outside (by West German or foreign farmers), and the economic pressure for the individual farms to produce adequate yields on the mostly poor soils in East Germany (which means that artificial fertilizers and agrochemicals are necessary) are working simultaneously. These opposing developments require more detailed analysis, as in this example of Mecklenburg-Vorpommern, one of the new states of the FRG resulting from the dissolution of the German Democratic Republic (GDR).

Agriculture in the German Democratic Republic

With the introduction of socialist forms of ownership after 1945, a new social structure evolved in agriculture and rural society, which had little in common with the traditional peasant-based agriculture and the special East German forms of large-scale landownership (*Ostelbische Junker*) before World War II. In Mecklenburg-Vorpommern, located on the Baltic Coast, feudal proprietors have been operating since the 16th century. No traditions of independent peasant and family farming,

which exist in many regions in west and south Germany, can be found here. Repeated processes of migration and resettlement of agricultural labourers and smallholders have been a further characteristic of this region, and they too prevented the development of the peasantry as a social group.

During the period of GDR, from 1949 to 1990, the northern part of the country was a region with intensive agriculture but little industry. Industrial production was concentrated in the south, in the old industrial centres of Saxony. Socialist transformation began in 1946 with the expropriation of large proprietors in the Soviet occupation zone. The "democratic land reform" was intended to end the power of the *Junker* and the supporters of German fascism. Land was redistributed among farm workers and repatriates from Eastern Europe who became "new peasants" (as they were called in Party jargon). From 1952 to 1960, the system of collective farming developed. Collectivization resulted in two main forms of property in socialist agriculture: co-operative farms (*Landwirtschaftliche Produktionsgenossenschaften, LPG*) and state farms (*Volkseigene Güter, VEG*). Both developed into large production units through the concentration of land (cf. Klemm, 1985: 206ff).

Co-operative farms became the prevailing form of socialist agriculture in GDR. Collectivization was followed by complex processes of modernization and rationalization: separation of crop production and livestock farming, increasing specialization and differentiation of farming and integration of agricultural production and processing industry on the ground. The increasing size of production units, based on the principle of a socialist variant of economies of scale in agriculture, in fact led to diseconomies as a consequence of bureaucratic command structures (cf. Bergmann, 1992: 306; Symes, 1992: 197).

Three of the results of socialist development of agriculture define the preconditions for further change. First, the social structure of rural society changed as a result of the differentiation of professions and qualifications of the agricultural labour force. Although co-operative farmers were treated as a homogeneous social group by the ruling SED party until the end of the GDR, this group has differentiated and changed much more than the farmers in West Germany. There the dominant trend was one of a constant reduction in the number of peasants and smallholders and their decreasing social and political significance, yet up to now many farmers refused to become agricultural entrepreneurs in Pongratz's sense of "unconditional capitalization" (Pongratz, 1990: 13). The result of the socialist development of agriculture in GDR was the gradual dissolution of the traditional concept, professional role and social status of the peasant and its replacement by a highly specialized agricultural labour force working in huge collective farms. Towards the end of GDR, only a minority of these workers were former individual farmers, but a large majority were specialized agricultural workers. More and more scientific specialists, but also non-agricultural and technical occupations have been included in the agricultural labour force.

Second, the collectivization and modernization led to increased agricultural productivity. Yields rose considerably with the intensification of agriculture, and

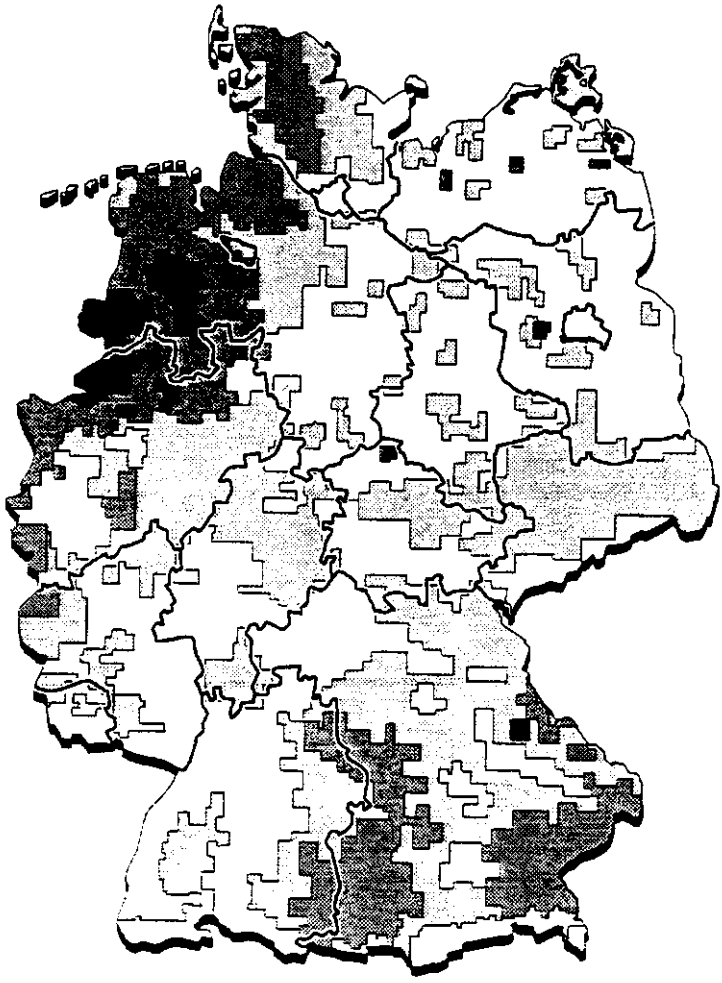
food surpluses were produced, thus increasing agricultural exports to socialist and capitalist countries. In comparison to other socialist countries, GDR agriculture was efficient and successful. Nevertheless, the prevailing economic effect of collectivization was not rational production in terms of economic efficiency, but the extension of diseconomies of scale through excessive land consolidation and concentration. "Since farm production depends on natural resources, economies of scale are exhausted much sooner than in industrial production. Diseconomies of scale such as increased costs of transportation, energy consumption and inefficient administration, were soon to appear. Since hardly any feed concentrates were imported, these were produced at home with high energy consumption. The separation of crop production and animal husbandry and the formation of huge herds not only increased transportation costs and administrative complexity, but also created technical problems in coordinating feed provision, the evaluation of roughage, animal health, removal of farmyard manure, and other economic and ecological difficulties" (Bergmann, 1992: 306).

Third, the ecological impact of socialist agriculture has been similar to that of modernization and rationalization in Western agriculture, mainly soil erosion and water contamination. With enforced intensification, enlargement of co-operatives and extension of farming to marginal areas, where high inputs of fertilizers and agrochemicals were required, ecological damage became increasingly apparent, especially the destruction of traditional agricultural landscapes and semi-natural biotopes through land consolidation, increasing danger of soil erosion and contamination of surface- and groundwater by agrochemicals. These problems were not discussed publicly during the GDR's existence, although they were known by agricultural scientists. Whether the scale of environmental damage through intensification was larger than in West Germany cannot be determined satisfactorily with the data available from 1990. Such visible effects as the consolidation of farmland into huge specialized co-operatives with the tendency to create a uniform landscape gives the impression of more environmental damage than in the West. But data on nitrate contamination of groundwater (which mainly results from fertilizers) do not support the argument of excessive use of fertilizers. Neither do the data on nitrate contamination of soils resulting from livestock farming (cf. Figure 1) support the argument that socialist agriculture has produced more environmental pollution than the West. To interpret these data adequately, it has to be said that they give temporary and limited information only. The system of groundwater monitoring is not sufficiently developed and there may be a time-lag of twenty or more years before fertilizer residues percolate down to the deeper groundwater layers.

Agricultural policy since 1990

The situation of agriculture since the end of the socialist regime in autumn 1989 has been unstable. The economic collapse of socialist co-operatives in 1990 was enforced with the abrupt takeover of trade and sales by western firms and the introduction of

Figure 1: Nitrate contamination of soils from animal husbandry in Germany (data from East Germany: 1986-1989; West Germany: 1987-1991)



Legend:
- less than 50 kg/ha
- 50-100 kg/ha
- 101-150 kg/ha
- 151-200 kg/ha

Sources: Atlas zum Nitratstrom; "Die Zeit", No. 3, January 14, 1994: 43

the standards and marketing practices of the European Community. Reports of ecological damage to landscape, water and soils (largely from industry) caused public discussion mainly in 1990, when "socialist mismanagement" was condemned ideologically by the apologists of the market economy, but also by the ecological movement. However, the prevailing problem in East Germany since 1991 has been dramatically increasing unemployment, which has also affected the agricultural sector.

The goals of agricultural policy have become those of the West German states under the regime of the Common Agricultural Policy of the European Union: (a) to create preconditions for an economically and environmentally sound agriculture; (b) to raise income levels in agriculture to those of other population groups; (c) to improve conditions of life in rural regions; (d) to conserve rural settlement structures and cultural landscapes. Some of these goals seem to be the same for both old and new political and economic systems (e.g. equalization of conditions of life in rural and urban areas), whereas others seem to be unrealistic today (rural settlement structures have changed already under socialism; conserving traditional rural settlements would mean returning to structures which existed before 1945). None of the aims had any chance of being implemented in the past three years of the transformation crisis. The political decision with the most long-term and unanticipated negative effects for agriculture, which is scarcely covered in these goals, is the re-privatization of farmland. It was formulated at highest political level in Bonn, and, as a consequence of the principle that "return of property to the former proprietors has priority over compensation payments for expropriation", has revealed disastrous tendencies which could destroy agriculture in East Germany. Seen from the level of the European Union this may be desirable, because there is no need for still more agricultural produce in the European market.

Economically speaking Mecklenburg-Vorpommern has quickly become a poor and dependent region, dependent on West German agriculture and agricultural industry. This is a result of the collapse of the regional economy, including the food processing industry. After 1990 there was a tendency for Mecklenburg-Vorpommern's agriculture to become a supplier of raw materials for the West German food and dairy industry (cf. Mondelaers, 1994: 58ff). In the long run the processing industry will be restructured with effects of concentration (cf. AgrarBündnis, 1994: 67ff). West German farmers used the opportunity of low rents for agricultural holdings in the east to enlarge their own holdings, and farmers from other countries (Netherlands, Scandinavia) have also become active in East Germany.

In some East German states, including Mecklenburg-Vorpommern, there is no conception for political and economic change in the rural areas which starts from the specific historical situation of the region. The social and economic functioning of rural areas cannot be maintained by agriculture alone, but there are no planning concepts starting from this premise and supporting the development of the institutions required for a workable rural economy. In the political arena too the problems of integration of the East German agriculture and economy are treated inadequately and reduced to the question of transfer payments (What are the costs of unification for

the West?). The two East German states Brandenburg and Sachsen-Anhalt have been the first to implement integrated rural development programmes with subsidies from the European Community. These programmes include extensification and diversification of agriculture but also creation of additional employment and income structures, for example through promotion of tourism and the establishment of small and middle-sized enterprises (Grajewski and Schrader, 1992).

Present developments

After three years of dramatic change in East German agriculture, the size structure of holdings appears as in Table 1.

Table 1: Structure of holdings in East Germany (former GDR), 1993

Type of holding	Number	% of area	Average size
I. Private holdings	22,466	35.7	84 ha
– of individuals	20,587	17.6	45 ha
– of groups	1,879	18.1	511 ha
II. Companies (private law)	2,829	63.9	1179 ha
Registered co-operatives	1,388	38.8	1480 ha
Limited companies	1,302	23.3	948 ha
Joint-stock companies	64	1.6	1364 ha
Others	75	0.2	128 ha
II. Companies (public laws)	73	0.4	272 ha
All types	25,368	100.0	209 ha

Source: Bundesministerium für Ernährung, Landwirtschaft und Forsten, Agrarwirtschaft in den neuen Ländern, Bonn, Januar 1994, p. 2.

In Mecklenburg-Vorpommern at the end of the GDR state, 1055 socialist agricultural holdings existed (LPG and VEG), the total number in GDR being 8668. The average size was 4000 ha. The number of agricultural workers in total in Mecklenburg-Vorpommern was 183,884 (total number in GDR 850,000). At the end of 1993 more than 4,400 agricultural firms were in existence, with an average size of 372 ha, but only 30,000 workers were left. The reduction in the agricultural labour force has meant a dramatic change, because alternatives to agriculture do not yet exist. Industrial unemployment is high too. The unemployment rate in the rural areas of the state is extremely high (16-18%). 77% of the farmed area has been leased since many ownership questions are still unresolved. Large firms control the majority of agricultural land and economic concentration is still high in the agricultural sector.

In 1991/92 nearly 600,000 ha of arable land were left untilled in East Germany, mainly in Brandenburg (207,311 ha = 19.3 % of its arable land) and in Mecklenburg-Vorpommern (144,041 ha = 12.7% of its arable land). The total farmed area in Mecklenburg-Vorpommern dropped from 1,508,713 ha to 1,275,186 ha between 1989 and 1992. This reduction is much more than in West Germany, but it was not pursued to the same degree since 1992. The size of the reduction (including extensification programmes; see below) has to be seen in relation to changing cropping patterns: the cultivation of fodder crops was reduced (because of the reduction of livestock and because fodder imports are easily available now). Production of maize, wheat and oilseed rape increased, whereas less than two thirds of the former areas of potatoes and rye are grown. All these trends add up to standardization, reduction of variety and intensification of production, bringing new environmental problems.

Organic farming in Mecklenburg-Vorpommern increased rapidly from zero, with 286 farmers beginning the conversion process in the years 1991/92. These farmers together cultivate more than 64,000 ha (cf. Lange, 1993: 31). The figures available towards the end of 1993 indicate that already about 74,000 ha are being cultivated by farms belonging to the newly-founded ecological association *Biopark*. This is higher than in other East German states and extremely high in comparison to West Germany, where in the 1980s, the organic farming movements had not covered more than one per cent of agricultural land and holdings.

To understand the rapid growth of organic farming in East Germany it has to be said that today, after the end of the ideological warfare between political advocates of organic and traditional farming, agricultural policy provides much more support for organic farming as a viable alternative. The organic movement is rapidly increasing, not just because of more ecological orientation of consumers and a 'demand-driven' growth, but also because of the synergetic effects of these factors with the pioneering work of ecological movements and promotion by Government schemes and schemes of the European Union. Although the independent ecological movements supporting organic agriculture have become stronger in West and East Germany in recent years, a decisive factor in East Germany has been the belief of many newly-established farmers that organic farming is a short-term solution to the agricultural crisis, even though this does not seem to be a realistic expectation. How far the decision to convert into organic farming is an ethically-based motive of the individual farmer cannot be clearly shown: it seems that much more institutional motivation is underlying the decision to begin organic farming, because economic incentives exist and the political situation is favourable, e.g. EU programmes and Government support are available for conversion (cf. AgrarBündnis, 1994: 92ff, 132). The Biopark association is operating on the basis of EU legislation on organic farming, and it represents a quite specific type of farm, large-scale mainly livestock-producing, whereas traditional ecofarming in West Germany is characterized by small family farms, cropping and mixed farming.

Concomitant with the reduction of cultivated areas and extensification programmes for certain products, structural change has taken place, which results

in intensification and specialization. The significance of peasant or family farms among the re-privatized holdings is limited. In comparison to other East German states in the former agrarian regions of the GDR, the situation in Mecklenburg-Vorpommern is similar to that in Brandenburg, but rather different from that in Sachsen-Anhalt, where peasant farms cultivate more than half of the farmed land.

Trends of change

The most important aspects of the transition process in East German agriculture after 1989 may be divided into cessation of farming, re-privatization and ecological change.

One of the immediate outcomes of the political unification of GDR and FRG was the interruption or cessation of agricultural production in large areas. Mainly in 1991, the first year after unification, the remaining socialist co-operatives reduced their cultivated land and their manpower drastically, as stated above. The agricultural land that has been taken out of cultivation in East Germany under the EC set-aside programme is fallow for one year only. Because of unresolved questions of property transfer, the area of land which will be taken permanently out of cultivation has not been ascertained in recent years (cf. Mondelaers, 1994: 609ff). The proportion of temporary set-aside in East Germany was more than in all other EC members together (13% of the cultivated area in East Germany; premiums from the European Community for this were estimated to about 350 million DM). In Brandenburg, the state with largest proportion of fallow areas, fears about degradation of such areas have been voiced (see also Grund, 1992: 40ff). Permanent set-aside is not only part of the agricultural policy but is an outcome of covert competition between East and West German agriculture: transfer of land to former (pre-war) or western proprietors.

Set-aside is not identical with more environmentally sound forms of land use, although such areas may be afforested (which will only happen on a very small scale). A critical point is, that temporary or permanent set-aside leads to different patterns of land use, with intensification in the remaining farmed areas and degradation in fallow areas. This is one of the main arguments of the ecological movements. In the programme of the German agrarian opposition, the *AgrarBündnis*, from April 1991 extensification has been preferred to cessation of farming as the latter might lead towards a division of farming into protected areas and polluted areas. In the areas where farming goes on, intensification of production is increasing; ecological advantages do not result from temporary set-aside of intensively-used areas (cf. AgrarBündnis, 1994: 37).

The second important aspect of the transition process concerns agrarian reform and re-privatization. Legal pressure was exerted upon the socialist co-operatives to change into property forms conforming to (West) German private law by the end of

1991, otherwise they would have been liquidated. Two main property forms, group and individual, resulted from this transformation. The successors of the former large production units LPG and VEG are various forms of *group ownership*: associations of persons (*Gesellschaften bürgerlichen Rechts*), registered co-operatives and private or joint-stock companies. In Mecklenburg-Vorpommern the private and joint-stock companies are predominant.

Individual property forms have also appeared. The idea of the peasant and family farm which underpins the property form of the private holding as a political ideal, has not become dominant in Mecklenburg-Vorpommern. What has happened during the re-privatization process is partly a return of the old *Junker* or their successors, partly a takeover of agricultural areas by West German or foreign buyers and investors. Of the new holdings operated as full-time farms, 23% have been established by persons who did not live in Mecklenburg-Vorpommern before October 1990. The conflict over "who controls the land in East Germany, East Germans or West Germans?" escalated in 1993.

The political paradigm with which re-privatization began was the peasant farm operated by a family. This concept was taken over from West Germany. The problem in East Germany and in most East European countries is that one or two generations of peasants who have lived on modern private farms are missing as a consequence of the socialist reorganization of agriculture. In some regions, such as Mecklenburg-Vorpommern, there is no tradition of peasant farming. Interest among former co-operative farmers in becoming individual agricultural entrepreneurs is limited (cf. Bergmann, 1992: 309ff, reporting Krambach), for a series of reasons which come down to the argument that they have no chance to compete economically, whether for reasons of age, or more likely for lack of capital, technology, equipment or managerial know-how. Thus privatization leads to absentee ownership and increasing numbers of "new farmers", people from very different origins and social backgrounds, coming from West Germany and even from adjacent countries like The Netherlands or Scandinavia (as has happened in Mecklenburg-Vorpommern already).

After three years of agricultural change and re-privatization, the situation is growing more favourable for large holdings, the successors of the socialist co-operatives. They have more capital and are more efficient than smaller family farms, and presently they are employing more manpower (which has become a positive argument in the current economic crisis, especially in Mecklenburg-Vorpommern, which has little industry). It is not only the agricultural economists who are repeating their standard arguments endorsing large farms. The farmers' association (*Deutscher Bauernverband, DBV*), in spite of its rhetorical commitment to peasant farming, has also become an advocate of the large proprietors resulting from privatization, including the successors of socialist co-operatives. Meanwhile too the endorsement of peasant family farms from the Federal Government in Bonn and the Government of Mecklenburg-Vorpommern is getting weaker and the traditional orientation towards this type of holding is being abandoned in German agricultural policy.

The third major aspect of the transition process is ecological adaptation. Ecological adaptation is not a homogeneous process and it stems from different sources; as extensification of modern farms, as conversion into ecofarming or as scientific control and minimization of environmental damage, starting with analysis of ecological problems and soil quality (this has been done for Mecklenburg-Vorpommern, see Grund, 1992: 35ff). In East Germany, ecological change has taken two main forms, extensification and organic farming, since 1990.

The European Community has been supporting *extensification* of agricultural production, and in the state of Mecklenburg-Vorpommern, a modified programme of a 20% reduction of agricultural production, combined with measures for nature protection, is being implemented. The main form of ecological adaptation of agriculture is extensification (with about 60,000 ha extensified in Mecklenburg-Vorpommern in 1990, 267,000 ha in all East German states). It does not require further organizational decisions or a basic change of production techniques by the farmers and is used in programmes for market relief (like temporary set-aside), not primarily for ecological reasons. Therefore, its contribution to environmental protection may be limited (cf. AgrarBündnis, 1994: 213ff)

In the GDR *organic farming* was almost non-existent: the only organic farm, near Frankfurt/Oder, was founded in 1928 and has not been expropriated because it belonged to Austrians. Not until the 1980s were some horticultural holdings in the hinterland of Berlin converted to ecological methods. Two organizations for organic farming, *Gäa* and *Biopark*, have been founded in East Germany, the latter mainly existing in Mecklenburg-Vorpommern. Also the newly-established agricultural advisory system in this state has specialized advisors for organic farming. The interest and support for organic agriculture is strong, as can be seen from the rapidly increasing number of farmers in all East German states trying to introduce organic farming on their land.

To evaluate the trend towards organic farming, it has to be asked, where the areas in conversion are located, and what kind of farms are entering the ecological conversion process. Organic farming is mainly located in areas with easy soils and high percentage of green land, that is in areas where traditional agriculture using agrochemicals would not be able to compete successfully. Furthermore, many of these areas are covered by landscape and nature protection programmes. This means that neither is organic farming retarding the tendency towards intensification, nor is it becoming a serious rival to modernized agriculture in the main production areas. If this trend goes on, organic farming might take over areas where traditional agriculture is relinquished (because of poor soils, environmental protection programmes or other reasons): a tendency which was certainly not foreseen and not the goal of the early organic farming movements and their scientific advocates. The entry of large farms into organic production in East Germany is also a novelty in the German organic farming movement.

Ecofarming already had reached a crisis in East Germany in 1992. The marketing of its products has proved to be very difficult, because no marketing structures have been developed and only a few wholesale firms and retailers for

these products exist. It seemed that many of the farmers went into conversion without thinking about marketing. Although some progress was made in 1993, the problems are not yet solved (cf. AgrarBündnis, 1994: 82ff). The only alternative to organized marketing would be direct sale from the farm, but this does not work without support from the customers, who must make their way to the farm. More efficient forms would be consumer co-operatives ("food-co-ops") or "producer-consumer associations" (discussed in Mecklenburg-Vorpommern since the end of 1991), but such new activities, requiring changes of consciousness, of behaviour and consumption patterns of more and more people, are still rare in East Germany.

Political actors

To understand the development of environmentally sound agriculture it is not enough to analyse economic trends. The perceptions of farmers, high societal esteem for ecological production and political support of ecological transformation on the part of Government and non-government political actors, are more important. From such "subjective conditions of change" the question of who will be the prime movers of ecological transformation in East German agriculture, can be partially answered. The following actors are important:

- The German state (union and federal states) and the European Community are mainly oriented to political programmes for extensification and diversification of agricultural production. These programmes are being implemented in all East German states. Organic farming is no longer discriminated against politically, but the endorsement from Government officials, ministries and the agricultural administration, is not very strong - following the principles of "all forms of cultivation, traditional, integrated and organic should have equal rights" and "let the market decide how much organic agriculture there should be".

- The German Farmers' Association (DBV), although not the only farmers' lobby group in East Germany, has succeeded in becoming the dominant one here, as in West Germany. It is pursuing its newer strategy of "economization of ecology" (Heinze and Voelzkow, 1993: 34ff). It has no sympathy for organic farming, but it has stopped its polemics against this form and against the environmental critics of agricultural pollution; such polemics had been its traditional response until the second half of the 1980s. The DBV now tries to instrumentalize the ecological question of agriculture in the sense of lobbying for compensation payments for farmers who are responsible for less intensive exploitation or who have to follow Government restrictions in conservation programmes.

- The ecological opposition in East Germany includes a number of ecological movements and groups, among them *Gäa* and *Biopark* (the newly founded

associations of organic farmers in East Germany), *AgrarBündnis* (the umbrella organization of opposition agricultural groups in Germany), *Grüne Liga* (an ecological movement resulting from the GDR citizens' movements), *Grüne/-Bündnis 90* (the German Green Party which had recently merged with the organization *Bündnis 90*, the former citizen movements of the GDR), *BUND* (a traditional environmental association founded in West Germany). The ecological movements in general support organic farming, but it seems that East German movements differ from those in the West in some respects. Generally they show more pragmatism and less 'fundamentalism', e.g. with regard to the ideological basis for organic farming, more tolerance towards the technology of 'integrated cultivation' (developed by the chemical industry as a response to organic farming), and a less marked preference for the peasant farm in comparison to the West German-based *Agrarbündnis* (all these points can be found in the programme of the Green Party in Mecklenburg-Vorpommern of September 1990).

- The farmers in East Germany are a more heterogeneous group than in West Germany, where it is known that farmers have many difficulties dealing with environmental problems of agriculture and taking part in the public environmental debate. Because of such heterogeneity, and with the social structure of East German agriculture not yet formed, it is difficult to argue about the future orientation and behaviour of farmers. At present we find both, open-mindedness and narrow-mindedness towards ecological problems of agriculture.

The question whether the state (in the form of political programmes) or the farmers themselves and ecological movements will be the moving force in the ecological transformation of agriculture, should not be answered too quickly and too definitely. In the first years after unification of the German states, it can be seen that all forms of ecological accommodation have come into being only as a result of massive support from Government and EC programmes. This is a decisive difference at present: East German organic farming is less movement-based than West German. But this does not allow us to draw definite conclusions about the long-run development. At the moment both kinds of actors, Government and non-governmental, state and ecological movements, are playing specific roles in the processes of ecological change in East Germany. The question of economic integration still has priority over ecological transformation. It seems, that Government action is only passive, reacting to given situations. State policies must be tied into strategies of sustainable development, and these can only be based on social actors and groups like farmers, consumers, ecologists, who play the active role in this process.

Discussion and conclusions

> " ... environmentalization portends a decisive reversal of the inconsequentiality of matters rural and metropolitan. Much of the green agenda brings rural societies and their environments centre stage". (Buttel, 1992: 24)

In Mecklenburg-Vorpommern the situation is more complicated today; to stay with Buttel's idiom, we may ask: "... centre stage – no doubt, but which performance is going on which stage?". The important stage, the political arena for ecological transformation, is not yet established in East Germany, although the main actors are there and have formulated programmes and concepts. The road-blocks to sustainable development in agriculture are to be found in other aspects of the contradictory situation. At the moment it is not the power and interest bloc of European Union and modernized agriculture which are mainly preventing change in this direction, but two other forces: the rapidly changing political and economic situation of East German agriculture in the years after 1989, which can hardly be ennobled by the term "evolution", and the slow and legally difficult process of privatization of farmland, which blocks the development of many farms. With the privatization policy defined by the *Treuhandanstalt* (and its newly founded holding for the privatization of farmland, the BVVG), East German citizens and farmers see themselves becoming the losers in this process, since more and more land is coming under control of outside interests, from West Germany or elsewhere.

The rapid growth of organic farming, too, does not simply mean rapid progress of this form of production, which could go on continually without changing the situation of organic farmers. When the marketing problems mentioned above have been solved with the establishment of new retail systems, the growth of organic farming will lead to increasing competition between the organic farms, the result of which will be lower prices but the ruin of a number of these farms. In 1994, when the conversion phase of the first East German organic farms is completed, such competition will be enforced (cf. Lange, 1993).

For all these reasons, the present situation leaves a number of important questions unanswered. Firstly, does the state change or redefine its role or assume new functions towards agriculture? Neither the German union or federal states, nor the European Union have yet been able to promote environmentally sound agriculture.

Secondly, does agricultural policy develop into a system of 'agricultural environmental policy'? In general this may happen, as can be seen from federal and EU programmes, but it is as yet weakly developed and it follows the traditional governmental and bureaucratic 'top-down strategies of policy implementation', which prove to be inefficient if they are not endorsed by social groups. At the regional level, things may be different. In East Germany only some of the states have taken special initiatives, among them Brandenburg. Agricultural policy in Brandenburg, called "The Brandenburg Way", has many similarities with that of Mecklenburg-Vorpommern. What the Brandenburg Government has done additionally in taking specific measures to promote integrated development programmes or local ecological

development projects (like those in 'eco-villages', the prototype of which is Wulkow in East Brandenburg), may be partly due to the participation of the citizens' movement *Bündnis 90* in the Government. The fact that Brandenburg is the state with the highest proportion of fallow land and a high rate of rural exodus may also have contributed.

Finally, do farmers themselves take on new professional roles as activists in environmental protection? If the future is to bring back revitalized peasant family farming as a new facet of environmentally sound agriculture, this could happen; but there are not many of these farmers now. Peasant farming cannot be introduced simply by political decision, it requires social support.

One single pattern of 'environmentalization' will not result from present trends. Referring to the debates on the Fordist transition in agriculture (cf. Marsden, 1992), two opposing paradigms of development can be seen, industrial and ecological agriculture. In East Germany large-scale industrialized farming with new forms of horizontal and vertical integration of production and processing systems will prevail. This type of 'Fordist' agriculture follows a course of ecological adaptation based on environmental techniques like integrated pest management, optimization of fertilizer and pesticide use, use of herbicide resistant plants. New biotechnology will be used in animal and plant production to achieve further intensification of production, while ecological damage will be partially controlled through 'environmental engineering'. The other type is represented by organic farming with the paradigm of the ecological cycle, where risky production techniques and specialization, monoculture and environmental damage are avoided. The re-established form of peasant farming will be divided between the two opposing types. Some of the newly-founded peasant family farms will develop into industrialized, large-scale farms, becoming part of the mainstream which is based on entrepreneurial agriculture (successors of large-scale socialist co-operatives or state farms), absentee ownership and modified peasant family farming. Another group of peasant farmers will move towards organic farming, thus linking socio-cultural with ecological traditions of agriculture. The traditions of peasant family farming and organic farming (both from West Germany) and specific East German traditions rooted in socialist agriculture (group farming), will form a minor though increasing sector of agriculture. Extensification is not the common denominator of the opposing structures: it is a temporary politically-supported programme for limited areas, which cannot deflect the inherent trend of mainstream agriculture towards intensification.

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Chapter 16

Farmer Initiatives as Countervailing Power

A new approach to sustainable agricultural development

René de Bruin and Joek Roex

In recent decades, great efforts have been made to modernize European agriculture. The trajectory of this so-called modern agriculture was supposed to be unilinear: a combination of scale enlargement and modern (science-based) technologies in the agrarian production process was believed to be the only route to success. Farmers who were able to make this combination were characterized as having 'vanguard farms'. This normative model of farm development reflects a productivist perspective on agricultural development: maximization of productivity with optimal production conditions. In The Netherlands this normative political project of farm development was strongly supported by national policies, through subsidies, research and development, extension and education, the improvement of infrastructures and the physical planning of rural areas and landscapes.

In the dominant productivist view of farm development, the reproduction of nature and landscape values was supposed to be in conflict with modern agriculture. Therefore the relation between the agricultural production process and the reproduction of natural and landscape values was supposed to be one of strict separation. Due to the difficulties of using heavy and large machinery in regions with moist peat soils, and the labour intensive character of agricultural production in small-scale landscapes, those ecological settings do not provide the optimal setting for 'modern' farm practices. To achieve the aim of agricultural modernization, great efforts were made to transform production conditions to make optimal farming possible. In the process, typical rural landscapes disappeared. The drive took place under land consolidation projects intended to redistribute land to those farms which were expected to have the capacity to develop as 'vanguard' farms.

At present Dutch agriculture is facing problems of various kinds. Due to intense and rapid industrialization, agriculture has become highly dependent on the use of bio-chemical inputs. This dependence led to immense environmental problems. Furthermore, the strong orientation to bulk production for European markets made incomes of farmers highly dependent on EC price policies. Despite structural policy and investment subsidies, farmers' incomes are at risk. The number of farms is rapidly declining and production is becoming concentrated in stronger regions. A gra-

dual marginalization of weaker regions is occurring. The viability of rural areas is in decline.

Due to the accumulation of problems caused by agricultural development in recent decades, traditional agricultural policies have encountered strong opposition in Dutch society. The transformation of rural landscapes and production conditions have generated various conflicts between agricultural, environmental and tourist interest groups. Today, the public no longer accepts drastic intervention in the natural environment to create optimal conditions for agricultural production.

To solve the problems Dutch agriculture is facing today, new and adequate solutions and approaches have to be developed for sustainable rural development. Within these solutions explicit attention has to be paid to aspects besides agricultural production. The viability of rural areas is one of these aspects. Due to the great importance that the public ascribes to the protection of natural values and rural landscapes, the relation between agriculture and the natural environment needs to be reconsidered. Therefore, sustainable development has to be defined in both socio-economic and ecological terms.

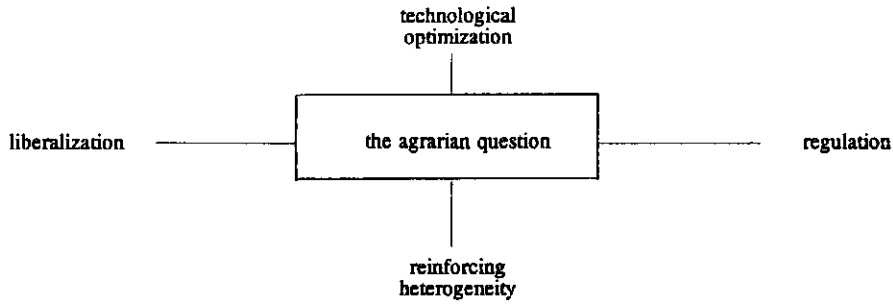
Alternative approaches to the agrarian question

Van der Ploeg (1993) distinguishes four different theoretical positions regarding the agrarian question (see Figure 1). Each implies a specific approach to the agrarian question in general and consequently has a bearing on the problems described above. Both the analyses of the problem and the possible solutions are coloured, or better determined, by the position chosen.

On the horizontal axis, two positions are confronted. On the one hand the 'liberalization' approach, and on the other hand 'regulation'. In both the concept of the 'market' plays a central role. The analysis of the problems might be similar, the solutions however differ fundamentally. Agricultural policy in The Netherlands and the whole of Europe is characterized nowadays by a problematic combination of both approaches. Liberalization is supported through export-oriented production and world trade; regulation is effected through volume measures, programmes for marginal areas etc. With recent restructuring of EC policies, farmers are to a certain extent left in the air about the results. Liberalization will cause a decrease in product prices and consequently of incomes, while further regulation limits the development potential of individual farmers.

In recent debates about sustainability, two alternative positions are emerging (placed on the vertical axis in Figure 1). The first is characterized by the use of scientific models to look for the 'best technical means' for optimal agriculture. Consequently, society has to be transformed to provide the most adequate conditions. The second position, 'reinforcing heterogeneity' takes the empirical heterogeneity in agricultural practices and dynamics as the starting point for sustainable development.

Figure 1. Different approaches of the agrarian question



In the technological optimization approach, agriculture is limited to the production of agricultural goods alone. Other activities such as the management of rural landscapes, creating conditions for rural tourism etc, have to be separated from agriculture and transferred to public or private enterprise. This approach is in fact a revitalization of the old modernization models for agricultural development. Sustainability is conceptualized in technological terms and reflects a specific normative political view of society. This again is relevant for the future of many family farms. In theory it is possible for a small group of selected vanguard farms to produce the present production volume, using only part of the present area of farm land (WRR, 1992). Farms that do not match up to the concept of 'vanguard' in this view are doomed to become marginal and regions that do not provide conditions for optimal production will be 'returned to nature'. In the Dutch agricultural arena this view gained a lot of support, not only through the official policies of the Ministry of Agriculture, Nature Conservation and Fishery and the central farmers' organizations, but also from interest groups of various backgrounds; nature conservation associations, influential scientists, agribusiness and the Royal Dutch Touring Club. These interest groups tend to form coalitions to influence public opinion and to raise money for large-scale projects for nature conservation. They explicitly define the relation between agriculture and the management of natural resources as one of strict separation. In doing so, they also formulate criteria for sustainable agricultural development, without any debate or exchange of opinions with the farmers involved.

The 'reinforcing heterogeneity' approach is mainly concerned with providing and using the 'best social means'. The starting point is not theoretical production capacity, but the specific social dynamics and heterogeneity in agricultural practices and the specificity of ecological settings. In this view, agricultural development is not merely a derivative of 'markets' (liberalization and regulation approaches) or 'technology' (technological optimization approach). In the heterogeneity approach agricultural development is shaped through the interaction between farmers' strategies and markets and technology (this will be explained later). In this view farmers and

other local actors play a central role in the definition and development of adequate forms of sustainable development.

According to Van der Weijden *et al.* (1984) the approaches therefore also differ at the level of the decision-making process. The 'heterogeneity' approach is to be characterized as 'sociocratic', while the other approaches are pre-eminently 'technocratic'. Technocratic approaches are characterized by centralized decision-making and are strongly means-oriented, instead of goal-oriented.

In this paper we argue that the 'reinforcing heterogeneity' approach offers a whole set of possible solutions and a new perspective for sustainable development, founded in the empirical reality of Dutch agriculture. Heterogeneity appears as a major challenge and opportunity for yet more diversified, decentralized and flexible strategies for sustainable rural development. Focusing on the management of natural and landscape values, we argue that different styles of farming provide specific solutions and opportunities to integrate these activities into farming practices. We stress that farmers play a crucial role in the reproduction of typical rural landscapes and natural values, especially as recently local groups of farmers have taken the initiative to develop new and more satisfactory relations between agricultural production and the specific ecological setting through 'integration'. If these groups are able to generate political and administrative support, they might enlarge their room for manoeuvre and they can be looked upon as a countervailing power to the dominant technological approach. 'Integration' is to be considered as an alternative to the dominant technocratic models of agricultural development.

Styles of farming

Despite the political project of agricultural development and its supposed unifying tendencies, heterogeneity still persists. Detailed empirical research shows that there has not been one single farm development pattern. On the contrary, there have been, and still are, diverging development patterns and strategies. Instead of the expected homogenization through modernization, heterogeneity has become even greater during the last decades (De Bruin, 1993b).

This differentiation is largely due to the various strategies actively managed by the actors involved. The strategies and corresponding farm practices are quite familiar in the countryside. Analytically they can be regarded as distinct styles of farming; specific combinations of farming practices with strategic and meaningful use of farm labour. A style of farming is linked with a specific idea and model of farm development.

Each of the styles of farming has its own production goals, different from other styles; hence it is important to realize that styles of farming are relational concepts. Each style of farming reflects a unique normative perspective on farm development (how 'good' farming practices are socially defined), and can be regarded as a structuring principle for farming practices. Styles of farming differ from each other

in the breeds of cattle they use, the management of pasture land, use of off-farm capital, use of family labour, dependence on biochemical inputs, etc.

Styles of farming in the Friese Wouden

Recently, research was carried out into styles of farming, in the northern part of the Friese Wouden (Friesian Woodlands, hereafter Wouden) in the north of The Netherlands (De Bruin and Van der Ploeg, 1991). In this region, the typical landscape of wooded earth banks and tree borders which function as fences, has been preserved, thanks to natural resource management by the farmers. This small-scale landscape on higher sandy soils, with an average plot size of less than 2 hectares, alternates with relatively open areas on lower peaty-clay soils. Both the small-scale 'closed' landscape and the open areas represent important natural and landscape values. Policy measures are taken to preserve the characteristic landscape and specific natural values of the Wouden. These policy measures in general imply a whole set of limitations and prescriptions for farm management. Due to the neglect of the crucial role of farmers in the reproduction and management of rural landscapes, policy measures proved to be very inflexible and little adapted to farm practices.

Agriculture in the Wouden consists predominantly (85%) of dairy farming and is characterized by its small scale and relatively extensive way of farming. Farmers resisted land consolidation projects initiated by state agencies, because of the negative socio-economic effects (the gradual disappearance of large numbers of small farmers) and the cost-increasing tendencies. Therefore production conditions remained relatively inadequate for industrial farming methods. Production costs are relatively high, while productivity of pastures and maize land is 10 to 20% below average due to shading. Therefore the Wouden are recognized by the EC as a less favoured (5B) area. Agriculture in the Wouden is still relatively well balanced with the specific ecological conditions.

This does not imply however that agricultural practices are homogeneous; different patterns of farm development and different forms of farm management exist within the region. Out of extended interviews with dairy farmers in the region, four different styles of farming emerged. These styles were described and named by the interviewees as *calm farmers, breeders, business-like farmers* and *stayers*. The metaphors used to characterize different styles of farming are part of local discourse [1]. Farmers tend to search for specific solutions and opportunities to provide continuity for their farm enterprise. Scale enlargement (an important aspect for the business-like farmers) and intensification (for the breeders) are strategic options for continuity, but always more or less adapted to the specificity of the small-scale landscape and the typical ecological setting. Other farmers try to provide a future for their farms through strict control of costs (calm farmers) or through combinations of dairy

[1] For an extensive review on methodology of styles of farming research, see Van der Ploeg, 1994; De Bruin, 1993a; Roep and De Bruin, 1994.

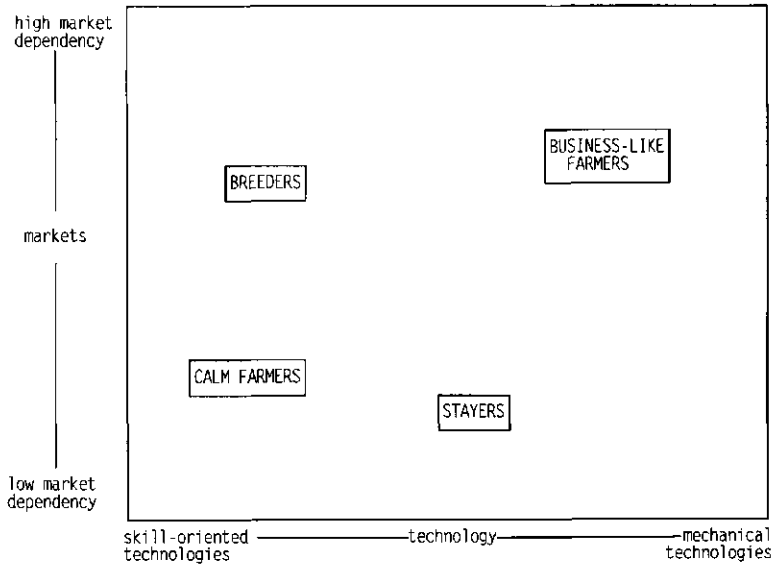
farming with other income-generating activities, both on-farm and off-farm (stayers). These different strategies towards the future are well known in the region.

The structural context of styles of farming

As explained before, styles of farming comprise different ways in which internal and external relations are structured and how these are interconnected and coordinated in specific models for farm development. To achieve these relations farmers use different market opportunities and different technologies. Each style therefore represents a specific, strategically chosen position vis-à-vis markets and available technology.

It is important to stress that markets and technology do not determine the way the labour process is organized. Markets and technology do provide room for manoeuvre (Van der Ploeg, 1990). And yet markets and technology are not objectified magnitudes, but social dimensions arising from the strategic and purposeful acting of social agents. Markets and technology embody the normative view of the most dominant political, social and economic groups in the agricultural or rural arena (Roep and De Bruin, 1994). In recent decades markets and technology have become increasingly a reflection of the normative political model of farm development. The more a farm enterprise is integrated into markets, the greater the flow of goods passing through the farm. The more also do farming practices become dependent on movements and changes in their environment.

Figure 2. Styles of farming in the Wouden: differential orientations towards markets and technology



A low dependence on dominant technological models most of the time implies the application at farm level of so-called 'skill-oriented' techniques. Quantity and quality of farm labour become decisive. The converse of this is the massive application of new technological models ('mechanical' techniques) which amongst other things tends to result in a big reduction in labour inputs (see: Bray, 1986). This type of technology implies standardization of the production process. However, as stated before, markets and technology do not determine farming practices, they provide room for manoeuvre in which different positions are possible. Hence, styles of farming are distributed in particular ways within this room for manoeuvre. A tentative illustration of styles of farming in the Wouden is given in Figure 2.

Styles of farming and differential sustainable development

Under present economic conditions, it appears that different styles of farming can potentially provide economic continuity. Recent research (Van der Ploeg *et al.*, 1992) shows that each style has its own dynamics of farm development and its own strong and weak points. Different styles therefore embody specific economic rationalities, arising from the purposeful structuring of internal and external relations. The future success of different strategies depends to a large extent on developments in the socio-economic context of farming, the room for manoeuvre afforded by policy, markets and technology. The way in which the farmer is able to adapt his strategy to the changing political-institutional environment, defines the scope for sustainable farm development.

With the focus on ecological aspects of sustainability, the relationship between farming and markets and technology is again relevant. Hence, a substantial integration of farming into input markets implies more often than not a considerable flow of minerals, nutrients, energy and chemical inputs from the 'outside' into the farm. As explained before, massive application of new technology tends to result in standardization of the production process. From an environmental viewpoint, standardization means low levels of efficiency and a higher output of waste.

Recent research by Roep and Roex (1992) shows that different relations between environmental pressure and the production process also imply different solutions and perspectives. In the dominant view it is expected that only vanguard farms offer prospects for sustainability, through a combination of scale enlargement and capital intensive technological inputs to reduce mineral losses. However, Roep and Roex found at least two other valid solutions for reducing nitrogen losses in dairy farming: fine-tuning of the production process and drastic extensification. The way in which the production process is organized and structured determines specific solutions and constraints for achieving ecological sustainability (see also De Bruin, 1993a). The same can be said about the possibilities for the proper management of landscape and natural values in the agricultural production process. Standardization is especially problematic for the integration of nature and landscape management into farming. Generally, the more the production process is standardized and intensified, the more

necessary it becomes to adapt ecological conditions to the specific farm logic. This comes down to the science-based model of optimal farming.

Hence, the room for manoeuvre allowed by markets and technology, relates directly to patterns of farm management, farm development and continuity and to the issue of ecological sustainability. It is important to realize that these different aspects of sustainability are very much interrelated. Therefore economic and ecological sustainability cannot be studied separately.

Specific solutions for styles of farming in the Wouden

The claims in the previous paragraph can be illustrated with research data from the Wouden. Particularly in this region, socio-economic and ecological sustainability are very much interwoven: the reproduction of natural and landscape values depends on the extent to which farmers are able to guarantee continuity for their farms. On the other hand, farm management and development cannot be separated from the small-scale landscape and the claims and priorities society gives to the preservation of nature and landscape in the region. Apart from this, farmers have to anticipate legislation concerning environmental issues. Finally, the viability of the rural area is at risk due to the declining number of farms and declining economic activities. Let us first show how the different styles of farming are related to the specific ecological setting and how they are able to react to changes in the political-economic environment in order to provide sustainability.

Firstly it must be stated that there are significant differences in the ways styles of farming relate to the natural environment. These differences are shown amongst other things in the intensity of land use, e.g. the stocking rate or mineral losses per hectare. Business-like farmers practise high input/high output farming: high production intensity is achieved, for example through higher application of mineral fertilizers, much attention to pasture renewal, drainage and levelling. Calm farmers, on the other hand, practise low input/low output farming: lower application of mineral fertilizers and refraining from pasture renewal. These differences in land use practices result in up to 35% difference in mineral losses between farming styles.

A latent tension exists between the style of business-like farmers and the reproduction of the small-scale landscape. Their strategy of scale enlargement leads to standardization of the production process. In the past, this proved to be problematic in relation to the preservation of the landscape and of natural values. Business-like farmers have already transformed the landscape more than others. If economic conditions change and market prices decrease, business-like farmers will feel the need to transform the landscape and ecological conditions as a whole to meet their production goals. To reduce mineral losses, the most adequate solution for many business-like farmers is an on-going rationalization of farming methods along the lines of technological optimization.

The farming practices of breeders are much more attuned to the small-scale landscape. Breeders have been able to increase their productivity under 'sub-optimal'

production conditions. In future, the scale of the landscape will not be problematic if they are still able to optimize the utilization of pastures according to the logic of their style of farming. If flexible use of the natural environment is guaranteed, breeders will be able to adapt their farm management to changing market relations and environmental regulation.

Calm farmers have developed their farms most in balance with the small-scale landscape and the characteristics of original pastures, traditional farm buildings etc. Their future will be highly dependent on their ability to continue their strategy of step-by-step development and low-input agriculture. Forced investments to benefit the environment and drastic changes of market prices will endanger the continuity of this style of farming. Solutions have to be developed that fit the specific characteristics of this style; drastic transformation of farming practices towards other styles or the model of the vanguard farm will also endanger the continuity of these farm enterprises.

Finally the stayers. This style of farming is characterized by its ability to achieve extra income through other activities. The agricultural production process itself is relatively balanced with the specific environment, but the smaller scale of the landscape causes some difficulties in planning the labour process. Stayers sometimes find it difficult to combine different activities that require high labour inputs within the small-scale landscape. Stayers will be able to respond to changes in markets and technology through an ongoing broadening of economic activities. In short, research data from the Wouden show that each style has its own capacity to respond to changes in its political-economic environment. These opportunities are very much related to the utilization of the specific ecological setting.

The management of natural and landscape values

Although a tension can be observed between farm development patterns and the small-scale landscape, it was found that nine farmers out of ten (N=110) are prepared to dedicate time and labour to the reproduction of the natural environment. Moreover, 33% of the farmers indicate that integration of agriculture and management of natural and landscape values is very possible, and 58% indicate that it is possible under certain circumstances. In other words, 91% of the farmers regard integration as possible, albeit only in certain aspects. How integration can take place, depends on the characteristics of the different styles of farming.

In accordance with the high priorities attached to the preservation of nature and landscape in the Wouden, in every style of farming important but specific opportunities exist to integrate the management of nature and landscape into farm practices. At the present time farmers can make agreements with state agencies about payments for activities ensuring the reproduction and management of valuable landscape elements and natural values. Yet, although remuneration is reasonable, farmers criticize the way in which agreements are formulated. Methods of reproduction and management are prescribed by state agencies and are rigid and not

suited to different ecological settings and to year-to-year climatic variations. Furthermore, the present range of agreements does reflect a particular normative view of nature development and landscape conservation. This view is often not shared by farmers in the region. Although the majority of farmers favour integration and environmental management, many of them do not accept agreements due to difficulties anticipated with integrating these aspects into their farming practices.

Farmers have to deal with a growing number of generic prescriptions, legislation, controls etc, especially in regions like the Wouden. Agricultural policies are to a large extent divorced from the empirical reality in rural areas. This disjointure leads to strong reactions from farmers. They feel that their efforts to reproduce typical rural landscapes and natural values have gone unrecognized. If in the future market prices decrease and investments beneficial to the environment result in higher production costs, the reproduction of natural and landscape values by farmers will be at risk, especially in 'weaker' regions like the Wouden. Some farmers will give up their enterprises, because continuity is no longer guaranteed, others will make efforts to transform production conditions or move their activities towards regions that already provide optimal conditions. As the separation of agriculture and the management of natural resources takes effect, the management of natural and landscape values becomes the responsibility of the state. Pressure on management will increase drastically.

As an alternative solution, farmers could be employed to maintain and manage natural resources. However, in the future farmers will only be able and willing to do so if society pays for it. In the Wouden, a majority of the farmers indicates that the management of natural resources should become an economic activity. For some of them, like the business-like farmers, a remuneration for loss of production due to shade effects and payment for basic management activities will be sufficient, as dairying has highest priority. For others, like the stayers and calm farmers, the conscious production of natural values with corresponding rewards may offer possibilities of broadening their economic activities and providing alternative sources of income. Hence, when the management of natural resources becomes an economic activity, economic and ecological sustainability can be balanced in new flexible ways, using the specific dynamics of different styles of farming. Therefore the present system of agreements between state agencies and farmers needs to be reconsidered. New relations between farmers and state agencies have to be developed in order to establish specific solutions for less-favoured areas. Re-localization of agricultural policies and self-regulation on behalf of the farmers concerned are crucial aspects in the development of adequate prospects for an integrated approach to sustainable rural development. In the Wouden, these alternatives are currently in an experimental phase.

Farmer initiatives as countervailing power

In 1992, in the Wouden, two farmers' associations were established to explore new solutions for sustainable rural development [2]. While the farmers perceive that agricultural and environmental policies are confusing, contradictory and hardly stimulating, they search for alternative, integrated solutions. Their goal is to balance economically sustainable agricultural development with the ecological conditions. The dominant concept of the separation of agriculture and the management of natural resources, is therefore rejected. In their view the reproduction and management of natural resources should create additional employment in the region: directly through paid management activities or indirectly through the stimulation of small-scale tourism, the marketing of local products etc. This should benefit the viability of the region as a whole. In this conception, the specificity of the landscape and the ecological setting is not seen as a limitation to rural development, but as an endogenous development potential (see Van der Ploeg, 1994).

The associations gained strong support from the local communities and in both cases a large majority of the farmers in the area joined. Farmers become increasingly aware that it is better to take the initiative to balance agricultural production and the management of natural resources, than to wait for state regulation. However, the fact that groups of farmers have taken the initiative to develop proposals for sustainable agricultural development is relatively new in Dutch agriculture and therefore attracted much publicity. In general first reactions were very positive, and the associations received some support from local, regional and national state agencies to work out their ideas and programmes. We describe below how the farmers' associations realize their ideas.

Both associations follow the same 'integrated approach', although their plans of action differ. Crucial in their approach is the notion that agricultural development, the viability of the rural area, the reproduction of natural resources and a sound environment can not be separated. Therefore they started many activities, like study groups to reduce on-farm mineral losses, experiments for paid management of natural resources, activities to develop rural tourism etc.

An important task for the associations is to act as intermediaries between the farms and local state agencies. Together with these agencies, new and adequate programmes for integrated nature management will be designed. For each farm business an environmental management plan will be formulated, following the management possibilities of the farm in question. In this approach it is of secondary importance whether the management of the particular farm is skill-oriented or standardized. Different opportunities will be designed to fit different styles of farming.

While in the past interests of different groups of farmers were conflicting, and manipulated by state agencies, the farmers in the Wouden became aware that their common interest was much stronger than the conflict between them. The only way

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[2] For a more detailed description of both farmers' associations (Vereniging Eastermars Lânsdouwe, and Vereniging Agrarisch Natuur- en Landschapsbeheer Achtkarspelen), see Hiemstra et al., 1993.

to deal with differences in interests and goals is to create room for manoeuvre for different styles of farming and different development patterns. Hence, one of the strong points of the integrated approach is that no solution or particular way of farm development is prescribed. The members are only obliged to reach a certain, commonly defined, basic level in their management of natural resources and environment. On top of that, new possibilities for paid management of nature and landscape, local tourism etc. will be created in co-operation with local state agencies. In fact, new markets for alternative income-generating activities will emerge. The individual farmer may anticipate these new markets in the way that best fits his own style of farming. Each farmer contributes to the common goals in his or her own way. The available 'social means', craftsmanship and entrepreneurship of farmers, are utilized for the benefit of the local community as a whole.

The initiators of the two associations searched for support from other actors and interest groups concerned with the future of rural areas. Step by step they constructed a large network in which amongst others state agencies, local interest groups for tourism and recreation, bird protection organizations and independent scientists participate. These actors may give direct support to the initiatives, or at least participate in the debate about the design and development of adequate forms of sustainability. This again will take place in direct co-operation between the farmers' associations and the other members of the extended networks.

Both farmers' initiatives are already successful; their foundation is an important contribution to the debate about sustainability. For many actors in this debate, these farmers' initiatives were an eye-opener and offered alternatives to the technocratic approaches.

For now, we can conclude that the 'heterogeneity' approach, as a means of analysis, offers an adequate perspective for sustainable rural development. It is important to stress that this approach, although it has a thorough theoretical background, is founded in empirical reality, rather than in normative perspectives on the organization of society. This approach is a plea for sociocratic decision making. Local actors will be involved in the design and building of their physical and social environment. The degree in which this will be realized, depends on the room for manoeuvre and political support to conceptualize specific and adequate perspectives for sustainable development. This is also very much true for the farmers' initiatives as described above. In the final part of this article we reflect briefly on this issue.

Supporting farmers' initiatives in order to provide space for adequate solutions

Further success of the farmers' initiatives in the Wouden depends on the degree to which the associations will be able to gain political support to put their integrated approach into practice. Hence, one of the key aspects of their approaches is the re-localization of policies and the transfer of responsibilities to the farmers themselves (i.e. self-regulation). New relations between farmers and governing agencies have to be established. In the conventional approaches, state agencies have been ascribed

the central role, formulating generic goals and policies, often limited to only one aspect of the relation between agriculture and the environment. Generic policies require control through detailed prescriptions and sanctioning if necessary. The responsibility of the individual is reduced to obeying the prescriptions. The farmer initiatives in the Wouden ask for different relations between state agencies, at local, regional and national level, and the farmers involved. The farmers will take responsibility for the management of their natural environment. Together with state agencies, agreements can be made about acceptable levels of mineral losses, programmes to strengthen natural and landscape values, and necessary compensation for management tasks. In this way farmers' associations act as intermediaries between the individual farms and regional policy-makers. State agencies need to reconsider their functions. To support these local initiatives, the main role for state agencies is to enlarge the room for manoeuvre for individual farmers and to provide necessary means to solve problems at farm level, using different approaches relevant to different styles of farming. Primary function of the state agencies is to facilitate different perspectives for sustainable development. If these conditions are fulfilled, local groups of farmers and local or regional state agencies can be partners rather than competitors. Farmers' initiatives then play a crucial role in the process of designing and developing perspectives for sustainable rural development. The integrated approach of the farmers in the Wouden is an alternative to the dominant view of the relation between economically sustainable agriculture and the ecological setting. Therefore the farmers' associations can be seen as countervailing powers to the coalitions of interest groups that call for separation of agriculture and the management of natural resources, with the premises of the best technical means for concentrated industrialized agricultural production.

Final remarks

The notion that there are more prospects for sustainable agricultural development than the science-based model of optimal farming alone, provides new opportunities for the less favoured rural areas in The Netherlands and elsewhere in Europe. An integrated approach for sustainable agriculture and the management of natural and landscape values may offer new perspectives for those farmers whose farm does not match up with the image of the vanguard farm. A precondition is that there will be sufficient space for different patterns of farm development in these areas in combination with other income generating activities. If farm production is broadened with activities other than food production alone, e.g. rural tourism, management of natural resources the viability of rural areas might be guaranteed. Local groups of farmers are to be considered as 'social carriers' of new strategies for sustainable rural development.

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Chapter 17

Rural Management, Public Discourses and the Farmer as Environmental Actor

Hilary Tovey

Perhaps more than in most European societies, in Ireland the term 'rural' still refers to people rather than to space, and the notion of 'the countryside' as something which could be divorced from its inhabitants and given value in its own right is only slowly gaining ground. Until quite recently it was widely taken for granted that farmers had the prior right to determine the use of rural land, and this was reflected in, for example, exemptions from planning permission allowed to certain kinds of agricultural development under the law. Most Irish people also took for granted that farm land was freely available for use for recreational purposes (walking, picnicking, hunting), subject to commonsense rules of behaviour about leaving gates shut, not damaging fences or crops nor frightening livestock; on the rare occasions when farmers forbade access they were usually assumed to be foreign 'blow-ins' who misunderstood or flouted established conventions. In general those who owned the land were accepted as the natural 'managers of the countryside', and by and large the way farmers managed it was acceptable to the non-farming population.

In the last decade, urban conservationists, recreational groups, and national economic interests especially in tourism have begun to make claims to the Irish countryside which challenge the management role previously accorded to farmers. Coinciding with the economic and political retreat of agriculture itself, this has contributed to the beginnings of a new public debate about the future of rural Ireland. The terms of this debate are being set by three main policy discourses: a discourse of agricultural development, based in the corporatist relations of the state with the main farmers' representative organizations; a discourse of rural development, based in relationships between the Irish state, the EC, and national tourism interests; and a discourse of countryside conservation, based in a sometimes uneasy alliance between the state conservation agency and the main voluntary organizations. While they overlap at points, there is also a struggle between them for hegemony over public discussion. Between them they provide the range of 'attitudes to the environment' which social groups within Irish society can express or the environmental roles which they can envisage for themselves. As such they are crucial in setting the terms on which farmers can participate in the debate.

It is argued here that none of them allows any expression to what, following Urry (1992), we might call 'the farmer's gaze' on the environment - the environment as experienced, organized, produced and valued by farmers. The paper

assumes that 'nature' or 'the environment' does not refer to a single given reality but is variously constructed by different groups of users. At the level of everyday work, farming involves a distinctive combination of exploiting nature and working with nature (McEachern, 1992); nature is structured by the farmer's activities in farming even while it is culturally interpreted as structuring those activities. While each of the discourses I describe here incorporates farmers into the problem of countryside management in different ways – as individualized economic agents who are responsive primarily to economic rationality, as members of local communities incorporated into 'bottom up' local development processes, or as, simply, surplus populations – none accords them any significance as producers of a specific and distinctive rural environment.

Agricultural development and the farmer as *homo economicus*

Irish agricultural structure has become markedly more dualistic over the 20 years of operation of the Common Agricultural Policy in Ireland. The dualism is evident in production and productivity, rather than landholding structures or production form. Processes of land concentration have encouraged the expansion of middle-sized farms rather than widened the gap between very large and very small, and there has been little evidence of the emergence of a capitalist form of farming to displace the dominant 'family' form; but there is an increasingly obvious divide between the 30% or so of 'top tier' farms which have high average incomes, high levels of output, and account for over two-third of gross farm output, and the remaining 70% of farms, low-income and low-output, disproportionately located in Less Favoured Areas to the west of the country and with a generally under-employed labour force (O'Hara, 1986; Commins, 1990).

Since the late 1980s EC agricultural policy statements have been suggesting a dual role for farmers, 'the traditional one of producer of raw food materials and a new one as manager of the countryside' (Sheehy, 1992: 264). In Irish agricultural policy this is implemented by allocating each role separately to the 'two tiers' of farming. Irish policy envisages an increasing division between 'commercial farmers' and 'other landholders', in which the task of maintaining agricultural output will be the function of the commercial farmers and that of countryside management the function of the rest. It looks to a further decline in the numbers of commercial farmers, their increasing concentration in specific areas of the country, and the emergence of a quite small, highly rationalized and 'scienticized' (Van der Ploeg, 1986) agricultural sector over the next decade. Development advice and aids are increasingly targeted on commercial farmers, while other landholders are seen as the proper clients of rural development agencies or state welfare systems. This is part of a general shift in national economic policy from promotion of agricultural commodity production to promotion of processed foods, in which the needs of the food industry are being given priority over those of farmers (Tovey, 1992). The emergence of a highly developed commercial farming sector which is small and well in-

tegrated into the industrial food production system offers possibilities for solving the 'supply problems' (seasonal gluts and scarcities, low or inappropriate product quality) with which the Irish food industry has had to contend in the past (NESC Report, 1989).

Agricultural policy discourse, then, looks forward to a countryside spatially divided between commercial farming and landholding as a basis for economic diversification. While the latter is put forward as presenting the best opportunities for countryside conservation, agricultural interests see no necessary incompatibility between a highly productive, scientifically advanced farm and food industry in Ireland and a protected environment. Since Irish agriculture has been much less intensive than most other European agricultures up to now, it is suggested, the Irish environment can bear considerable intensification without adverse effects, especially if 'state of the art' technology is used and its effects carefully monitored (Harte, 1992). A prominent source of such claims is the food industry, whose managers have been quick to note the economic advantages in exploiting overseas images of the Irish countryside as clean, unspoiled and above all 'natural'. Its surveys of consumers in Germany, for example, suggest that often more important to them than the qualities of the food they buy is the way in which the food has been produced, and that food products from animals which have been 'naturally' fed and allowed to range freely are particularly attractive (see Cotter, Fahey, in: Feehan (ed.), 1992). Most Irish beef and butter is produced from animals raised predominantly on grass; this is increasingly treated by the food industry as a desirable selling point and one which they claim will not be affected by future agricultural intensification.

Both farmers and the food industry in Ireland have contributed through their production activities to environmental pollution, although farmers have taken the brunt of public odium. The anti-farmer rhetoric in English environmental circles of the late 1970s and early 1980s inevitably influenced environmental discourse here, given the openness of Irish society to English mass media, and produced critiques of Irish farming which if sometimes inappropriate to the Irish situation (Tovey, 1993) were effective in arousing public concern. Concern focused particularly on water pollution, especially fish kills from silage effluent, a highly visible and emotive example of environmental damage. The response of the main farmers' organizations, particularly the Irish Farmers' Association (IFA), has been to accept that environmental pollution is a proper concern of farmers, but with two main reservations: first, that there should be no economic losses to farmers as a result of environmental regulation, and second, that regulation should be institutionalized through 'the voluntary principle in conservation' (Cox et al., 1990). In other words, pollution management should be left to farmers themselves through their representative organizations, in line with the generally corporatist relationship with the state which these organizations have worked to establish. The IFA's anger when the Government introduced a Water Pollution Bill in 1990 which brought in criminal prosecution of polluters was aroused as much by what appeared to be the state's withdrawal from corporatism as by the feeling that farmers were being criminalized for doing what the state's own agricultural advisory services had exhorted them to

do, in switching from hay to silage for winter feeding of cattle.

The IFA has been one of the main proponents in Ireland of the view that modern farming is a business and that modern farmers are economically rational individuals whose behaviour is primarily responsive to economic incentives and sanctions. 'Voluntarism' in this context does not mean persuasion and encouragement to farmers to manage farming in environmentally desirable ways, but rather the negotiation between the IFA and the state of a package of economic aids to help farmers avoid environmental damage. Thus the IFA's own discourse of agricultural development incorporates commercial farmers into countryside management in a negative way only. The definition of a good rural environment is left to others, such as the environmental and tourist lobbies, and farmers are to be paid to farm in a way that does not conflict with others' interpretations.

Environmental policy and farmers as surplus populations

Yearley (1991) analyses environmental organizations and movements as agencies which 'make social problems claims'. From this perspective, contemporary public concern about the environment is not a result of the reality of environmental damage finally forcing its way into public consciousness, but rather of the strategies and procedures environmental groups use to establish environmental degradation as an 'objective social problem' on social and political agendas. One of the ways in which environmental groups in Ireland won a place in public policy for nature conservation issues was through explicitly targeting farmers as a major threat to the Irish countryside, and doing this at a time when urban-farmer hostility was high for other reasons. Irish conservationists consistently depicted rural people as environmentally uncivilized, and among them farmers were singled out as holding an entirely exploitationist attitude to nature (Tovey, 1993). This coincided with a general 'urbanization' of Irish society during the 1980s – not just in the sense that the proportion of the population living in cities and towns increased steadily, but in that the idealization of the rural, so long equated with 'the real Ireland', was giving way to an increasing hegemony of urban standpoints and concerns. In recent years farmer-conservationist relations have become more open, and it has been accepted both that farmers are more supportive of environmental protection measures than had earlier been recognized (Reidy, 1992) and that earlier claims about the extent of environmental damage caused by Irish agriculture were often exaggerated (Gilmore, 1991/2; Green 2000 Report, 1993). Nevertheless rural conservation policies, in their treatment of farmers, still exhibit secrecy and authoritarianism as major characteristics.

Two strategies central to state practices for countryside conservation (and also widely supported by environmental experts and voluntary organizations) may help to illustrate this. The first involves designating particular locations in the country as Areas of Scientific Interest (now Natural Heritage Areas), while the second is the strategy of conserving large tracts of countryside through the use of National Park designation. ASI or NHA designations affect some 80% of all Irish farms, including

the developed commercial producers, while National Park designation tends to be used in areas where agriculture is contracting. Both are examples of 'agro-ecological zoning' (Cleary, 1991), or of land-use planning conceptions of management as a solution to rural environmental protection. The limitations of this sort of 'managerialist' approach to conservation have been noted by a number of writers (Newby, 1979; Cloke, 1987; Redclift, 1987): it may impose an imaginary social consensus about the use of resources or may 'put an environmentalist gloss on the appropriation of land by privileged groups' (Cleary, 1991: 137), and it commonly fails to accord any serious recognition to the culture and interests of those affected by it.

Designating Natural Heritage Areas

The idea of listing locations of particular scientific interest or in need of protection was first developed by the voluntary conservation body An Taisce in the early 1960s (Bannon, 1989: 98). From 1983 on it was administered by the Wildlife Service, which was first part of the state Department of Forestry and later transferred to the Office of Public Works (OPW). Site designations were notified to the relevant local authority and usually led to the imposition of strict planning controls on the area designated. The Wildlife Service also liaised with the Department of Agriculture and could ensure that farmers who applied for farm development grants for listed land would be refused. Landowners themselves were not informed of designation, and this eventually led to the system's collapse when some aggrieved developers who were refused permission to build an airport in Co. Galway, and who subsequently discovered that this was because some of the land concerned had been designated an Area of Scientific Interest of 'international' status, took their case to court. The court ruled that by not informing landowners of designations on their land the Wildlife Service was in breach of principles of natural justice (MacLochlainn, 1993), which removed legal status from all ASI designations.

In late 1992 the OPW moved to resolve the situation by introducing a new label, Natural Heritage Area, and a new set of rules for its operation. It proposed to resurvey all existing ASIs (primarily to resolve disputes about their boundaries), to redesignate them as Natural Heritage Areas, giving them a statutory basis in a new Act of Parliament, and to notify all landholders affected. Landholders are also encouraged to participate, on a voluntary basis, in the EC scheme for Environmentally Sensitive Areas under which farmers in areas of high conservation value can be paid for farming in ways which maintain the environment (Coveney, 1993). The new scheme has been enthusiastically welcomed by the conservation organizations, who see it as more likely to be effective than the one it replaces, while the OPW is promoting it as a much more 'farmer-friendly' form of conservation measure than in the past. Claiming that 'this whole process is based on co-operation and agreement', its publicity literature emphasizes that financial aid may be available to farmers whose land is designated, that designation will be disclosed to farmers, and that it will not affect either ownership rights or control over land use (OPW, 1993). In fact ownership rights may be affected: an OPW spokesman was recently

quoted as saying that where agreement cannot be reached with a landholder and the NHA is regarded as too important to lose, the OPW will try to buy it and may use a compulsory purchase order as a last resort (MacLochlainn, 1993: 32). The possibility that designated land will not be eligible for farm development grants is given very little prominence. The new scheme will also, for the first time, include provisions for appealing against designation. However, the grounds for appealing against designation will be strictly limited: 'as it (NHS designation) will be on scientific criteria, appeals will only be allowed on scientific grounds, i.e. landowners will not be able to appeal simply because they do not like designation' (Coveney, 1993: 5). 'Co-operation and agreement' in the designating process apparently means only that surveyers will inform farmers when they come on to their land to survey it – the co-operation and agreement is to come from landowners rather than from the scientists of the OPW. The emphasis on scientific criteria underlying the whole procedure makes any other consultation with farmers unnecessary.

The Natural Heritage Area conservation strategy prioritizes the 'scientific gaze' on the countryside. It takes for granted that the environment as it appears to geologists, botanists and zoologists has a reality which is more objective, or more valuable, than the environment as constituted in farming or in the daily lives of rural people. However this 'scientific environment' is often then confused with the 'aesthetic environment' in the countryside (see e.g. Reidy, 1992), so that what at first appears as a discourse about taste in countryside management (with the possibility that tastes differ and that there may be discussion about them) often turns about to be a discourse of scientific fact, about which there is no possibility of discussion and no alternative point of view.

Managing National Parks

The environmental scientists of the OPW are also in charge of National Park designation and management in Ireland. The OPW takes its model of a national park from the guidelines laid down by the International Union for the Conservation of Nature (IUCN), under which 'True National Parks around the world share the twin objectives of conserving natural heritage and providing for public access to, and appreciation of, nature' (Craig, 1992: 590). IUCN guidelines recommend that land in national parks should be owned by the state, and that private commercial activities should be forbidden within them (MacLochlainn, 1993: 30).

At the basis of the IUCN model is a conception of national park land as uninhabited land, as 'wilderness', and this seems to be the long-term goal of the OPW in relation to Irish national parks. The OPW does not favour the model used in some national parks in Britain where conservation is achieved through management agreements with their inhabitants. The first parks in Ireland were established on what was essentially uninhabited land, when the OPW took into public ownership the already cleared estates of large landlords, but more recent designations have proved more problematic, particularly in Wicklow where much of the land targeted is owned by local farmers. Ultimately the OPW would like to take all the land

involved in Wicklow into public ownership, but in the meantime it hopes to manage the way it is farmed through the NHA scheme (ibid).

The 'wilderness' model which the OPW has adopted from the IUCN seems quite inappropriate to the Irish situation, where maintenance of the rural population still receives strong popular endorsement and where a history of intensive land occupation has left virtually no part of the Irish countryside in a state which can meaningfully be described as 'natural'. Even if it were possible to determine what is 'natural' and what is not (and there has been some heated debate among environmentalists over whether sheep can be considered natural to Ireland), there has been no discussion of whether Irish people want large tracts of the countryside to return to a 'natural' state rather than, for example, retaining the imprints of human activity over the centuries. Craig, for example, takes it as self-evident that the suitable sites within national parks for construction of visitor centres and car parks are 'reclaimed managed grassland and a gravel quarry ... and what was previously a commercial conifer plantation' (1992: 590), since these are not part of our 'natural heritage'. That they could be seen as part of our 'national heritage', and worthy of conservation in the same sort of way as disused industrial plant and buildings are conserved in urban areas, is not recognized as an option.

National parks have been identified by tourism interests in Ireland as very significant resources for rural tourism development. Moreover, construction of interpretation centres in such locations can attract substantial EC funding which in turn can have a substantial if short-lived impact on local rural economies. The OPW has argued that its involvement in providing such centres – the subject of bitter controversy for some years – integrates tourism and conservation and thus contributes to 'sustainable development' within rural Ireland. But its primary interest appears to be to manage tourism so that it does not conflict with scientific goals in conservation. In this way the National Park strategy also prioritizes the 'scientific gaze' on the countryside, a gaze which has the effect of transforming 'rurality' into 'nature' (Mormont, 1987) and constituting the traditional producers of that countryside, the farmers, as surplus people.

Rural development and the farmer as local community activist

The third policy discourse I describe here appears initially to contrast strongly with the other two, in that it apparently addresses farmers as an important social group within rural Ireland with a positive role to play in countryside management. Irish policy discourse of rural development emphasizes that development should occur in an 'integrated' way: this is seen as something which requires an area-based approach, in which all the different entrepreneurial individuals, community groups and organisations, local government agencies and local agents of the national state collaborate with each other to produce plans for the managed development of their particular tract of countryside. As local landholders, and usually long-term residents in rural localities, farmers are often over-represented among the participating

groups. Moreover, despite the emphasis on 'multisectoriality', rural development is still primarily understood in Ireland as a way of coping with the fatalities of a contracting commercial agriculture. Most of the rural development programmes currently in operation here are administered by the Department of Agriculture and Food. The National Development Plan 1989-93, agreed by the Government with the EC Commission in order to ensure financing from the Structural Funds, links rural development particularly to a set of measures under the heading of 'Agriculture and Rural Development' which range from supporting farm incomes through headage payments to promoting forestry, fishing and tourism as suitable forms of farm diversification for smallholders who cannot hope to become part of the commercial farming tier (Varley, 1991).

As landholders if not agricultural producers, then, farmers are portrayed in the discourse of rural development as strategic environmental actors. The discourse has also been very significantly constructed as one of 'participation' between responsible actors – 'partnership' between the state and local interests in a process of 'bottom-up' development planning. However, Commins and O'Hara (1991) argue that while rural community development organizations in Ireland have long aspired to partnership with the state as the best way of ensuring appropriate local development, the currency of the idea in the 1990s has less to do with the state's accepting the aspirations of the community movement, more with the legitimacy the concept is enjoying at EC level at least partly because it is seen by the Commission as a way of ensuring 'additionality' in the disbursing of Structural Funds. Varley has described the latest round of rural development programmes as 'partnerships from above' not below, suggesting that local communities are mobilized to participate in the development process primarily to confer popular legitimacy on economic initiatives already decided on by the state (1991: 99). Thus the form of countryside management embodied within Irish Integrated Rural Development (IRD) remains to a large degree externally imposed.

Tourism may be an illustrative example. Increasing tourism is a central goal of national economic policy: in the 1989 Operational Programme for Tourism, industry targets included a doubling of tourist numbers to 4.2 million annually, an increase in revenue of úIR5 million, and the creation of 25,000 new tourism-related jobs by 1993 (Department of Tourism and Transport, 1989). National tourist interests are increasingly aware of the possibilities of 'niche tourism' in Ireland and have identified various sorts of 'activity tourism', 'green' tourism and agri-tourism as particularly suited to the sorts of resources possessed by less developed rural areas. Correspondingly, much of the IRD effort in rural areas has taken the form of local groups and agencies coming together to identify and develop plans for exploiting whatever features of the local area might be made into tourist attractions.

Tourism resembles Goffman's (1961) characterization of 'total institutions' - it is a 'greedy industry'. Developing rural tourism is increasingly presented as requiring not just the development of some local resources and enterprises but management of the 'total environment' (Colleran, 1992). The term 'community tourism' has become increasingly popular in this context – implying not only that 'the whole

community' is supporting the attempt by some groups within it to develop tourist-related enterprises (such as bed-and-breakfast facilities within farm households), but that what the tourist will want to consume, on visiting the area, is in a sense the whole community. 'Rural tourism is essentially a local community product in that all the resources of a rural area need to be coordinated and combined in packages for marketing purposes' (Quinn and Keane, 1991: 197). To entice tourists to an area and keep them in it for any length of time more than just accommodation is needed – visitor attractions must be identified and signposted, riverside or farm walks negotiated with different landholders, local history written up and information guides and brochures produced. Even the local people must be made part of the tourist package: 'The tourist product in rural areas depends on the wider community. Tourists must be made to feel welcome in shops, post offices and pubs' (ibid: 205).

Tourism thus becomes a form of countryside management in which certain features, not just of stretches of countryside but of local social worlds, are to be commodified and packaged in an integrated way for consumption by visitors. 'Heritage tourism' is accorded a significant role in the growth of Irish tourism by industry leaders. The Chairman of Bord Failte, the national tourism agency, argues that the way to attract more tourism business to Ireland is 'to emphasize what sets us apart from other competing destinations – our Irish environment, heritage and culture. This Irishness must include not just our language, music, song and dance, our history and all its monuments, but also our lifestyle and the landscape itself' (Dully, 1992: 564). Bord Failte, he adds, is itself 'working on a network of inter-pretive themes and storylines designed to give visitors an enjoyable understanding of Ireland's heritage' (ibid: 565). Developments within the tourism industry call into question the extent to which local residents can select, interpret or create their own 'heritage'. They suggest that despite the potential for involving farmers as environmental actors which appears to exist within the discourse of rural development, the evolving reality is that their capacity to articulate their own understandings of their environment and hence to play any autonomous part in countryside management is severely limited.

Conclusion

In the last decade, the Irish countryside has become the setting for a struggle for hegemony between different meanings for 'the rural environment', embodied in different policy discourses. I have argued that none of the discourses dominant at present – the countryside as agricultural, the countryside as rural community, the countryside as (scientifically apprehended) nature – allows farmers to recognize themselves as environmental actors who can or should take responsibility for managing the rural environment. Collectively, the farmers themselves through the Irish Farmers' Association in particular have responded to environmental critiques of agriculture with a defensive insistence on economic rationality as the key to compatibility between agricultural development and environmental protection, and neither of

the other two discourses which implicate farmers offer effective ways of challenging that stance. Yet unless farmers are brought into the discussion of how best to manage the rural environment in ways which allow them to articulate their own distinctive perceptions of land and nature and the relationship of human beings to these, it seems unlikely that they will voluntarily involve themselves in movements to make agriculture more sustainable or to maintain countryside amenities.

The conservation movement in Ireland often agonizes about the impossibility of policing all the natural environment. Even with batteries of statutory regulations and management agreements in place, there is always the fear of some 'unwitting or unscrupulous development' (MacLochlainn, 1993: 32) which will escape policing mechanisms. Taking as much land as possible into public ownership, and removing the people from it, often seems to present itself to conservationists as the only viable solution. There is however another possible response, and one which probably fits better with the core values of the broader environmental movement (democracy and citizen participation, openness to alternative world-views) – that is, encouraging people to police themselves. This means turning 'management' into a form of negotiation rather than control, respecting the environmental meanings of farmers and according them some discretion in judging environmental values. Farmers, and their families, do make such judgements continuously as an everyday part of their working and living on the land (McEachern, 1992). But so far at least there is no avenue in Ireland through which to give them public expression.

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Chapter 18

Rare Birds and Flocks
Agriculture and social legitimization of environmental protection

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The introduction of a policy combining agriculture and environmental conservation has been both timid and late in coming in France. It was only in 1989 that the decision was taken to apply the provisions of Article 19 of the European Regulation 797 of 1985 to the first "experimental sites".

This delay was largely due to the hostility of the main farming trades unions and professional bodies, who thought that agri-environmental measures were threatening, regressive and humiliating:

- threatening, because they formed part of the reform of the Common Agricultural Policy, that was perceived as a brake on development and productivity, as introducing controls on the right to produce and on production techniques;
- regressive, because they called into question the status of highly qualified professional food producers that farmers had gained during the modernization process from 1945 to 1975, by reducing them to a subsidiary role of "wildlife gardeners";
- humiliating, because they damaged the public image of farmers by changing them from being beneficial food producers into harmful polluters.

For its part the French Ministry of Agriculture was also reticent:

- it shared the fears of the agricultural organizations with whom it has collaborated closely since the 1960s in the co-management of the sector.
- it was ill-prepared for involvement in this new orientation, which called into question the aims set out in 1975, to make the agricultural sector contribute positively to the country's trade balance, through genetic and technical progress.
- it also no doubt feared seeing the Ministry of the Environment, which up till then had limited financial and legal means, erode its powers as priority manager of rural areas.

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1) This article is based on work started in 1991 with a group of DESS students from the Université d'Aix-Marseille II (Economics of the food sector and rural development strategy). It was continued by means of support from the CNRS PIREN project *Agriculture, environmental protection and recomposition of rural systems: the challenge of Article 19.*

Article 19 (renamed in France *OGAF-environnement*. *OGAF* = integrated operation for land management) was applied in 1989 to just three sites (the *Marais de Rochefort et de Vendée*, the *Vercors* and the dry plain of the *Crau*). Since then it has nevertheless gradually been extended to new sites: in October 1993, 62 projects were approved. These cover an area of 240 000 hectares with a funding amounting to 106 million francs per year.

It is therefore undeniable that despite initial reticence at high level, the agri-environmental approach has aroused considerable interest in many sites and that the projects submitted by local bodies were more numerous than probably envisaged by the authorities responsible for the measures.

Could this flourishing of projects emanating from the 'grass roots' be a sign of a disparity between the national 'productivity' based approach and that of local communities more concerned with limiting the impact of agricultural activities on their natural environment? It would appear that there is no clear-cut answer to this question, and conditions for the emergence of agri-environmental programmes must be studied case by case.

The protection of environmentally sensitive areas - mainly wetlands - figures largely in the list of sites accepted, but the list frequently involves local situations with very conflicting interests such as the *Marais Poitevin* (Billaud, 1992). Local consensus is rarely achieved.

The importance in France of projects involving control over the consequences of agricultural abandonment should also be mentioned. Instead of submitting agricultural practices to environmental constraints, the thinking behind these projects is rather to use ecological principles to maintain fragile agricultural activities. Agri-environmental measures in this case take a place among the tools for managing agriculture in less favoured areas.

In this article another case of application of Article 19 will be analyzed, a case where agricultural activities were used as tool for the social justification of the protection of a landscape whose environmental value is little recognized locally or is even contested. From observations on this case, a new interpretation of agri-environmental measures is proposed: they can redefine the management criteria of rural landscapes, that formerly were formulated almost entirely from the agricultural and forestry viewpoints. The stages in their implementation reveal the mechanisms by which social groups, formerly deprived of decision-making powers in this field, have attempted to impose new rights for access to rural land use.

The steppe of the Crau: a scandalous wasteland, an area to be tamed

Among the sites adopted for application of Article 19, the dry plain of the Crau is typified by the low value that the locals attach to its environmental value and by the multiplicity of candidates for its conquest and development. It has for long been thought of as a sterile land in a region of high agricultural and urban pressures.

The agricultural frontier

The 'economic development' of the steppe has for long been on the agenda. The conquest started in the 17th century with the construction of irrigation canals to the north of the plain. Over the decades the silt brought down by the irrigation water helped cover the stones with a shallow but fertile soil on which were planted meadows producing high quality hay. The *foin de Crau* has acquired an international repute and has its own label providing a high added-value. This hay was once heavily in demand for stud horses, and has recently found outlets in Italy for fattening bullocks. The area of irrigated meadows, called the *Crau humide* now extends over about a quarter of the plain.

These irrigated meadows are also integrated into the sheep transhumance system. The landowners make three cuts of hay per year, but in the autumn the aftermath which cannot be mown is rented out to sheep farmers who have just brought their flocks down from the Alps. The pregnant ewes and those already with their young find good forage on these autumn pastures, whereas the barren ewes can be sent at an earlier date to the *coussoul* ranges. As for the hay producers, not only do they derive a rent from this activity, but also natural manure, which allows them to reduce or suppress inputs of artificial nitrogen fertilizers.

Other experiments in the agricultural conquest of the Crau are related to the presence of a major water table close to the surface, and to the fertility of the shallow soil that has never been cultivated. However, to exploit the *coussoul* in this way, the conglomerate layer must first be broken in order to reach the water table and to be able to irrigate, the stones must be removed and artificial wind-breaks must be built. This requires heavy investment. This type of conquest of the *coussoul* has therefore until recently been the work of market gardeners, who use small areas intensively. The impact of this pioneering activity is spatially limited, although most of the farms on the Crau are involved.

The steppe owners have also found a major source of revenue by renting land to itinerant melon producers. The melons grow well on these virgin soils, basking in the heat of the stones they ripen early and were sold at high prices. But this activity collapsed after three decades (1950-1980), because it literally poisoned the soils of the Crau. It was thus symbolic of the pioneer and devastating treatment that seemed to be reserved for the steppe.

The last stage so far in this agricultural 'conquest' of the *coussoul*, the intensive cultivation of peaches, precipitated the measures towards protection of the steppe. Fruit-growers coming from the Rhône Valley arrived in the Crau in the mid-1970s. With abundant capital and innovative techniques, they planted nearly 1500 ha of steppe with fruit trees in less than 15 years. Because of the high prices they offered (around 15 000 to 20 000 F per hectare), they found no difficulty in buying land and were able to produce early fruit of high quality at lower production costs (fertilizer, herbicides, pesticides) than in their region of origin. In contrast, the installation costs involving breaking the conglomerate, building raised beds and fixed irrigation systems for drop-by-drop fertilization were very high (about 90 000 F per hectare).

But these works were partly subsidized by EEC payments.

As they brought about a profound change in the soils, the vegetation and the landscape, the fruit growing activity acted as a catalyst for making people aware of the threat of the *coussoul* disappearing, although it was only the last wave of a continual process of agricultural encroachment.

An urban and industrial dumping ground

Alongside agriculture, the 'natural' Crau has also been encroached on by urban pressures. Its inhospitable character has saved it from housing development, except around the shores of the Etang de Berre lagoon, where the towns of Istres and Miramas are expanding at the margins of the steppe. But in a more degrading manner for its environment and image, this character has made it seem suitable to receive the most damaging activities of urban society.

First of all it was hazardous installations such as gunpowder and explosive manufacture and storage. There was also the establishment of one of the largest rubbish tips in Europe, which since 1912 has received the unsorted rubbish of the million inhabitants of Marseille. Each day more than 1000 tonnes of rubbish is discharged on to the natural land surface, not into a land-fill site. The French Airforce has built a major base and a runway extension is planned to receive the European space shuttle Hermes, unless the land is used to build a second Marseille airport. Transport has also taken its toll: railways, including a major shunting yard, four-lane highways and automobile test circuits and soon the last section of the Marseille-Montpellier turnpike.

The availability of abundant cheap land beside the sea finally earned the Crau the distinction of being selected at the start of the 1970s to be the site of the grandiose Fos-sur-Mer industrial and port scheme, which would include steel-making, petrochemicals, plastics and metallurgy factories – the spearhead of industrial development on the French Mediterranean seafront. If the economic crisis that started in 1973 had not trimmed the sails of the project, the whole of the steppe would have been taken over by industry: workers' housing was planned at a distance of 20 km from the current factories. Albeit curtailed by the depression, the land taken over by industry at Fos accounts for a greater area than that encroached on by peach trees.

The Crau therefore seems to have been destined to receive the most stigmatizing of urban and industrial installations. For example, in 1988 it was chosen as a storage site for nuclear waste from power stations, but an effective opposition campaign forced the project to be abandoned. This campaign was however mainly led by inhabitants from around the *Etang de Berre* rather than protectors of the Crau. Such installations result in an unflattering reputation, and have contributed even further into degrading the steppe's image in the eyes of local inhabitants.

Of the original 60 000 ha of *coussoul*, only 15 000 remained in a "natural" state

at the end of the 1980s [2].

The difficult task of protecting the Crau

In such a context of conquest and stigmatization, it is understandable that protecting the "natural environment" of the Crau should appear an arduous task, or even a *mission impossible*. In the 1970s, however, ornithological associations alerted the authorities responsible for land-use planning in the Crau to the wildlife richness of the steppe and to the threat of its disappearance. The *coussoul* and its surroundings (e.g. the *Etang des Aulnes* and *Etang d'Entressen* lake systems) harbour nearly half of the bird species breeding in France, including some populations such as the pin-tailed sandgrouse (*Pterocles alcata*), little bustard (*Tetrax tetrax*) and stone curlew (*Burhinus oedicnemus*) that are of international importance. According to bird conservationists, these species were seriously threatened by the destruction or splitting-up of the *coussoul*, an ecosystem essential for their survival.

As the French planning authorities turned a deaf ear to these warnings, bird conservationists pleaded their case before the European Commission, and in 1979, six resident or migratory bird species occurring in the Crau were accorded a special European protection status. Later one plant specie *(Teucrium cravense)*, a reptile and an arthropod *(Prionotropis rhodanica)* were added. In 1983, the Commission in Brussels drew up a list of 12 European sites where the environment should be given priority protection as a site harbouring endangered species. Among these sites, the Crau steppe was placed second in order of priority.

Thus the associations of ecologists (both European and regional, although with few local members) and the authorities in Brussels started to put pressure on the French government to take measures to protect the steppe of the dry Crau. At the request of the French Minister of the Environment these ended in the drawing up of a project for a "biotope protection decree" which forces landowners of the land concerned to maintain the environment in its current state, without any compensation. This would imply that all plantation, installation of market gardening, industry or housing would have to stop immediately in the central area of *coussoul* (12 500 ha), since all vegetation or stone removal or irrigation would be prohibited.

This project provoked an outcry among the various operators in the Crau, including local authorities, gravel extractors, farmers (market gardeners and fruit-growers) and landowners. Sheep rearers did not seem to be concerned by this decree, which did not interfere with their activities, but on the other hand did not provide them with any support either. The Chamber of Agriculture of the department, that had to be consulted for its opinion, vigorously opposed the decree. The oppo-

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[2] Mention can also be made of another centuries-old "pioneering frontier" which has reduced the area of *coussoul*: as a result of flooding by the Rhône, the south-west of the Crau has been transformed into a Camargue-type ecosystem, with activities typical of the neighbouring delta, including vineyards, rice fields and herds of bulls and horses.

nents won the day and the authoritarian method of a "biotope decree" was abandoned.

This local rejection of measures to protect the Crau would make it seem that this could not be brought about without a show of force, that the French authorities seemed unwilling to undertake. (The "cold feet" of the government departments can be explained by the fact that they contribute public expenditure to most of the land management operations coming within the remit of biotope decrees). Nevertheless, two years after the biotope decree was rejected, two agri-environmental schemes proposed for the Crau were to transform the balance of power and lead to a process of social legitimization of protection; these were: the Community Action for the Environment (CAE: EEC Regulation 2242/87) and Article 19.

The initiative again came from Brussels but was more inductive in nature rather than authoritative and was accompanied by financial incentives: one million ECU were offered to the Minister of the Environment and to the region in 1989 to put in place measures for protecting the Crau within a CAE.

The Crau-CAE attacked one of the most sensitive points of the problem: land ownership. It foresaw mechanisms that would make land acquisition easier within the area delineated by the biotope decree. This aid was aimed at private individuals and bodies such as local authorities, and nature conservation associations who would undertake not to cultivate the land they acquired, to maintain it by sheep grazing and to turn it into voluntary nature reserves. This measure helped to quell the opposition of landowners by offering them the possibility of selling their land at a price close to that offered by fruit farmers (on average 20 000 francs per hectare, half of which was funded by the EEC). For landowners not wanting to sell or not finding purchasers, a second section of the CAE provided a subsidy of 200 francs/hectare/year (equivalent to a sheep rearers' rent) as a compensation for not carrying out environmentally harmful activities (the specifications are similar to those concerning land purchases, but for a duration of six years).

Compared to the biotope decree, the CAE has the advantage of providing the environmental action with financial incentives, resulting in a reduction in the hostility of some landowners. But fundamentally it is part of the same principle, that of creating a reserve, of freezing the land to safeguard a 'natural' life, whose components still remain little appreciated by most of the local population. In the poll carried out by the *Ecomusée* at Saint-Martin de Crau, less than 2% of replies identified the bird as the symbol of the Crau and only 1% "nature".

From stigmatization of the environment to promoting the image of pastoralism

Hurray for shepherds!

The decision to implement simultaneously with the CAE the provisions of Article 19 in the Crau, brought about profound changes to the 'deep ecologist' approach.

In contrast to the CAE which concerns mainly the landowners, the *OGAF-Environnement* is directed towards those persons active in land use, towards farmers.

Grazing is designated as a positive land use that maintains the 'natural' qualities of the Crau: the special floral composition of the *coussoul* is probably closely related to the maintenance of extensive grazing [3]. It was therefore decided that aid should be given to sheep rearers to maintain their presence on the *coussoul*. A subsidy of 400 francs per hectare was offered on condition that they did not change their grazing management practices (minimum and maximum stocking densities, no cultivation of the soil and no introduction of allogenous plants) and that they undertake to sign a contract to maintain the land in question for five years [4].

By associating protection of the natural environment with a human activity, traditional grazing, Article 19 defuses the social scandal of sterilizing an 'empty' area subject to strong social and land-use pressures. It opens the way to a possible ideological argument by environmental protection associations: if the environment is not highly thought of by society, it is on the other hand possible to put the emphasis on the protection of an endangered traditional activity, that of sheep rearing and the transhumance. A representative of one of the associations stated that "although the environment is not valued, the shepherd, himself, must be valued".

A major publicity campaign was undertaken along these lines by the *Conservatoire Etudes des Ecosystèmes de Provence/Alpes du Sud*, supported by the European Natural Heritage Foundation and especially by the *Ecomusée* at Saint-Martin de Crau, which reorganized its displays and activities by adding exhibitions and explanations on transhumance and on the shepherds' crafts and techniques, to its former displays concerning rare birds and wild flowers.

Work was also devoted to making the public and the authorities aware of the difficulties encountered by sheep rearers in the region, and representatives of the industry were involved with the procedures for implementing Article 19. (The regional sheep rearing organisations were all the more receptive to this approach, because they wanted to see Article 19 applied to forested areas, with grazing as an aid in combating forest fires, and in mountainous regions, to help combat scrub encroachment and avalanches. It was therefore the entire Provençal and Alpine sheep rearing industry involved in transhumance that became the promoter of land-use planning for the "natural" landscape).

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[3] This viewpoint is however contested by some plant ecologists who can find no proof that grazing influences the plant composition of the steppe (M. Etienne, INRA, Pers. comm.).

[4] I will not deal in detail with the difficulties of applying the latter clause (rental agreements in the Crau were traditionally verbal and for only one year). This implies that landowners agree to sign contracts for several years with sheep rearers. The subsidy is then *de facto* divided in half between the rearer, for whom the rent becomes 'free', and the landowner who doubles his income from the land.

Locals and outsiders

By organizing the promotion of pastoralism, the environmental protection associations unobtrusively contributed towards isolating and stigmatizing the fruit-growers: designating them as *outsiders* disrupting the harmonious relations of local society.

The work of restoring the status of pastoralism stressed the fact that shepherds and their flocks had been part of the social fabric of the communes of the Crau for centuries. They contributed to the life of the communes by their fairs and their *cafés*. They marked the passage of the seasons by their departures and returns and by the various transhumance festivities.

Fruit-growers in contrast were 'foreigners' who arrived with pots of money and invaded the vast expanses of the native steppe, after – so it was said – having devastated the land in the Rhône Valley. Their produce was destined to satisfy the standardized tastes of far-off consumers. They were further suspected of aggravating the chronic overproduction of fruit, that draws the wrath of Brussels upon the agricultural industry. Paradoxically, it was the tree planter who was identified as the nomad and the migrant shepherd as the symbol of local roots and local identity.

The enhancement of the status of pastoralism was a means of shifting the terms of the conflict between nature and society, in which the desire to protect the environment appeared first to be an external factor – the result of decisions taken in Paris or Brussels. By placing locals and outsiders in opposing camps the natural environment was reintegrated into the cultural heritage by means of an enhanced image of the shepherd, as pillar of local traditions in contrast to the fruit-grower from outside. This translation of conflicting relations also had the effect of 'neutralizing' the market gardeners, marginal despoilers of the *coussoul*, but true natives of the Crau.

The Chamber of Agriculture found itself in an awkward position in its opposition to the creation of a nature reserve in the Crau. It was placed in a deplorable situation of conflict between two branches of its members: sheep rearers against fruit-growers. The neutralization of the heavyweight forces of the market gardeners offered it the possibility of radically changing its position, to being in favour of Article 19 when its scope was widened.

Widening and consolidation of the local alliance

From the conservationists' viewpoint, a re-equilibrium in the social balance had resulted from the promotion of pastoralism, which had involved landowners and sheep rearers in the protection of the dry Crau, and from the stigmatization of the outsiders, thus stimulating the feeling of local belonging. But the balance was to shift in the conservationists' favour with the widening of the conservation area to include the irrigated meadows of the wet Crau. The application of the wet Crau *OGAF-Environnement* was approved in May 1990, two months after that of the dry Crau. The planned funding amounted to 1.2 million francs for an area under contract of 2000 hectares compared to 1.55 million francs for 3850 hectares of dry Crau. This enlargement was carried out with the full approval of the Chamber of

Agriculture and was accompanied by new 'environmental' arguments:

- the protected species of the *coussoul* also find some of their resources in the meadows and the conversion (very hypothetical) of the meadows into plantations or arable crops would endanger them to the same extent as the disappearance of the steppe.
- above all, the irrigation of the meadows by flooding contributes to the supply and quality of the groundwater of the Crau, whereas fruit growing would threaten it with pollution and drying up. This groundwater provides the drinking water supply for the neighbouring communes. This proposal was therefore favourably accepted by the councils of these communes.

The local social base in favour of conservation was therefore enlarged and consolidated:

- the inclusion of irrigated meadows within the conservation area provided hay producers with the possibility of themselves also becoming eligible for subsidies, in exchange for prescriptions with few constraints compared to their traditional practices: having the fourth cut of hay grazed by sheep, conserving the meadows and their methods of irrigation and not using nitrogen fertilizers.
- the enlargement made the argument in favour of defending and enhancing pastoralism stronger by including another traditional grazing site within the conservation area.
- the neighbouring urban populations found a value in the conservation measures: although the quality of the steppe surface was of little interest to them, they were concerned with defending the quality of its groundwater.

Here is another paradox in the social construction of the defence of the Crau: irrigation, which in the past contributed to the reduction in the area of *coussoul*, has now become an alibi for its conservation.

A solid alliance?

The cohesion of agricultural activities and environmental protection

Of the total budget provided for the *OGAF-Environnement*, that allocated to the dry Crau had been entirely spent by the end of 1992, whereas 80% of that allocated for the wet Crau had been spent. This means that the local producers had shown a real interest in it. As for the activities of the CAE, these allowed 1000 hectares of the dry Crau to be purchased by the SAFER [5] of which 750 hectares were ceded back

[5] *SAFER: Société d'Aménagement Foncier et d'Equipement Rural*, a body with responsibility for regulating the market in agricultural land. In the Crau, the SAFER pre-empted land for sale and sold it back to individuals, associations or local authorities undertaking to comply with the specifications of the CAE.

to sheep rearers and associations. A further 2000 ha are in the course of being purchased, while an equal area was under contract for six years.

For conservationists, the operation has therefore advanced satisfactorily, since almost the entire area of *coussoul* coming within the conservation area is covered by one or other measure (or is government property). The next stage is for the conservation associations to legally consolidate the protection: they want to change from a procedure of short-term contracts to the status of a permanent nature reserve. Will they however be able maintain the cohesion of the local social alliance which has enabled them to replace the low esteem for an environment by the promotion of pastoralism, and will they be able to halt the pioneering conquest of the Crau by non-authoritarian measures?

Although the potential opposition by landowners has to a large extent been annihilated by the acquisition of their land (yet the flow of funding must be maintained in order to purchase the 4000 hectares remaining in private hands), the evolution of the economic situation of the sheep rearers is more problematical. Many of them have signed contracts under Article 19, but they consider that the amount of subsidy is insufficient for them to continue making a living from their activity, faced with the fall in the price of meat. They are also worried about the future continuation of this type of aid. They fear that national and European budgetary restrictions may hit their activity first, as it is thought of as being marginal compared to the products championed by the powerful cereal and wine-growing lobbies.

Young farmers are the most reluctant to go down the path of receiving environmental subsidies for long periods. Their level of training and their awareness of the social currents around them certainly lead them to understand and sometimes share the beliefs in the maintenance of the quality of the natural environment, but in the absence of any firm undertaking that this type of support will be lasting, they prefer to ensure that a substantial part of their income is derived from the sale of their products. They have developed strategies for increasing the size of their flocks. This approach implies the adoption of sheep rearing practices that are either more intensive or more demanding of space.

Competition for grazing land between young farmers building up their stocks and those already with flocks of 1000 or 2000 animals is in fact very intense. Long term rental agreements lasting several years tend to freeze the existing situations. Some sheep rearers would also like to 'enrich' the rangelands, a practice of which conservationists disapprove. They wish to enclose the rangelands to make shepherding unnecessary and make grazing rotation more effective. This makes ecologists fear possible overgrazing and provokes the hostility of other land-users such as hunters and hikers.

The hay producers are also reluctant to make long-term undertakings. Although Article 19 allows them to add an environmental quality label to their produce, they find it difficult to maintain the market price in the face of diminished outlets (lowered beef prices in Europe have led some of their former customers to use cheaper forage or to produce their own herbage). Even those signing *OGAF-Envi-*

ronnement contracts have therefore had misgivings over adopting procedures that would permanently prevent them from intensifying forage production (e.g. by spreading nitrogenous fertilizers or by sowing improved forage varieties) or that would block conversion of the meadows to other uses.

Legitimacy competitions

The conditions for the long-term survival of the alliance between agriculture and environment are therefore still not secured and the same is true for urban support for the protection of the Crau. The economic crisis is probably not unrelated to the 'industrial silence' that has reigned since the implementation of the protection measures. Few new projects were planned in the current moribund situation. (The conservation area did however scrupulously exclude certain industrial sites and gravel works). Nevertheless, doubts must be expressed over whether there would still be support for freezing the land, if ever there were to be a conflict between employment and nature conservation. This conflict of legitimacy would undoubtedly be more difficult for nature conservationists to control. Birds were able to win the day by associating with the image of the shepherd as against peach-growing, but would they be able to win if confronted with activities that create jobs?

The legitimacy competition can also take the form of conflicts turning on the definition of terms such as "the quality of the environment" to be protected. Already the fruit-growers of the Crau have taken steps to protect themselves by replying point by point to their adversaries' arguments. To erase their image as invaders, several have set up their head office locally and have increased their contribution to local society by paying local taxes and by creating jobs in the orchards and packing stations. Their most spectacular achievement was to obtain a national quality label in 1992 for their peaches: *Saveur de Crau* - a label of fruit quality (size, firmness, time between picking and dispatch, etc.), and also a label of origin and of environmental quality (certificate of origin, restrictions on pesticide and fertilizer treatments). They are thus building the image of an "ecological" fruit-grower.

Another potential source of conflict for environmental legitimacy could come from the communes around the Crau and the *Etang de Berre*. The area around the *Etang de Berre* lagoon (15 500 hectares) has, like the Crau, seen a process of polluting industrial development since 1950, including petrol refineries and chemical works. The shores of the lagoon also house a population of some hundreds of thousands, whose 'environmental' aspirations were demonstrated in 1988 by the town of Istres polling the highest electoral score in France for the Green Party.

The 'rehabilitation' of the ecological quality of the lagoon has become a priority for the councils of the neighbouring communes, but they are also anxious to preserve employment in industry. Some have not hidden their irritation at seeing the Crau benefit from funding and a conservation status which their lagoon has not received. They continue to think of the Crau as an empty backyard, where some of the activities that are currently degrading the quality of life around the lagoon shores, could be relocated. 'Human' ecology against 'wildlife' ecology is another

possible conflict of legitimacy that could emerge and bring back the stigmatized image of the Crau.

Agricultural legitimacy and environmental legitimization

The legitimacy for public support of French agriculture was founded in the 1950-60s on the aim of providing the country, then Europe, with security of food supplies. It was consolidated in 1975 by the role given to agriculture of reinstating the foreign trade balance in the midst of the oil crisis. In return for the increase in productivity required for these tasks, farmers were given almost exclusive rights over the non-forested rural land of which they were the priority managers (see, for example, the 1945 law on the status of rented agricultural land and the 1962 law on the farmers' control of agricultural land).

The appearance of agricultural surpluses at the end of the 1970s, which became chronic in the 1980s, associated with ever-increasing administrative and intervention costs, called into question this legitimacy of farmers as food suppliers. With the reform of the Common Agricultural Policy, they found that they had to face their responsibility as producers of surpluses on which enormous amounts of public money were spent and as exclusive and unheeding managers of the rural landscape. They were blamed not only for environmental damage in areas of intensive agriculture, but also for "desertification" in marginal areas unsuited to the headlong rush for increasing productivity.

New social forces put themselves forward as candidates for defining alternative methods for managing rural areas. Firstly this involved the bodies financing the sector, who imposed their right of controlling the use of land resources by means of production quotas, maximum acreages and compulsory set-aside. This bureaucratic interference was much resented by French farmers and found little support among local rural societies. The processes of identifying environmental objectives, of building 'ecological' social legitimacy for imposing new land-use management criteria found local supporters more readily.

The local agri-environmental approach was a way to avoid condemning all farmers as heavily subsidized polluters. The measures that it promised offered certain types of farmers the possibility of becoming involved in a new ideological and social configuration. Beforehand or at the same time, there was need to undertake work to (re)enhance the social esteem of some practices, which had often been left by the wayside in the search for increased productivity. The promotion of new positive values for Mediterranean pastoralism (the effective and 'cultural' maintenance of sensitive areas and not just an archaic activity) is an example of this social restructuring.

Some regional or specialist organizations within the agricultural industry who had had little say in the administration of the productivist charter, lent their support to this new orientation in an attempt to see their power increased among the politico-agricultural lobbies. It is clear that professional bodies in the less favoured areas or

in sectors that benefited less from the productivist policy (especially meat producers) were more receptive to agri-environmental measures.

Nevertheless, the legitimacy that this new approach provides is now almost entirely organized around the definition of *local* ecological initiatives, in contrast to the legitimacy of food-producing agriculture. Are the local social configurations capable of finding sufficient impetus to provide the structure for a wider movement capable of ensuring the organization of rural areas as a whole around one legitimacy that brings together the multiplicity of partial processes of legitimization? Will the local alliances created by agri-environmental processes also be able to withstand the tensions caused by differences in motivation between the various participants? For example, in the case of the Crau, the tension between the promotion of pastoralism, which young farmers want to adapt and 'modernize', and the desire of conservationists to preserve the existing activities on the grazing land. Finally, will the processes of environmental legitimization be sufficiently strong when faced with equally powerful social preoccupations such as employment or the quality of life of urban populations?

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Chapter 19

Farm Diversification and Environmental Products

A case study in the North of Scotland

Bill Slee and Fenella Walker

This paper explores the extent to which the market mechanism can operate to provide environmental goods on farmland. It is frequently assumed that there is widespread market failure in the farm sector, with negative and positive environmental externalities leading to environmental pollution on the one hand and the failure to recognize the value of positive externalities on the other.

First, the paper explores the question of environmental externalities and agriculture. Second, the UK policy background is explored. Third, the types of private and voluntary sector environmental provision on farmland are explored. Fourth, the preliminary results of a survey of farmers in the Cairngorm Straths ESA are presented. Finally, some interim conclusions on the nature of environmental provision on farmland are offered.

The growth of 'green' values in western society in the last decade has been paralleled by calls for the modification of government policy to accommodate environmental concerns (Pearce et al., 1989). In particular agricultural policy has been subjected to a sustained critique, based on the assertion that policy-induced agricultural change has generated adverse environmental consequences (e.g. Bowers and Cheshire, 1983; RSPB, 1988). In spite of these criticisms it is also widely recognized that certain types of agricultural activity generate environmental benefits.

Associated with the growth of environmental concern, there have been many attempts to apply economic principles to environmental problems. Studies have explored the polluter pays principle in general and its relevance to the control of negative externalities arising from agricultural activity (e.g. Baldock, 1992). However, much less attention has been paid to the estimation of the value of the positive environmental effects arising from agricultural activity. A corollary of the polluter pays principle is the provider paid principle, whereby the provider of a positive externality should be rewarded for that provision, in order to correct for market failure.

However, the assumption that environment benefits should always be regarded as an externality can be questioned. Landowners occupying environmentally attractive land may be better able to diversify (especially into amenity-related enterprises) and can thus effectively internalize the externality. However, there may be a number of social and economic constraints which inhibit the development of such enterprises.

Much of the recent debate in the UK surrounding environmental policy in agriculture has related to the design of policy instruments to achieve environmental gain. This focus may divert attention from an examination of the scope for market-led responses for achieving environmental gain. Whilst it may seem natural that environmental groups and agencies should advocate new, environmentally-friendly, policy instruments, it is important to recognize the ideological climate which favours the reduction of intervention and advocates the use of market forces as a policy option.

The assumption that environmental improvements on farmland must be induced by interventionist policy instruments is rooted in the assertion that there are widespread examples of positive and negative spill-overs arising from agricultural activity. For example, negative externalities have arisen from fertilizer run-off or pesticide residues affecting water quality, whilst hedgerows and small woodlands on farms represent examples of positive externalities. The case for regulation of the environmental 'bads' is largely accepted, although there may be debate about the appropriate forms of regulation. However, the case for rewarding landowners for providing apparently 'external' environmental 'goods' is less clear-cut.

This paper focuses attention on the validity of the routine assumption that there is an under-provision of environmental benefits on farmland and explores the extent to which it is necessary to devise interventionist instruments of policy to achieve environmental gain.

Policy background

The discussion of alternative approaches to the provision of environmental benefits on farmland must be considered in the context of existing policies. Such policies may be specifically agricultural, may be part of wider countryside policies, or may be a result of fiscal policy, as is the case with heritage relief.

In the last five years there have been a number of important modifications to agricultural policy which have strengthened their environmental component. The most prominent of these initiatives at a European Community (EC) level has been Environmentally Sensitive Areas (ESAs), established under Article 19 of the Council Regulation 797/85 and updated by Regulation 1760/87. This enables EC funding of part of the costs of the financial support of environmentally desirable agricultural practices in ESAs. ESAs are individually tailored environmental management schemes which reflect the requirements of specific areas and may include wildlife, landscape and archaeological considerations. Many schemes are currently operated in the UK, from the lime-rich machair meadows of the Outer Hebrides to the downland of southern England. In addition, the 1992 reforms of the Common Agricultural Policy have created opportunities for the support of environment-benefiting farming practices such as extensification and organic farming.

In the UK, the Ministry of Agriculture Fisheries & Food (MAFF) and the Scottish Office Agriculture and Fisheries Department (SOAFD) have had to become more

accommodating of environmental concern. Although both the 1968 Countryside Act and the 1981 Wildlife and Countryside Act contained clauses requiring MAFF and SOAFD to take account of environmental matters, Section 17 of the 1986 Agriculture Act places an obligation on Agricultural Ministries to take on environmental responsibilities. It is significant that it is an Agriculture Act reaching out to environmental matters. In addition, eligible items for capital grant aid have been modified in the light of the 1986 Act (and the 1985 Structures Directive). The principal grant system was subsequently renamed the Farming and Conservation Grants Scheme in 1989. Grant aid is now focused much more specifically on environmentally positive investment, including such items as traditional boundaries (hedges, walls), repair of vernacular buildings for agricultural use and the regeneration of heather (Scottish Agricultural College, 1992). Similar grants are available under an EC scheme which requires that grants be given within a framework of a farm improvement plan.

Further evidence of the coalescence of environmental and agricultural policy can be seen in the national parks of England and Wales, where, since the early 1980s, agricultural grant applications have been vetted by the relevant national park authority. Where grant aid has not been approved or negotiated compromises have not been achieved, farmers have been offered management agreements under the provisions of the Wildlife and Countryside Act (1981).

There are a number of other agricultural grants which yield potential environmental benefits. The Farm Woodland Scheme (a UK scheme) and its successors and the set-aside and extensification policies of the EC have been devised more to reduce agricultural production than to provide environmental gain. But environmental benefits may arise, and, in the case of the five year set aside, top-up payments were offered in England and Wales, to persuade farmers to improve their set-aside land from an environmental point of view. These top-up payments were funded indirectly by the Department of Environment rather than the Ministry of Agriculture.

Although ESAs and the Farm Woodland Scheme are symbolically important as evidence of a reorientation of agricultural policy, spending on environment remains a small, if growing component of agricultural budgets. It must be recognized that many of the environmental policies that affect farmland emanate from non-agricultural policies and are not funded by agricultural budgets.

The first major act in the UK addressing rural environmental concerns was the 1949 National Parks and Access to the Countryside Act. This created the mechanisms for designating national parks and areas of outstanding natural beauty. At the time there was no perception of a potential conflict between agricultural activity and these designations. The one area of conflict that was addressed in the 1949 Act was that between game management and public access to moorland. Access agreements were instituted but they have never been more than locally significant policy instruments.

The same act created the Nature Conservancy and the National Parks Commission. The Nature Conservancy was given powers to designate National Nature Reserves (NNRs) and Sites of Special Scientific Interest (SSSIs). NNRs are either owned by the Nature Conservancy Council or managed by them (or their

successors) under agreement. SSSIs are more numerous and have been subjected to considerable pressure from land use change, including agricultural intensification and coniferous afforestation. The current approach to the conservation of SSSIs derives from the Wildlife and Countryside Act (1981) and is based on the payment of compensation to land managers as a means of dissuading them from carrying out potentially damaging operations on the environmental attributes of designated land.

A combination of regulation and financial provision aims to persuade farmers not to proceed with land use change which would damage environmental interests. The key to site safeguarding in the provisions of the Wildlife and Countryside Act rests on a system of reciprocal notification, with management agreements being used as the principal means of reconciliation, with the level of compensation designed to ensure that the farmer is not disadvantaged by the site designation.

In addition to the national environmental policies that can generate environmental gain on farmland there have been a small number of local initiatives. The Peak National Park has established an experimental scheme rewarding farmers for environmental improvements (Parker, 1989) and a similar scheme has recently been initiated in the North Yorks Moors National Park.

Environmental gain can also be fostered by fiscal measures. The 1976 Finance Act introduced the concept of heritage relief which can apply to land of high wildlife, scenic or heritage importance. The relief from capital taxation is dependent on agreed management practices and public access. Each case must be individually negotiated. Information on the beneficiaries of this form of support is not publicly available.

Thus the pattern of public funding for environmental provision on farmland is complex and derives from several different sources. Some schemes are locally based, some national, some are pan-Community. Some operate on a standard rate of payment; others operate on negotiated agreements. Some schemes are funded by agricultural budgets, others by environmental budgets. In sum, these policy instruments provide the context in which the provision of environmental goods on farmland can be viewed.

Economic considerations

Profit maximizing behaviour is a convenient assumption for economists rather than an observable fact in the farming community (Gasson, 1973). There is also a growing body of evidence which indicates that farmers are less exclusively concerned with food and fibre production than was the case in the past (Marsden et al., 1985; McInerney et al., 1989). As a result of these changes, the occupational introspectiveness which had been a feature of the farming community (Newby et al., 1978), may be experiencing a process of attrition. This introspectiveness may have contributed to the maintenance of values and attitudes which could have either beneficial or adverse consequences on the environment. For example, a predilection for count-

ry sports may have beneficial consequences on the quality of the rural landscape, but not necessarily wildlife. Conversely, an antagonism towards or defensiveness against public access might militate against the provision of enterprises which attract the public to farms. However, the broadening of the base of economic activities of farmers, coupled with the growth of environmental values as influences on consumer behaviour, have created opportunities for diversification into environmentally beneficial enterprises. Many forms of diversification provide for the green consumer from organic food production to green or farm-based recreation and tourism. The farmer producing these products has effectively internalized the demand for environmental goods into his business activity.

The internal restructuring of farm business activity has been accompanied by a process of land acquisition by individuals and organizations who have bought farmland for its environmental qualities as much as its income earning capacity. Farmland can be bought for environmental reasons, either for individual self interest or for the (semi)collective pursuit of environmental gain. This process of land acquisition for amenity reasons is not new, but it has probably gathered momentum in recent years. For example, buying farmland for amenity reasons was evident in 16th century Devon and throughout Britain in the 19th century. Public or quasi-public bodies have become more important landowners in the 20th century. Pre-eminent amongst these organizations in the UK are the National Trusts, which have acquired very extensive holdings of farmland in high amenity areas. Other Conservation Amenity and Recreation Trusts (CARTs) have become active in the agricultural land market (Hodge, 1988). The Royal Society for the Protection of Birds (RSPB) has acquired significant areas of farm and estate land. County Naturalist/Wildlife Trusts have sought and bought farmland reserves through the market place.

Farmland acquired by CARTs can either be managed directly by the organization or be leased on a tenancy agreement containing clauses which protect the environmental interest. Restrictive leases may also be used by public-sector environmental agencies. It has been suggested that land purchase and leasing may be the most cost-effective means of achieving the environmental products from farmland. A case study of the Halvergate Marshes has shown that public purchase and leasing is preferable in this particular situation (on financial grounds) to either management agreements or ESA style payments (Colman, 1989).

However, where agencies with environmental interests are active in the land market, they will be competing with commercial farmers. The price of land may be bid above the price which its income generating capacity under environmentally-friendly farming could justify. The CART is likely to be aware of the discrepancy between price paid and the earning capacity and may seek profitable, environmentally-friendly, unconventional enterprises. The particular strategy will be dependent on organizational or institutional constraints. Some organizations require that land purchases must be self-sustaining financially, even under environmentally-friendly practices. In other cases, organizations will be willing to use specific appeals to assist with particular land purchases (thus reducing the net cost to the organization) or to continue to subsidize the site in perpetuity from funds derived from other activities

or donations.

Environmental gain on farmland can also result from the personal interests of farmers. Farms are normally conceived of as units of food production, but they may also be the setting for consumption activities. In addition to deriving utility (psychic income) from farmland from landownership, farmers may use their land to derive utility from game shooting or from provision of specific features to enhance the farm landscape for themselves. Although there is public concern in some countries about the ethical aspects of some countryside pursuits such as hunting and shooting, the management of land for these purposes is likely to generate environmental benefits in the view of many people. Thus farmland should be recognized as the setting of consumption activities by the proprietor. The provision of facilities for these activities may generate environmental benefits for the public as a whole.

The second way in which environmental products can be provided is as joint products from farming activity. Thus mixed farming can be a contributory factor to pleasant landscapes. The variety of landscape components within national parks is enhanced by agricultural activity. The pastoral idyll may have been frayed at the edges for the aesthete, but contemporary farming would still be seen by many as a contributory factor to that idyll. The joint product nature of agricultural and environmental outputs was explicitly assumed by the Scott Committee (1942) which noted that (then) there was "no antagonism between use and beauty". Specialization and intensification of agricultural practices have reduced the extent of joint product provision, particularly in certain regions. Nevertheless, over large areas of the UK (and Europe) significant joint product provision remains. It is probable that the decline in joint product provision has been misinterpreted as an increase in negative externalities arising from agricultural activity. Whilst it is possible to find many examples of negative externalities, such as pesticide residues entering food chains, it is misleading to see all landscape change as an environmental bad, when it is simply a function of less of a joint product being provided.

An example of joint product provision can be found in the use by nature conservation interests of low-input farming practices to generate wildlife management strategies. The floristic diversity of downland is reduced if grazing is stopped. Herb-rich hay meadows require an annual cut. Thus in many situations, low-input farming is an essential component of wildlife conservation.

Thus landscape and wildlife can both be seen as joint products from agricultural activity. However, the level of joint product provision may be highly sensitive to the type of farming practised. There may also be a joint product arising from the internal private provision of amenity by farmers and landowners and the public consumption. Heather moorland may be managed for game by landowners for their pleasure or profit but may also yield benefit to the general public. Access to private land has been a highly sensitive issue in the past (Hill, 1980) in the context of game and could become so again as a result of increased levels of farmland acquisition for private amenity purposes (Wallis and Leeming, 1986).

The argument in favour of policy-based provision of environmental products from farmland rather than market-led provision is given support by the assertion that the externalities encountered in environmental goods are public goods and will not be provided by the market. A public good is characterized by non-excludability (all have opportunities to consume it freely) and non-rivalry (no-one's consumption diminishes other users' utility). The non-rival nature of consumption of a public good requires, for example, that additional use of the countryside as a recreational resource creates no disutility to other consumers. Thus the provision of attractive countryside is seen as similar conceptually to the demand for safety through the provision of police services. The service is sought but in the absence of public provision it will not be provided.

The assumption of non-excludability is undoubtedly reasonable for certain types of environmental provision. For example, scenery provides a backcloth for passive recreational visitors to the countryside. The farmed landscape, in spite of criticisms about its deteriorating scenic quality, contributes significantly to the utility derived by visitors. It would be extremely difficult to exclude the public from appreciating the landscape vistas from public highways.

However, with certain environmental goods, excludability can be sustained. Private landownership, in the absence of public rights of way, offers access to vistas and landscapes which are not available, gratis, to the population at large. Furthermore certain CARTs may own land and restrict access to their members and the general public. The existence of closed nature reserves is an example of this. Excludability is not the exclusive domain of the landowner protecting his game. Nature reserve managers use proprietorial rights to protect their interests in a similar way.

Thus non-excludability is a feature of some rural environmental products but by no means all. It is to a large extent determined by proprietorial rights. However, it is also influenced by the mode of consumption. Thus, the day visitor to the countryside is able to take advantage of the difficulties of excluding him, but in the case of the overnight visitor to a high amenity area, there is at least partial internalization of the benefits. Whilst views in general are non excludable, a particularly attractive view can be. Thus, charges are often made for particular scenic sites in the UK, such as waterfalls, when there are no public rights of way which permit access.

Sustaining the assumption of non-rival consumption poses even greater problems. Although there is widespread evidence that different individuals have markedly different perceptions of congestion and crowding, there is evidence that the utility of a visit to many environmental sites diminishes with increasing numbers of visitors. The study of crowding is reflected in attempts to determine the recreational carrying capacity of sites. In the case of wildlife sites, disturbance may be such that the object of the visit is not seen. Whilst it is possible to minimize site disturbance by management practices, there is inevitably rivalry in consumption.

The assertion that under-provision of environmental goods occurs because they are public goods arises from the pivotal assumptions of non-excludability and non-rivalry. There are occasions where the assumption of non-excludability can be sus-

tained but this is not always the case. The assumption of non-rival consumption is highly questionable in the case of consumption of environmental goods. Consequently, the public-good rationalization of public funding for environmental provision is weakly founded and there may be opportunities for the market to operate.

The case study

The case study focuses on the recently designated Cairngorm Straths (valleys) Environmentally Sensitive Area (ESA). It is a land-locked area extending to some 189,340 hectares and includes approximately 250 farms and 150 crofts or minor holdings (SOAFD, 1992). Its boundary extends around the central Cairngorm mountain massif, unique for its subarctic habitats. The area has been recommended for national park and world heritage area status. On the eastern side are the valleys of the Dee and Don and to the west is Speyside, including the towns of Aviemore and Grantown on Spey.

The agriculture of the study area is primarily concerned with livestock rearing, with beef cattle and hill sheep breeding the main enterprises. There is a small arable acreage, mainly devoted to cereal or root crops for stock feed. Much of the area is dominated by large sporting estates and mixed sporting/agricultural/forestry estates. Other than farming, the main economic activities are sporting shooting, the whisky industry to the north and east, and tourism. Since the mid 1960s tourism has assumed a position of increased dominance in the sub-regional economy, with substantial private and public investment based around the Aviemore centre, which now attracts visitors all year round.

Methods of study

Field research was conducted by interviewing a random 20 per cent sample of all farms (including minor holdings) in the ESA area. Information was collected on tenure, farming systems, on- and off-farm pluriactivity, environmental attitudes and improvements and general economic information. In all 55 farmers were interviewed in the main survey, after six farmers had completed a pilot questionnaire.

Results

Almost all the farms were mixed crop and livestock units. The majority of land managers interviewed were tenants, with 51% operating under a farming tenancy and 29% under crofting tenure; 15% were owner occupiers and the remaining 5% were farm managers. The majority of land managers were over 46 years old and had no further educational experience beyond secondary school.

59% of farmers and/or spouses had farm-based alternative sources of income. Many land managers had diversified into tourist-related uses, while 61 per cent of the farm households had alternative sources of income off the farm. This figure is

especially high since the sample included all farm holdings. Those farmers who were younger or who came from non-farming backgrounds were more likely to have diversified than those who had come from farming backgrounds.

Diversifying farmers were motivated by a variety of factors. The dominant motive in diversification was financial (67% of respondents). Personal interest was also a reason for a significant proportion of diversification. Other reasons for diversification included environmental interests. All respondents were asked about their perceptions of the suitability of their farms for diversification. Many respondents recognized the general advantages of the region for tourist provision. The larger holdings, typically estates, noted that both accommodation and day visitor enterprises offered opportunities, whereas on the smaller units only accommodation enterprises were seen to have potential. The principal factors deterring establishment of diversified enterprises were lack of capital, perceptions of risk, tenancy restrictions and locational disadvantages (e.g. inaccessibility up a long farm track). Some farmers considered that the existence of a number of professional tourist attractions in the area made it more difficult for them to provide day-visitor activities.

With regard to the preservation or enhancement of environment enhancing features, there was very limited evidence of countryside management. Such evidence as did exist of countryside management was motivated by personal interest rather than by financial reasons. Nonetheless, half of the respondents considered that environmental investment increased their land values and the majority of respondents believed that incomers would pay an environmental premium for their land.

It is clear that a number of larger financially-motivated land management units are responding to both the demand for day-visitor facilities and for accommodation. However for many smaller holdings it is not possible to capture the environmental benefits. Indeed a significant proportion of respondents (48%) suffered a degree of environmental costs. The smaller farmers are less motivated by profit maximization and 'way of life' is more important than financial returns. Small farmers value the land and physical environment on which they live but have very little desire to market the environmental attributes of their land management units. Many of these smaller farmers do deliver environmental goods, often as a result of low input farming practices. These farmers would benefit from ESA payments but are unlikely to diversify. The middle-sized farmers occupy an intermediate position, often being socially motivated to maintain farming systems, but recognizing the increased difficulties of maintaining incomes from conventional farming activities. A number of these farmers may consider diversifying but many are constrained by capital shortage, risk aversion and tenancy agreements.

Discussion

Environmental benefits can be expected to arise from private and voluntary sector action by landowners and managers of farmland for a number of reasons. They arise as a result of the development of 'green' enterprises like organic farming or 'soft

tourism'; they arise as a result of land acquisition for amenity reasons by CARTs or as a result of consumption activities on farmland by traditional landowners; and they can be expected to arise as a result of joint product provision alongside agricultural activity. The assumption that environmental products from farmland should be treated as public goods is difficult to sustain.

However, it would be naive to assume that agricultural activity inevitably generates an appropriate level and an appropriate mix of environmental benefits. At a time when agricultural policy makers are advocating a reduction of intervention it seems appropriate to regard public intervention as a complement to rather than as a substitute for private/voluntary sector provision, if total environmental output is to be maximized. Snower (quoted by Keegan, 1990) has argued that "it appears generally advisable to correct the failings of free enterprise not by suspending market forces but rather by redirecting them .... It becomes the business of economic policy to twist the invisible hand not to amputate it". Thus policy options should include enterprise-based solutions as well as the compensation and subsidy arrangements that have been the prevailing means of generating environmental benefits.

In the case of the Cairngorm Straths ESA there is evidence of a complex set of responses by land managers to the high environmental values of the area. In general, farms are often appropriate providers of visitor accommodation and are able to benefit from the long tourist season in the area. However, the provision of marketed day-visitor enterprises including guided walks, game and clay shooting, four-wheel drive vehicle sites tends to be the domain of the larger landholdings. There is also evidence that environmental quality is recognized by farmers as a factor contributing to their individual satisfaction and to the value of their land, although only a minority of farmers were actively involved in countryside management.

The responses of land managers to the opportunities afforded by high environmental quality are dependent on a number of socio-economic factors including tenure, succession, age, attitudes to farming, capital availability and risk aversion. Three broad groupings can be discerned. First, there are the large externally-oriented farms and estates whose profit-seeking behaviour has led them to diversify into tourist-related enterprises, thus indirectly farming the environment. Second, there is a group of full-time farmers whose preferences are to remain as conventional farmers and who see their futures threatened by policy reforms. This group may value the environment around them as cultural rather than ecological heritage but they are unlikely to turn the environment into a marketed commodity through the development of diversified enterprises. In addition, they may be constrained by their positions as tenants or by shortage of capital. Third, there is a group of small, usually part-time farmers and crofters whose resource base is limited and for whom diversification on the farm/croft is also unlikely. Many of the operators of these units were elderly and averse to changing their land management practices, which were often characterized by the low levels of intensity of husbandry. In consequence this group was providing environmental products as joint products but was getting only psychic income for their environmental provision.

It should also be noted that the larger landowners who are benefiting from commercial farm/estate diversification based on the environmental qualities of the area, are also adept at making financially advantageous management agreements on designated land. They may, too, be beneficiaries of inheritance tax relief because of their heritage assets.

Consequently there is clear evidence of environment having market value in the Cairngorm Straths. However, not all land managers have equal opportunities to 'farm' the environment and the compensatory payments designed to protect the environment may be given to those who are already the main beneficiaries of market-led diversification.

At a time when there has been a growing concern about agricultural support costs it may be over-optimistic to expect major increases in funding for the provision of environmental benefits on farmland, especially when it is difficult to sustain the notion of environmental public goods. Innovative policy solutions will need to be sought but innovation will need to be built on a sound understanding of the extent of market-led provision. Where market-led provision can deliver environmental gain it is unnecessary for the state to intervene and thus negate the rationale for private (or voluntary) action. There are likely to be significant intra-regional, intra-national and international variations in the extent of market-led environmental provision on farmland. The causes of these variations should be understood if environmental policy instruments are to be used to manipulate more effectively the invisible hand of the market.

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SECTION 4

RURAL SOCIAL CHANGE

Chapter 20

Local Politics and Rural Restructuring
The case of the contested countryside

Andrew Flynn and Philip Lowe

The differentiated countryside

With the decline of agriculture as the dominant industry in many parts of the countryside, along with processes of restructuring the way has been opened for a much more complex set of economic, political and social relationships. These will combine in different patterns to lead to a more differentiated countryside (see Marsden *et al.*, 1993: 185-90). In many areas, this will result in increased competition for rural resources from a variety of economic actors, while in others it may mean an increased reliance upon traditional rural industries, such as agriculture. In spite of the overall decline in importance of agriculture, there can be no doubt that some localities will continue to be even more closely linked to the food industry or to biomass production. Other localities will retain a more traditional farming character where the social composition of the population may remain relatively unaltered, while in others again a shift in the economic structure may be accompanied by increased social mobility, especially where more general diversification in the rural economy is linked to the in-migration of a commuting population. Likewise, these changes can also be expected to be reflected in the types of politics practised, creating a contrast with those localities where a lack of economic and social change may allow the continuance of established political forms, such as corporatism and clientelism.

Four main sets of parameters will be crucial to the development trajectories of rural localities:

1) *economic parameters*, most notably the structure of the local economy – its patterns of employment (e.g., in the primary, corporate or state sectors), rates of employment, levels of prosperity;
2) *social parameters*, including rate of population change, levels of commuting, and proportions of adventitious and retirement populations;
3) *political parameters*, including ideals of representation (who is a legitimate representative); forms of participation (e.g., level of interest-group activity); type of politics (whether, for example, organized around production interests or the protection of positional goods); and
4) *cultural parameters*, including dominant attitudes towards property rights (e.g.,

land as heritage (stewardship), as productive asset, as fictitious asset) and a sense of locality/community ("belonging").

The relations between these parameters are by no means determined by the economic. Political regulation can significantly influence the economic activities that take place in particular locations, as for instance through the decisions of the land-use planning system, and political regulation is firmly tied to the social constituency. Four possible combinations of the above parameters are set out below as ideal types (Flynn, Lowe and Cox, 1989).

The preserved countryside

Throughout much of the English lowlands, as well as in attractive and accessible upland areas, anti-development and preservationist attitudes dominate much local decision-making and political organization. This is expressed mainly by fractions of middle-class residents oriented towards the protection of amenity. Increasingly, these conditions impinge, primarily through the planning system, upon farmers and landowners seeking either to diversify their businesses or to intensify the use of their land. Thus, while demand from middle-class fractions provides the basis for the provision of new recreational, leisure or retailing enterprises, strong opposition is likely to be aroused by agricultural intensification or new farm-based enterprises that damage the environment. Likewise, major developments or infrastructure projects with a significant impact on the landscape and any nuisance-generating developments (e.g., noisy sports, land fill or mineral extraction) will provoke a hostile response. This is the *preserved countryside* where the reconstitution of rurality is often controlled by articulate consumption interests that use the local political system to protect their positional goods. In those areas the combinations of property rights become highly complex and fluid, partly because they form the basis for negotiation within a local, professionalized regulatory system.

The contested countryside

In areas of the countryside beyond the major commuter catchments and, perhaps, of no special environmental quality, development projects unwelcome in the "preserved countryside" are likely to cause much less contention, and coalitions between farming and development interests - often comprising small businesses rather than large corporate concerns - may well be a prominent feature of local politics. Such areas are the *contested countryside*, in which a continuing sense of localness, rather than professionalism, determines the legitimacy of local representation. Decision-making reflects local economic priorities but is increasingly being challenged by in-comers who reflect the positions of the middle class, articulated so effectively within the "preserved countryside".

The paternalistic countryside

In areas of the countryside where large private estates and big farms still dominate the land-tenure pattern, the interests and outlook of existing landowners are likely to play a large part in shaping local politics and the process of rural development. With agricultural rents and incomes falling they may well be looking for ways of diversifying their activities and perhaps making development gains. Many of the large estates faced with falling rents and less enthusiasm for "taking land in hand" have begun to sell off assets, particularly those associated with farm buildings and estate housing. Nevertheless, unlike the struggling owner-occupier, their consolidated ownership of land, and perhaps their continued political influence, allow them to be much less dependent upon external developers. They are still able to take a broader and longer-term view of the management of their property. Today, their management practices may reflect an uneasy relationship between financial imperative and social conscience leading to the retention, at least in certain pockets, of a paternalistic social system. This is now not so much based around a thriving "occupational community" (Newby, 1977), as one where landlordism has recreated its compliant social conditions around established non-agricultural residents. Such areas are the *paternalistic countryside*, and within them will be found the adoption of environmental management policies (e.g., in Environmentally Sensitive Areas), the pursuit of elite country sports (increasingly as a source of income), a commitment among large landowners to affordable housing, and a local political system still influenced by representations based on landed status and long association with the local area.

The clientelist countryside

Certain remoter rural areas are yet to experience the social transformation arising from the forces of counter-urbanization, and the social welfarist model of agricultural support and rural development is still prevalent (Smith, 1992; Murdoch, 1992). Under these circumstances, processes of rural development remain dominated by clientelist relations between the interests of farming, landowning and local capital on the one hand, and state agencies involved in promoting primary production or rural development on the other. Systems of direct agricultural support (e.g., Less Favoured Areas, Sheep Meat Subsidies, Hill Livestock Compensatory Allowances) have continued to encourage the restructuring and modernization of traditional farming. Although pluriactivity is a well established business strategy on many farms, the scope for additional, locally generated economic diversification is very limited, and what there is usually depends on state support or external capital. Large-scale private and public capital may be attracted to such localities in order to exploit their natural resources and pockets of surplus labour. Opposition to any damage caused by development projects, agricultural modernization schemes or afforestation is often muted and voiced most strongly from outside the region. Such areas are the *clientelist countryside*, where local politics is dominated by a concern for the welfare of the community (e.g., in job creation, social housing, communal

facilities etc.) and an ambivalence about external state finance but a strong dependence on it. It is reluctantly accepted, risks included, because there seem to be few development alternatives if progressive economic decline and social marginalization are to be avoided.

Devon: A Case Study of the Contested Countryside

What these four models illustrate, and they are by no means exhaustive, is the way in which, in the differentiated countryside, political, social and economic outcomes are dependent upon local and regional contexts. Each of the models does, though, require some empirical verification; do these models have any use in practice for understanding rural change? In the remainder of this paper we will look at local politics and state formation in relation to the model of the contested countryside. In doing so we will be drawing upon empirical material collected from Devon in south-west England.

Local state structures emerge out of and embody key features of their society and culture. Devon, as an example of the contested countryside, is characterized by a fragmented, small-scale set of economic interests and a relatively dispersed settlement pattern. The county's three main urban areas – Plymouth, Torbay and Exeter – together house somewhat less than half of its population. A further quarter of the population live in towns with populations of 5,000 or more. The county, though, is rural in character with a large number of villages and hamlets, and an eighth of its population live in parishes of less than 1,000 people (DCC, 1983: 23-4).

No large scale industrial interests dominate in Devon. Instead there is a range of interests, namely farmers, middle-class home-owners and business people who have as a common basis that of petty property. Although united in their desire to protect (petty) property, each capital fraction also seeks to secure its own specific interests, and it is here that contestation arises.

Dairying is the most important agricultural activity. The farms tend to be small, by British standards, with most to be found in the 20-100 ha range, and it has the largest number of farms of any English county. There are around 6,000 full-time holdings (that is those of 250 Standard Man Days work or more) but probably a similar number of smaller holdings exist. Owner occupation is the most important form of land holding and well over half of all the holdings are wholly owned (Gilg, 1991; Halliday, 1987). Devon is thus a county of small and medium-sized farms: its agricultural workforce has the lowest proportion of employed labour to family labour of any county in England. Indeed, only a third of the total agricultural labour force comprises farm workers, the remaining two-thirds being farmers working on their own account.

A greater proportion of owner-occupied homes can also be found in Devon than most other parts of the country. In 1981 the proportion of owner-occupied households in England and Wales was 58%, for Devon it was 64%. In two of the districts (East Devon and Torbay) nearly three-quarters of the housing was owner-

occupied (DCC, 1985). The proportion of local authority rented housing at 20% was also well below the national average of 32%, and has subsequently shrunk still further as council house tenants were given the right to buy their property with substantial discounts under the 1980 Housing Act.

Business interests are diverse but once again the pattern is of small and medium-sized enterprises with many of them, particularly in the tourism, leisure, fishing and craft fields, based on propertied interests. (For a discussion of these issues in relation to the neighbouring county of Cornwall, see Gilligan, 1984). The service sector, which includes local and central government, tourism, catering, retailing, communications, financial and business services, commercial activities, personal services, health and education, accounts for at least 70% of employment. The largest single employer is the County Council. But apart from the public service and privatized utilities, the service sector is characterized by a myriad of small firms. Other sectors, too, including manufacturing and construction are marked by an absence of large firms. Again, significantly "In Devon the self-employed represent a much higher proportion of the economically active population than nationally" (DCC, 1983: 60; see also DCC, 1989): 14.6% compared to 7% nationally, and recent employment trends would suggest that this figure has risen still higher. Most self-employment is in the area of hotels, catering and retailing, fishing and agriculture.

In short the economy, society and culture of Devon is dominated by petty propertied interests – small and medium-sized businesses, a high degree of self-employment, and high levels of owner occupation amongst farmers and home-owners. The question that now arises is what is the nature of each petty propertied interest and how does it seek to secure its representation?

Rural political interests

Farmers

Much of the work conceptualizing the rural local state has concentrated on the position and influence of farmers. Undoubtedly the pre-eminent English study of farmers and local politics is that by Newby and his colleagues (1978). Their empirical focus was large-scale capitalist farmers in Suffolk. This is a county within East Anglia, a region where the average size of holdings is well above that for the country as a whole reflecting the dominance of arable farming. Additionally, one of the study's two samples looked only at those holdings of over 1000 acres (405 ha). The choice of Suffolk and the selection of farmers within the county reflected Newby's interest in exploring the relationship between economic, social and political power within a production system dominated by capitalist agriculture.

Within such rural social and economic systems, it is argued, a set of authority relationships are constructed such that the agricultural labour force identifies with the social system despite its structural inequalities. Employers of agricultural labour have to actively assist this process of identification not only to prevent the

subversion of the system, but also to make sure that arduous farming tasks are carried out. Following Weber, an evocation of tradition, expressed as paternalism, is identified as the medium through which the necessary legitimation of the social system is secured. And in this process, the patterns and uses of local political representations play a crucial role.

Newby and his colleagues found that large, labour-employing farmers were overly represented on county and district authorities. Farming interests, specifically those of farmers with substantial holdings, were incorporated into the local planning process through a widespread belief that the best interests of the county were served by the protection of agricultural land. Extensive use of non-family wage labour meant that farmers were keen to restrict industrial development which might cause disaffection amongst the labour force and push up wage rates. The control of local politics by farmers

> "was not, however, expressed in terms of dominance but in terms of 'service' to the local community and more specifically through an ideology of stewardship with regard to property [which] was constantly used to fend off the threat of industrial intrusion in the countryside" (Newby *et al.*, 1978: 349).

The exercise of political power by farmers is thus the means through which their economic advantage is maintained and legitimated.

In Newby's model of rural power relations, the three sources of power – economic, social and political – are interdependent, and underpinning them all is a particular type of agricultural production. If the nature of agrarian organization were different, there would be no reason to expect that farmers would stand in the same relation to local politics. The paucity of studies which have investigated rural politics in comparable depth means, however, that the Suffolk results have been held to be widely generalizable.

Over significant areas of the rest of the country, in particular the pastoral West, family farming is the most prevalent mode of production and relatively few farm workers are employed. Family farming is associated with smaller holdings and a more fragmented ownership structure. Where family farming predominates, therefore, the involvement of farmers in local politics may represent a differently constructed social system. Newby himself has pointed out that historically in the pastoral areas of England "the most salient social division was not... that between employees and employers, but that between landlords and tenants" (Newby, 1987: 141). This remained the case even into the first half of the twentieth century during which period many of the traditional estates shrank or disappeared altogether and many of the tenantry became owner occupiers.

Such areas have, not surprisingly, nurtured different political cultures and traditions. Martin (1965: 76), for example, argues that many Devon farmers were positively averse to the tithe and therefore to the power of the gentry and clergy. This group would not therefore be expected to use political power to legitimate an ideology of stewardship either towards a farm workforce or towards agricultural property. Instead, in Devon, the tradition of family farming feeds into and from a petite-

bourgeois ideology.

As with many largely rural areas farmers play a disproportionate, if declining role in local politics - at the end of the 1980s approximately one in seven of the councillors in Devon's rural districts were active in agriculture - but they do not exercise the sort of hegemonic power that Newby and his colleagues described for rural Suffolk in the 1970s. Indeed, referring specifically to the political activities of farmers in Devon, Stanyer asserts that their representation from parish to county level cannot be explained in terms of a unified group interest. Farmers did not pay rates on their land and there are few locally provided services of which farmers are the only or major consumer, such as the provision of markets or caravan sites. At any one time, therefore, the major services of a local authority, such as housing, planning or waste disposal "may have a particular salience for individual farmers when they have an interest in a particular decision; they will not be part of a direct common interest to farmers" (Stanyer, 1977: 218). Essentially for Stanyer, therefore, farmers are recognized social leaders with the means and the opportunity, because of the nature of their business, to get involved in local politics. One would want to add a caveat, however, to the effect that farmers do have a strong common interest as rural property owners, particularly in the way in which planning and various development functions of local government affect private property rights. Thus, most rural authorities, and not just in Devon, reject the use of compulsory purchase powers. Equally, the common interest of Devon farmers in keeping open options to exercise their property rights underpins a pervasive ideology amongst the rural planning authorities in the county which is essentially pragmatic and responsive to local interests rather than (as in Newby's Suffolk) preservationist. This different orientation to the local planning system emerges from the common interests of farmers as property owners rather than, as in the case of Suffolk, from the common interest of capitalist farmers in maintaining their control over rural labour markets. And is a powerful incentive for some farmers to be involved in local politics, given that planning permission for the residential, industrial or recreational development of agricultural land can increase its market value a hundred-fold or more.

Indeed as farmers are encouraged to diversify their activities, their interest in local politics may be further strengthened. Overall nationally, no longer is the majority of farmers' income earned from farming, and non-farm income looks set to become increasingly important to many farm households. Farmers who diversify may therefore find that they have more in common with other small rural businessmen, and less in common with other farmers who seek to continue as specialized primary producers. The farmers traditional representative organization, the National Farmers' Union, may look to them increasingly anachronistic as it continues to be preoccupied with the concerns of primary producers. For many farmers a key element in diversification is the realization of some of their propertied interests, particularly through finding new uses for redundant land or buildings, and this immediately brings them into contact with the local planning system. Data from the Planning Department of East Devon, for example, suggests that between 1981 and 1990, over 2,000 new re-

sidential dwellings on agricultural land were given planning permission, only 5% of which were for farmers and farm workers. Moreover, planning permissions were given for almost 700 new residential dwellings to be created through the conversion of barns and other redundant agricultural buildings over the same period.

Middle class residents

In a major recent review of property and the middle classes Savage *et al.* (1992: 213) have argued

> The significance of property for middle-class formation has traditionally been played down... However, we believe that this picture is no longer valid. As owner occupation has spread and long-term house price inflation has been sustained, petty property assets may have become a more prominent axis for class formation in contemporary Britain. In the later nineteenth century property was important for a specific sector of the petite bourgeoisie, but today its significance has become widespread. Owner-occupation has allowed access to capital gains, particularly for middle-class groups, and it has created new avenues for entrepreneurial activity.

Amongst households in Devon owner occupation is the dominant form of tenure. Home-owners, though, are not a homogenous group, and may well articulate their interests in different ways. The construction of these interests will be complex and may well reflect some ambiguity. At the individual level it is possible for a home-owner to oppose further housing development while at the same time hoping to make capital gains by selling a plot of land for building. Such ambiguities will feed their way into amenity politics.

Contestation between different fractions of petty capital can be fierce in the resort towns of Devon. The coastal resorts were often the target of the early wave of retirees, who have made a decision as to where they want to live and have the means and opportunity to ably defend the environment they have bought into.

An example of the long-standing attempts by home-owners to protect their interests in East Devon is provided by Grant. He reports on the seaside resort of Seaton and the conflicts, both social and political, that broke out between home-owners, largely the retired, working through a Ratepayers' Association, and local traders (Grant, 1977: 77-83). From the early 1960s there were reported to be conflicts between the two sides on the future of the town: people retiring to the area wanted peace and quiet, but traders wanted to attract as many people as possible during the holiday season. It appears that the traders had traditionally been well represented on the Urban District Council and the Ratepayers' Association sought to gain their own representation, defeating two (independent) candidates in the 1965 UDC elections. One of the defeated candidates spoke critically of the Ratepayers' Association as consisting "largely of elderly and retired people, most of whom have come only recently to live in the district". While the Association responded by arguing that, "The town depends to a great extent on retired people for its livelihood. They are mostly of the executive class with pensions additional to the state pension... They intend to take every practical step to keep Seaton an attractive resort wherein they can, for

most of the year, enjoy its lovely position" (quoted in Grant, 1977: 78).

The debate on the kind of town Seaton should be – a tourist resort or a residential centre – reached a pitch in the summer of 1969. The Ratepayers' Association newsletter alleged that the town's standards were being lowered to increase tourist numbers. The newsletter claimed: "The only section of our community which stands to gain from this is a small, but articulate, part of the trading element. Residential property owners will lose heavily. The above would be unbearable even if the commercial section were paying for it; but they are not". (quoted in Grant, 1977: 79). Although subsequently the conflict between the two sides did quieten down, overt political conflict only disappeared on local government reorganization when Seaton was subsumed into East Devon District Council.

Two features of the contestation in Seaton stand out: first the clear conflict between different property owners; and second their organization, and further contestation, over who represented the town, that is who has the right to speak for a local area. Similar tensions surfaced just over the county border in 1970 in Lyme Regis in Dorset.

> "The Lyme Regis Society, more generally referred to as the 'preservationists', was the first group to be formed and drew much of its support from retired people. The Lyme Regis Progressive Society was formed 'as an alternative to the Lyme Regis Society' with the aim of ensuring 'the economic and social development of the town'. The organisers of the Progressive Society stated that 'they realised that there were many retired people who wanted Lyme Regis to stay as it was' but 'businessmen had to make a living in the town and visitors had to be encouraged'" (Grant, 1977: 47).

The experiences of the coastal resorts, the target of the early waves of retirees, were to be found later in the more rural areas of Devon and were sharpened by farmers' attempts to diversify their activities. Thus in the neighbouring village to Lyme Regis, Uplyme, just inside the Devon county boundary, the 1980s were marked by a progressive hardening of attitudes between those who favoured and those who opposed the further development of rural land. Advocates of the former view had traditionally controlled the village parish council and provided the councillor on the district council. They were therefore the legitimate voice of the village. Those opposed to development, largely newcomers, established their own alternative voice – an amenity group – and also challenged the views of the councillor by organizing within the Conservative Party. Matters came to a head when the newcomers gained a major foothold on the parish council, managed to secure the deselection of the sitting councillor and put their own representative forward as the official Conservative Party candidate in the forthcoming district council elections. The sitting councillor retaliated by standing as an Independent and managed to win re-election. The undeclared grounds for the election were "What type of village do we want and who is to be our legitimate representative?" It was largely fought out between different petty propertied interests.

Tourist interests in Devon have often been keen to assist in the development of recreational activities that will in turn bring in further tourists. One favoured

strategy has been the promotion of golf courses. During the 1960s local hoteliers in Sidmouth backed the Council's plans for a new course for the town to turn it into 'the St. Andrews of the West', but the Ratepayers' Association regarded it as waste of money. They organized a referendum on the scheme, a vote of 3,102 for and 140 against was recorded. The Council itself was split but on the Chairman's casting vote decided to proceed with the construction of the course. At the next elections the Ratepayers' Association contested a number of seats and unseated four councillors (Grant, 1977: 82). Despite gaining planning approval for the course in 1968 the Council did not decide to pursue the proposal.

Nearly 20 years later proposals for new golf courses were once more raising local tensions. This time as farmers and developers looked for new opportunities for rural land use, landowners competed with one another to gain planning permission. In the mid to late 1980s there were two major proposals for golf courses in East Devon, one at Woodbury and the other at Cadhay. Both landowners emphasized the virtues of their course and secured the backing of local councillors to support their case. Throughout, though, the Woodbury proposal was the favoured site because of its location and topography. The landowners were, however, the subject of some controversy because of previous developments in which they had been involved. Locally the parish council supported the planning application, but the Woodbury Salterton Society, an alternative body to the parish council for the representation of village interests, was much more critical in its views. The Society was formed in 1985 and its impetus had come from the influx of "younger commuting families" into the area. Although not successful in its opposition to the golf course, the Society does illustrate once more the way in which different petty capitals seek new forms of representation when they feel excluded from exercising influence over local developments.

The commonplace view as to why petty properties interest should become involved in local government is to try and ensure that its functions are kept as limited as possible – the local equivalent to the law and order function of central government – in order to keep its running costs as low as possible. This is the traditional view of ratepayers' groups. Whilst there is some support for this view, and it undoubtedly continues to strike a responsive chord, it is too narrow. It fails to explore the way in which middle-class residents seek also to use and extend the regulatory functions of local government to protect their property values, and this is a link between the Ratepayer Associations that Grant discusses and the more recent amenity groups.

The business community

The modern industrial base of much of the county, outside of Plymouth, remains dominated by traditional industries and small to medium-sized firms, few of which are large companies in national terms, but which may be important local employers. The largest firms in terms of number of employees are mineral concerns. The processing of food is carried out by a number of long-established large local firms,

and leather, fabrics and textiles historically have been important industries particularly in the east and north of the county. The larger firms, therefore, tend to be those involved in the processing of primary produce, which contrasts with the generally smaller size of the companies involved in engineering and other types of manufacturing. A much higher proportion of the workforce is found in firms with between 25 and 199 employees than is the case either in the rest of the south-west or in Great Britain (52% compared to 37 and 34% respectively), and the proportion of companies of over 200 correspondingly lower. The level of self-employment and the types and size distribution of enterprises are potentially important variables in interpreting the local political context.

It is the smaller enterprises that also typify the tourist industry, and which experienced considerable expansion after 1950 (Fisher and Havinden, 1991: 82). The south-west (i.e. Devon and Cornwall) is the second most important tourist region in the UK (Williams, 1991). Along the coasts, particularly the southern one, there are a number of tourist centres, with different resorts catering for different sections of the holiday and recreation markets. According to the Structure Plan "Resorts are the mainstays of Devon's tourist industry. They accommodate the majority of visitors and provide most of the employment generated by tourism" (DCC, 1990: 114).

The tourist industry dominated by hoteliers may be in a somewhat different position to other business capitals. It is both more homogenous and more active politically. In large part this stems from the structure of the industry in which Devon's seaside tourism has not been penetrated to an excessive extent by external capitals. Most hotels and boarding establishments are family-owned and largely family-run. Hoteliers have a common interest in bringing tourists to the area. In terms of their involvement in local politics, they have a collective interest in ensuring that local government carries out a range of activities that will increase the attractiveness of a resort to holidaymakers whether this be through the provision of recreational facilities, the upkeep of parks and public gardens or promotional activities. It becomes a politics based around who should bear the costs of maintaining and developing a resort, rather than the distribution of benefits from growth.

One tension that cannot easily be resolved, however, is the competition between different resorts, particularly important when the tourist market is static or declining. In this case local government can become a vehicle for contestation between capitals located in different resorts, a politics of territoriality.

For other business interests the situation may be rather more complex. In a market town like Honiton with an essentially service function and a much diminished manufacturing sector, the dominant role of shopkeepers, traders and professionals would perhaps be more oriented towards development and creating a larger market. What is desired is an increase in the local population rather than its industry. In the 1960s Honiton did try to attract overspill population from London.

Local traders, who comprise the bulk of membership of Chambers of Commerce in towns which function primarily as service centres and do not have a strong indigenous manufacturing base, may thus support proposals for new developments

by non-local capital. Where there are more substantial manufacturing industries, local trading associations may be opposed to new development, especially where this is oriented towards incoming firms which may offer potentially higher status and better paid work than jobs in traditional factories. There is here a strong parallel to be drawn with the argument of Newby et al (1978) surrounding the interests of farmers as employers in East Anglia seeking to discourage alternative forms of employment in case this exerted upward pressure on wages.

What emerges, therefore, is a variegated pattern of business interests, one which is spatially fragmented and lacks an overall coherence. Its interests are often localistic rather than sector wide, depending on individual opportunities and constraints. This has arisen partly because Devon's industries remained small-scale during the country's process of industrialization, and partly because, as a consequence of its physical geography, tourism and farming are important sectors and these are characterized by their small scale. Amongst local industries there are no county groupings, other than the Devon Stone Federation, which have attempted to represent formally the views of industry to local government, through for example the preparation of the county structure plan.

Conclusions

Although the local state is inextricably linked to a society and culture that is dominated by petty propertied interests, and which seeks to justify and reproduce existing social relations, there will be discernible differences both between the county and the district government and shifts through time. Social, economic and political changes are, after all, dynamic and will feed through to and from the state. Thus, historically development interests have been to the fore in East Devon District Council and its predecessor. The Council's preferred strategy is to see development take place, to encourage economic activity within the district, but not to adopt a dirigiste stance. At the same time local developers tend to have sets of expectations about the way in which the council should operate, that is to assist in the aspirations of local capital. In short the regulation of development is pragmatic and localistic in orientation, seeking to protect and promote local property interests. Increasingly, though, the dominant local culture is being challenged by new social groups in the countryside who have their own aspirations and expectations. They actively contest development strategies and organize themselves accordingly. Sometimes this may lead to conflict and contestation within existing bodies or it may lead to the formation of new groups, as in the case of the Woodbury Salterton Society. At the same time the District Council has had to reorientate itself within changed national political circumstances. No longer are councils looked upon as providers, rather they should be enablers, and in some ways this may provide a further stimulus for local developers.

Meanwhile at the county level there is an element of ambiguity in the relations of petty propertied development interests. SAVAGE et al (1992: 194) argue that propertied interests have a straightforward role: "A politics of minimum state inter-

vention". Unfortunately it is difficult to reconcile this perspective with their management of an organization that is the largest single employer in the county and a major economic actor in its own right. Two factors need to be borne in mind here. First, the regulatory apparatus is again largely used to defend local interests. Second, professional local government officers are much more firmly entrenched at the county than the district level. For example, to secure the approval of the County's first development plan in 1958, it was necessary to create the post of Chief Planning Officer. A professionalised administrative structure and professional forms of conduct have combined to give officers a much greater say in decision-making at the county level. At the district level it may be a rather different picture. It is not without some justification that Young has argued that anti-professionalism is a component of 'localism' (see Grant, 1977: 1) that is so rife in East Devon District Council.

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Chapter 21

Alternative Development Models in Marginal Rural Areas
The Forum Partnership Project in North West Connemara

Chris Curtin

The scale and pace of recent changes in rural areas raise questions about the continued viability of many peripheral rural communities. Poverty, deprivation and exclusion in rural Ireland can now be best understood in the context of the general restructuring of rural economies which has become a feature of many European countries over the past decade, and which has been given a further impetus by the reorganization of the European Union's agricultural policies. Since rural development policies have historically been anchored to expansion in agriculture, the introduction of production quotas has resulted in an urgent need to seek out new policies and practices which will offer an effective response to rural deprivation in conditions of restricted agricultural production. In this new policy environment, 'partnership', 'participation', and 'integration' have become key concepts, and development initiatives have increasingly focused on the sharing of responsibility and resources and the building of formal structures of co-operation between state agencies and local communities.

Until recently, the Irish state has seen 'communities' as largely irrelevant to the process of accumulation which was seen to be in the hands of the private and public sectors in the first instance. Some state officials, it is true, did see an indirect role for community groups in hosting manufacturing industry and making it feel welcome in those localities where it chose to locate. As a very minor element of Gaeltacht (Irish speaking areas) development policy, community-based co-operatives had begun to appear in the 1960s. Nor did community groups, thin on the ground, weakly organized and overshadowed by a political culture dominated by political parties, clientelist practices and national sectionally-organized interest groups, pose any danger of provoking a crisis in state legitimation.

In the crisis-ridden circumstances of the 1980s, however, things began to change rapidly. Partly in response to demands from below as local groups appeared on the scene and partly as a result of an official desire to exploit all possible avenues of job creation, the 'community' has come to be constituted as a significant actor in its own right in policy discourse, if not in the development process itself. The creation of a new state body, the Youth Employment Agency, and the community enterprise

programme it launched in 1983, were obviously very important here. At the level of EU-inspired interventions, the anti-poverty programmes have recognized, since the 1970s, the potential for mass unemployment and attendant social marginalization and exclusion to generate deep-seated crises in legitimation.

The recent emergence of 'partnership' and 'participation' as key elements in development discourse in Ireland has coincided with the commencement in the late 1980s of a whole series of mainly EU-inspired area-based development programmes. Leading examples have been the Department of Agriculture and Food's Pilot Programme for Integrated Rural Development (1988-90), the Third EU Programme to Combat Poverty, the PESP Area-based Response to Long-term Unemployment and the new generation of EU area-based rural development programmes such as LEADER and INTERREG. These initiatives, based on a sharing of responsibility and resources over a specified period of time, have sought to institute a formal structure of co-operation between the state and local actors. Central to the entire approach is that a consensus of interests about local development can be achieved and that rapid advances are possible over a relatively short time period on the strength of local and state interests operating in tandem.

'Poverty 3' is essentially a programme comprising of action projects operating in some of the most deprived urban and rural areas across the twelve member states of the EU. Funding is allocated to these projects in order to develop innovative organizational models for combating poverty. The expectation is that these models will form prototypes that could then be implemented on a more widespread basis. What distinguishes the Poverty 3 Programme, however, from other 'partnership' initiatives such as LEADER is its explicit concern with equity considerations and with the channelling of benefits to the most disadvantaged and deprived.

In this paper we will examine one aspect of the Poverty 3 Programme as it operated in North West Connemara, the attempt by the Forum project to initiate and implement a development strategy based on a partnership between state agencies and voluntary organizations. We begin with a description of the Poverty 3 programme and the Forum project. How the 'local' partnership was established, how it functioned, and whether and to what extent it can be deemed successful, are then examined. The paper concludes with a discussion on the wider issues raised by this partnership-based development model for state- community relations.

The Poverty 3 Programme in North West Connemara

Poverty 3, the European Community Programme to foster economic and social integration, was officially launched in March 1990. While the experiences and lessons of the previous programmes – Poverty 1 1975-1980 and Poverty 2 1985-1989 – were incorporated into the design of Poverty 3, a distinctive feature of the latter is the emphasis placed on social exclusion resulting from structural changes in society. The notion of exclusion is expected to draw attention to the underlying causes of poverty and to the need to focus on the processes by which identifiable individuals and

groups are cut off from full membership of society and are unable to avail of a range of services in education, employment, housing and health.

The Poverty 3 programme operated at three levels.

1. At the European level it sought to ensure overall coherence between all EU operations having an impact on the economically and socially less privileged groups in society.
2. At national level, it sought to contribute to the development of preventative measures to assist groups at risk of becoming economically and socially less privileged and the development of corrective measures to meet the needs of the poor.
3. At local level, it sought to produce, from a multidimensional viewpoint, innovative organizational models for the integration of the economically less privileged members in society, involving all economic and social agents.

The programme consisted of twelve innovative initiatives and twenty-nine model actions. The innovative initiatives had as their purpose the exploration of experimental solutions to the specific problems encountered by designated target groups. The model actions, which were much better resourced compared to previous poverty projects, operated on a much larger scale. These model action projects were required to undertake a comprehensive study and analysis of exclusion and develop a strategy to foster the integration of the less privileged groups through a multidimensional and integrated set of actions. A distinctive organizational feature of these projects was the emphasis on partnership structures comprising public authorities, community groups and special interest voluntary organizations. Particular emphasis was also placed on the involvement and participation of the least privileged groups in planning and decision-making. Projects were also obliged and encouraged to engage in a process of self evaluation, to continuously review structures and actions, and to share experience and learning with similar projects in other countries through transnational networks, exchanges and seminars.

Forum is one of the model action projects funded under Poverty 3. It is a partnership of voluntary, community and statutory bodies based in North West Connemara with the objective of putting in place long-term strategies and structures to tackle the problem of rural decline and peripherality in that area. The project spans a wide geographical area (almost 800 square kilometres) and includes the island of Inishbofin which, with a population of 220, experiences more acutely problems of distance and isolation which are common throughout the area. The total population of the area is 8,600 people. The project has a professional staff of 6 full-time and 12 part-time workers and a budget of 1.8m ECU for the period March 1989 to June 1994. The project's actions are directed at key target groups; the elderly, women, children and young adults and the unemployed and underemployed.

Forum's partnership structure

As the midway report of the Poverty 3 Programme *Combating Exclusion in Ireland*

1990-1994 makes clear "there was no well established precedent in the Irish system of public administration for the kinds of partnerships prescribed by Poverty 3. Not surprisingly the development of an effective partnership has proved to be a formidable task, requiring time and constant effort on the part of all concerned" (p. 34). In putting an organizational model based on partnership in place, the Forum project was fortunate in that it could draw on the relationships that already existed between Connemara West, a local community development company and several state agencies. The original partners in the project and the group that formed the Forum Board of Directors (legal owners of the project), Connemara West, FAS (the National Training Authority), Western Health Board, Galway County Council and Galway County and City Vocational Education Committees, had previously worked together in implementing specific development initiatives. Each of the partner organizations committed senior managers or chief executive officers as representatives on the Board of Directors and all but one of these organizations continued as members of the Board through the life of the project. At a later stage the Board was expanded to include Teagasc (the National Agency for Agricultural Training and Research) and BIM (the Fisheries Development Board).

Within the catchment area of North West Connemara, there are nine identifiable communities. Indeed, North West Connemara as a *locus operandi* can be said to be a creation of Forum. Although the different communities share many common features and characteristics, and the area's boundaries coincide with those of English speaking Connemara, there was little record of collective action prior to Forum's establishment. Thus in the early phase of the project, Connemara West 'represented' the community sector. But since this organization was based in only one part of the project area, the community base of the project had to be expanded. This took place in two stages. Firstly, representatives from the nine community areas that comprise North West Connemara were invited to become members of the project's management structures. They were selected in the main by community councils and development associations. This expansion was undertaken by creating a second level of project management, a Management Board, on which the community representatives were joined by representatives from the Board of Directors. While fulfilling several useful functions this management board also introduced a number of difficulties, most especially the exclusion of the new community representatives from the body with ultimate control of the project, the Board of Directors.

In a major revision of the Forum organizational structure, (with the objective of maximizing local involvement) the idea of working groups was introduced in early 1991. Focusing on the project's main target groups and strongly driven by local community and voluntary representation, these groups facilitated community involvement in the project at the level of action and management. Each of the working groups (five were established) has representatives on the Board of Directors and the Executive which replaced the Management Board. The working groups played a critical role in expanding the partnership to include in a real and effective manner, local people and intended beneficiaries.

While building an organizational partnership was difficult, developing an

understanding of what partnership means in practical actions was also far from easy. Because of the novelty of the partnership idea, there was only a limited awareness of the demands which the project would make on the different partner organizations. Building the partnership was very much about ensuring that partners would take their new obligations seriously and work out relationships with each other that would form the basis for good planning and decision-making.

The partnership has brought together a variety of agencies with very different organizational principles and cultures. These include local agencies and staff of central government agencies accountable to superiors, local voluntary organizations based on the principle of membership direction and control, and to a lesser extent private business. Local administration and local government are distinguishable from other local institutions in that they have the force of law and the resources of the state behind them. Together local administration and local government comprise the 'public' end of an institutional framework. At the 'private' end are voluntary local organizations and private businesses. Local organizations come into being to serve the interests of their members, however loosely the latter may be defined. Although they may be in receipt of some public funds they have to proceed largely by consensus and persuasion because no state authority backs up their decisions. They also differ from private organizations in that they are oriented to producing public rather than private benefits. Although local organizations differ from each other, they all tend to be poorly resources as compared to public organizations.

In building the partnership Forum had to negotiate with public agencies to ensure that they acquired a clear understanding of its aims and objectives and to get their commitment to engage in specific actions. These negotiations were time consuming but essential to the partnering process. Public agencies displayed differing capacities to respond to Forum. Some had little experience of directly working with voluntary and community organizations and many were heavily constrained by centralized bureaucratic regulations and management structures. Commitment from key individuals proved essential to initiating a partnership but over time this personal commitment had to be built into an institutional commitment. Voluntary and community groups are often organizationally weak compared to public bodies. They usually have limited financial resources, limited access to information, are dependent on a small number of unpaid individuals and have limited experience of planning and working with public agencies. Yet, because of their energy, enthusiasm and local knowledge they have the capacity to extend and improve existing services or even introduce new services. They have, however, to be supported financially and have professionals assist them with planning, organizational and human resource development. This type of support has been provided by Forum as also has basic infrastructure support in the form of office space and equipment, such as phones, fax and computers.

While the large number of partners involved added to the project's complexity, it also has several positive aspects. It contributed to a greater mutual understanding of public agencies and community and voluntary organizations perspectives on exclusion, to supporting the view that maximum mobilization of resources can only

take place when all relevant actors are involved, and to overcoming a fragmented approach to development which is both wasteful and ineffective.

How has the partnership worked out in practice?

Partnerships can be seen as having the potential to be both enabling and constraining. They can provide almost endless scope for conflict and disagreement, may become cumbersome and bureaucratic in their styles of operation, and may come to be viewed with suspicion both by established agencies that see their jurisdictions being infringed and by politicians who see their role as local representatives being undermined. They also have somehow to bridge the quite formidable gap between senior state officials and those without employment or prospects, at least to the point where both parties can converse and deal with one another as 'partners' for purposes of Poverty 3 project work.

How committed are community groups to the ideals of partnership? The 'all together' ideology of many community groups does fit well with the unifying ideology of partnership and participation that dominates the official thinking behind Poverty 3. However, as the anti-poverty partnerships emerged not organically but in response to specific funding opportunities, the commitment would seem to be strongly instrumentalist on all sides. Cash-starved local groups see schemes such as Poverty 3 as a lifeline; in fact, the advent of the programme has breathed new life into old groups in some cases. To be involved in state-of-the art EU projects can enhance the public image of state agencies and departments as well as the career prospects of individual officials.

Involvement in partnership obviously imposes burdens that weak community groups find it hard to shoulder. The experience of very different organizational cultures has acted as an impediment to full participation. Lacking experience of the administrative style of large bureaucratically-run state agencies, of managing large budgets and paid staff, many community organizations have found the responsibilities imposed by partnership burdensome. If community groups are to become seriously involved, they therefore come under pressure to adopt a more formalized and professional approach to what they do. The response here has been to allocate resources to run training workshops in management techniques and organizational development.

The difficulties here should not be underestimated, however; one of Webster's (1991: 58) interviewees graphically illustrates the imbalance by suggesting that "they (statutory sector) are taking the leading roles across the board. If it's to do with social matters it's the Health Board...if it's to do with education matters, it's the VEC..training, it's FAS...". To counter such imbalance special measures have been taken in some instances to give the community representatives a greater voice and so counterbalance the superior power (in organizational, decision-making and resource terms) of the statutory sector and allow the 'partners' to deal with one another on more equal terms. It has been suggested that the price of partnership for

community and voluntary organizations is the loss of autonomy and independence and their role as advocates and campaigners. The Forum experience would suggest, however, that we should not underestimate the capacity of these 'informal' organizations to hold on to their independence. Partnership may actually increase their bargaining power and effectiveness through their acquiring additional resources, regular access to powerful individuals and an important role in the provision of services.

How effective have the projects been in realizing their aims? It is clear that the anti-poverty partnerships are indeed innovative in the context of the strongly centralist and bureaucratic structures that dominate the Irish public administration system. But the strength of centralized decision-making and political clientelism has, at the same time, created an unfriendly environment in Ireland for the sort of participatory democracy that these projects aspire to. Dark shadows can be cast by the wider environment on the work of the anti-poverty partnerships. Attempts by Forum to expand the scope of state intervention in Connemara, for instance, are taking place in a context in which other arms of the state have been reducing welfare state and other services.

Pilot schemes can bring about changes in structures, services and attitudes. What is learned from the schemes may be as important as what the projects themselves achieve during their lifetimes. What chance is there this time that the lessons may become the basis of long-term policy? Reflecting the dearth of strategic thinking about combating poverty across the state sector, it is not clear how the anti-poverty partnerships are to be integrated into regional or national planning. For all the talk of inclusion, therefore, the long-term fate of these partnerships may be one of continued exclusion for community groups.

Partnership, state agencies and community groups

The weak capacity of the state to provide anything like full employment and the enormity of the crises it now faces have opened up new possibilities for community groups in Ireland. These possibilities are being pursued in two contrasting ways by groups that choose to work either with or against the state. For those that have taken the well-trodden integrationist path, the case for proper state support hinges on a belief that "participation in community development can be a valuable education and morale-boosting experience for poor people, and that community development can revive a whole area and make public services more relevant and accessible to the local population" (O'Cinneide and Walsh, 1990: 332). The reality of community group dealings with the state has tended to fall far short of these ideals.

Rather than promoting genuine empowerment or changing conditions for the better, one general view sees state intervention directed at community groups as a means of social control and maintaining existing power relations in society (Gilbert and Ward, 1984: 770). This same theme of control looms large in discussions of the state's relations with community groups in Ireland, north and south (Crowley and

Watt, 1992; Rolston, 1991), and at once reflects the high degree of dependence on public funding and experience of a centralized and highly bureaucratic state. The concrete issues that have made relations between statutory bodies and community groups "more fraught than ever", in O'Cinneide and Walsh's (1990: 333) view, are funding as well as manipulation. Typically the state can set its own priorities which community groups must accept to secure funding, provided on an *ad hoc* and piecemeal basis as a rule. Funding may be delayed or even withdrawn from groups whose actions the state disapproves of, as is vividly illustrated by the political vetting phenomenon in Northern Ireland and the denial of funds to groups *suspected* of parliamentary links (Glynn, 1992). Those who enter into partnerships or come to depend on the state for funding in whatever form may find it hard, out of fear of the consequences, to exercise an advocacy or critical role.

Feelings of manipulation are perhaps inevitable when 'communities' are constituted as actors in the development process at a rhetorical level, yet where there is a reluctance to elaborate "a comprehensive official policy in relation to community development overall" (O'Cinneide and Walsh, 1990: 334). The reality instead at once reflects the fragmentation of the state and its excessive centralization. That several branches of the state – such as some health boards and local authorities – now have their own community workers, whose responsibilities include servicing community groups, attests to the reality of fragmentation. Fragmentation, of course, has been greatly added to by the proliferation of area-based and other schemes. Many of the community enterprise activists interviewed by Kelleher (1986: 16) registered some of the effects in their complaints of protracted negotiations, lack of co-ordination between state schemes and the mismatch between official requirements and the needs of local groups. The fragmentation of the state and of the community 'sector' itself might seem to rule out any overarching 'partnership', but hopes have been raised that the long-awaited charter for the voluntary sector may put relationships on a more formal and stable basis.

Control is frequently seen as almost synonymous with centralization. Even before the area-based programmes had appeared on the scene, the clash between the "technocratic or managerialist ethos" that pervades public administration and the democratic and participative ideals of community groups had been noted by Commins (1985: 172). Pervasive as the element of centralization may be, contradictory tendencies are also in evidence, as when we find the Combat Poverty Agency lobbying government for a proper policy framework and adequate funding for community groups while the Department of Finance turns down an EU offer to provide £8.5 million in direct funding to community groups in 1989 (Tucker, 1990: 46; Lynch, 1990: 122).

Can community group involvement in area-based programmes result in policy change? Policy-making is clearly a complex process and is the subject of much debate between the proponents of corporatist, pluralist and policy networks models of the policy formulation process (Marsh and Rhodes, 1992). Whatever 'partnership' status community groups possess within relatively short-term area-based schemes,

they are not recognized as social partners at national level and are thus excluded from a major policy-making arena. Unlike farmers, employers and unionized workers, community groups, of course, are not represented by recognized associations, despite the efforts of various alliances to establish themselves in such a role.

While community groups may be excluded from the process of policy formulation, evidence from the Poverty 3 model action projects does suggest that community groups can influence the *implementation* of policies, at least for the duration of special area interventions. In Forum, for example, the Western Health Board has been co-operating with community groups in providing new services for the elderly, and the project has persuaded BIM to test out new ways of supporting shellfish farmers.

There can be little doubt but that the standing and bargaining position of community groups has been weakened as a result of community enterprise falling short of that commercial viability which state agencies take to be central to the 'market-led' model of development. That the strengths community groups possess are more 'social' than 'economic' in character, however, may not be a liability in a situation where the state is increasingly keen to contract out social services and to hive off some of its welfare state obligations to the private and voluntary sectors. To the extent that all this is occurring at a time when services are being cut, there is a distinct danger that increased reliance on community provision may become "a means of tempering the worst effects of present policies while pre-empting more radical structural change" (Tucker, 1990: 36).

For their part, growing dissatisfaction with short-term schemes is evident among groups constituted according to integrationist principles. One of the chief ironies of the whole area-based approach is that far from being empowered in the longer term, their temporary nature can leave community partners dangerously exposed once projects are wound up. Having been encouraged to take seriously the ideals of participatory rights and 'partnership' status, there may come a day when community groups insist that the state take these elements equally seriously. While projects such as Forum clearly represent a new approach to tackling problems of underdevelopment in remote and marginal areas, it is far from evident if and when this area-based partnership model will survive beyond its experimental phase.

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Chapter 22

Villages Coping on the North-Eastern Margin

Jukka Oksa [1)]

The portrait of the Finnish village hero is changing. People living in the village today have experienced totally different kinds of rurality and respected different types of heroes. During the active days of our grandparents' generation, the hero was the settler, winning land from harsh nature by persistent, stubborn toil. The present middle-aged generation grew up with the Nordic Welfare State. Its heroes were politicians and interest group leaders, who fought for benefits for farmers and their families. Now they are retreating as the political thrust of farmers gets smaller, problems of marketing farm products greater, environmental restrictions tighter, and the welfare state poorer. The hero respected by today's young generation is not the winner over nature, or the captivating orator in Parliament. Its hero might be a song-writer making rhythm and lyrics about the fate of rural people, or a designer presenting the rustic style for a season. She or he might be a writer or a programmer, or even a researcher, living in rural surroundings, however connected in real time with the networks of his work.

The actions of successful rural heroes provide a new model of local strategy against the threat of marginalization of rural people. New models are needed when changes in economy and policy have transformed the role of rural areas in society. Societal changes define a new space for action, set new limits and sometimes also open up new possibilities. In a way they outline a new way of acting, new tasks for actors. The new possibilities are not realized until some agent takes action. The fundamental question of any local and rural development is how the limited resources can be mobilized to exploit the rising tide of societal development. Living in a small and remote village means special obstacles to be aware of and to overcome before participating in the development of the society. If someone recognizes new streams of development and finds ways to connect to them, she or he has some of the makings of a rural hero.

[1)] The author expresses his thanks to the European Science Foundation, which has supported this work through its programme "Regional and Urban Restructuring in Europe" (RURE).

Remote, sparsely populated forest near the border

In my story of village level change I am relying on case studies of villages in North Karelia, Finland. These villages, studied by researchers from the Karelian Institute of Joensuu University, are selected to cover a range of the most typical village development patterns in eastern Finland. I shall use research material from four villages: 1) a family farming village, Ruvaslahti, of 350 inhabitants, which has tried to adapt in the age of information technology with one of the first telecottages in Finland, 2) a new farming village, Rasimäki, of about 70 inhabitants, that was cleared from the forest during the post-World War settlement policy for Karelian families whose farms had been in the regions that were annexed by the Soviet Union, 3) a traditional forest working village, Sivakkavaara, of 50 inhabitants, which had its best years during the labour-intensive period of forestry in the 1950s, and 4) a modern forestry village, Hattuvaara, of 200 inhabitants, which has survived during the phase of mechanized, large-scale forestry.

At the same time as I am telling a story of remote villages, I am also telling a story of changing national policies: how Finnish society has integrated rural areas in different times, and how the definition of marginality has changed. I roughly divide Finnish history into three main periods of national policy projects, or modes of regulation, each of which links to the villages in specific ways (see Table 1). These three successive policy projects are: 1) construction of a nation (from the late 19th century until the post-war construction period of the 1950s), 2) industrial welfare state, from the 1960s until the 1980s, and 3) creation of the European integration project, which is prominent in the 1990s. The years of transition from one project to the next are not clear-cut and should be counted in decades rather than in years. Each project has its "childhood" within the earlier period.

North Karelia, in the easternmost part of Finland, is a province of forests and lakes. Its winter is dark and harsh, and summer is light and short. It is part of a sparsely populated border zone, where political treaties have changed the location and significance of the border. Its people have paid taxes to the Swedish Crown, the Russian Emperor and the Finnish Republic. If Finland becomes a Member State of the European Union, this region will be a part of the sole direct border between the EU and the Russian Federation. Its major resources are forests, the foundation of Finland's forestry multinationals. The ancestors of its people settled there, because they were promised farming land of their own.

Construction of a nation

The Finnish state has been characterized as "a peasant state" or "a forest sector society". The Finnish nationalistic movement at the end of last century was a coalition of cultural intelligentsia and peasants, who were united by the language question (one language, one nation). The crucial social divide of this emerging nation was land ownership. The most important marginal group was the landless

population (rural labourers, crofters). Upward social mobility meant getting one's own piece of land, that could be bequeathed to one's children. The question of land was an important mobilizer of political movements, and land reforms were the key policy tool to build cohesion and to solve societal conflicts. After independence, the first central question was healing the wounds of the violent civil war of 1918. The solution was land reform, giving farms to the crofters and the landless farm workers. Private farm ownership was the new cement of rural coherence in the 1920s. Also after the Second World War large-scale settlement programmes were implemented to give farms to the Karelians and ex-soldiers.

Sociologist Tarmo Koskinen characterized Finland a 'forest sector society' (1985). This expression refers, not only to the central role of forestry products in exports, but also to the political structure of the governing elite of Finland. National coherence has been based on the compromises of the two wings of the forest sector: private forest owners (landowning peasants) and forest industry. These both benefited from the export of forestry products, which defined the role of Finland in the international division of labour.

Table 1. National Policy Projects in Finland

	– 1950	1960-1980	1990 –
The core of the project	Construction of the nation-state	Industrial welfare state	European integration
International economic orientation	Export of forestry products ("Green Gold")	Trade agreements to east and west	EU membership, global markets
Main social tensions	Class conflict and rural poverty	Distribution of growing wealth	Differences in competitiveness
National level hegemonic bloc	Coalition of land owning peasants and forest industries	Export industries, farmers' central organization, trade unions	New exporters, service class
Regulation of the countryside	Land reforms and settlement policies	Central agreements on incomes and welfare reforms, regional policy, planning	New integral rural policy
Marginalization	Being left without land	Being 'forgotten' by reform makers	Being pushed out of labour or commodity markets
Role of rural areas	Space for expanding settlement	Reserve force for economic growth	Space for consumption and housing
Rural form of action	Peasant community, autonomous municipality	Political protests and reform demands to state	Competitive strategies by local blocs of development

Peasant state and flourishing village life

During the construction of the nation, our case study villages grew and lived through hard-working but optimistic times. Ruvaslahti village was formed on the fertile soils of an earlier lake bottom, that was cleared by a dramatic lake drainage project in the late 19th century (see Vesajoki, 1983). The farming village of Rasimäki was constructed by a post-war resettlement programme by clearing new land from the forest. Forest working villages, Sivakkavaara and Hattuvaara, were located near forest cutting sites of state and forest companies. They became lively places for housing and lodging lumber workers. There a local combination of small-scale farming and forest work was pursued. Small farms of several hectares with a few cows were providing forestry with a seasonal labour force.

The industrial welfare state

In the early 1960s Finland's policy orientation turned sharply towards industrial growth and stronger participation in international trade. First came the European Free Trade Association (EFTA), and later trade agreements with the EEC and CMEA countries. Profound changes took place in the framework of both farming and forestry. In agricultural policies there was a move away from subsidizing the smallest farms towards structural policies, emphasizing productivity, specialization and mechanization of family farms. Farming was being integrated with food manufacturing. The forest industries, forestry organizations and state forest agencies campaigned for more intensive forest production, supplying a more steady flow of raw material for board, pulp and paper exporters. New modes of organization of work and new technologies were introduced in forestry work, with dramatic impact on the fabric of forest work communities in the remote areas, which depended on forestry more than on agriculture.

The industrial growth project turned into a powerful force for structural change during 1965-75, soon to be called by Finnish sociologists "the Great Move". In one decade almost one generation of Finns moved from the countryside to the industrial centres of the south, and some of them to Sweden. The violence of this change brought about political counter-forces, a populist protest of the 'forsaken' rural people and growing sympathy for the periphery among the radicalizing students and youth. The interregional migration flows slowed down during the oil crisis and stayed calm until the latter half of the 1980s, mainly because the state reforms created industrial and service jobs in rural centres.

Regional policies during the 1970s supported the industrialization of rural centres. Investments in both capital-intensive forest industries (pulp, chipboard, sawmills) and labour-intensive light manufacturing (wood manufacturing, metal products, clothing) were subsidized by the state. In the 1980s regional industrialization policies were found to be ineffective, and new regional policy measures were geared to supporting the establishment of smaller firms and the rationalization of

existing enterprises (product development, marketing etc.).

The core mechanism of the management of the welfare state were the so-called income policy agreements. These central agreements (triangular compromises of labour organizations, employers' associations and the Government) regulated the rules of income distribution and also how much of the economic growth was used to build social services. In Finland the strong farming bloc struggled to give its own character to the welfare system, guaranteeing basic services (national pension plan, equal children's allowance, health services, holidays etc.) to the farming population. The expansion of Finnish welfare services had a balancing effect on regional differences in the 1970s and 1980s. The number of public service jobs at local level increased because several reforms (in the school system, in health and social services) added to the functions of municipalities. In rural areas these new jobs (often for women) were located in service centres. Thus many service centres of rural municipalities grew rapidly, although the total population of these municipalities declined. The service centres did capture part of the migration outflow from remote villages.

The industrialization policy also meant rationalization of farming into more effective and bigger production units. The strength of the peasant lobby successfully induced the state to support a modernized family farm producing raw materials (in eastern Finland milk and meat) effectively for the food industries.

Diverging development paths

For our case study villages the industrial welfare state period meant social differentiation, both inside and between villages. In Rasimäki there were two waves of internal polarization. The first began in the late 1960s. Some of the farms, mostly because their field acreage was too small, dropped out of production, with the help of the state programme of 'field packaging'. In the mid-1970s came the second wave of polarization, when one third of the 33 active farms changed to the new type of 'industrial' (mechanized, specialized, capital-intensive) farming. They almost doubled their average field size, from 12 to 22 hectares. During the same period about ten farms went out of production. However, the numbers of active modernized farms were not enough to keep the store open or to save the village school.

The mechanization of forest work dealt a death blow to the old combination of small-scale farming and forest work. The new salaried forest worker replaced the old seasonal lumber-jack and working horse, both products of small farms. While in the 1950s Finnish forestry had used a total of 150 000 worker-years of labour, a few decades later it needed only 30 000 worker-years. The special form of the local rural economy, based on small-scale farming and winter-time forest work, was crushed in ten years. Smaller farm families were forced to seek new sources of income. Our traditional forest working village Sivakkavaara was transformed into a retreat of pensioners and the unemployed. Its farms were too small for modern agriculture. In 1970 there were still 20 persons working in forestry, ten years later only three to five, and today hardly any. The village elementary school, with 60

pupils in the 1960s, was closed in 1982. In the 1980s three-quarters of its inhabitants depended mainly on social income transfers. In 1988 there were 52 inhabitants and only seven of them were working.

Although the rationalization of forestry has been a final blow to many forestry villages, a few villages (three in North Karelia, to be exact) found a new function as housing and service centres for modern, whole-time forest workers. Our case village of Hattuvaara (Lieksa) is a housing centre for workers cutting and transporting wood around the villages within a 40-50 kilometre radius. Collective transportation to the felling sites is organized by the employer, the State Forestry Board, which has also built ten rental apartments for the forestry workers. The core of 30 state forestry workers has attracted other functions to the village. The municipality built a few rental apartments for families and the elderly. The village has over 200 inhabitants, which has been enough to maintain the basic public services (school, post-office, meeting hall, shops) and even attracted new ones (pub, bank, taxi-drivers)(see Rannikko, 1987.) Also some farms around the village have been able to derive some extra income from forestry and services, and have survived. However, Hattuvaara's success may turn out to be only temporary, as a new wave of mechanization is coming. One new forest harvester replaces ten forest workers. Unemployment among the forest workers is increasing.

Protest of the forsaken people

The inhabitants of villages that were being pushed out of agriculture, were frustrated. They felt that society was forgetting them. They reacted by giving their political support to a rural protest movement expressed by the Finnish Rural Party, SMP, earlier the Smallholder's Party. In the Parliamentary elections of 1970 this movement surprised all the political analysts by getting 10.5% of the national vote and 18 members (of 200) to the Finnish Parliament, the greatest loser being the Centre Party (earlier the Agrarian Party). The highest proportion of votes for SMP was polled in North Karelia (23.9%).

Our case-study villages also participated in the rural protest. In the 1960s our farmers' village Rasimäki had been a stronghold of the Agrarian League (later the Centre Party)(for example it won 70% of the Parliamentary votes in 1966). In 1972 half of the voters protested by voting for the SMP. Our traditional forestry workers' village, Sivakka had been a stronghold of 'backwoods socialism' (over 80% of votes going to the two leftist parties in 1966). Here the SMP protest got 30% support in 1972, and later in 1983, when SMP had another nationwide wave of success, its share of votes went up to 46%. By then the economically active population of Sivakka had almost totally vanished, and the pensioners and the unemployed felt that they had been forsaken by the welfare state.

New rural coherence in village committees

During the Great Move villages were polarized economically, socially and

working in Copenhagen, who had bought a summer place in the village. After her lecture and enthusiastic discussion, there arose an idea of starting computer courses in the unused village school building. This started a process that wove together the activities of the village, the local adult training institute and the regional development funds of the governor's planning department (which had included the notion of rural information technology in its strategic plan for the future). Computer courses started in autumn 1986 and soon the activity took the form of a telecottage, a rural information technology community centre.

In the beginning, during the introductory training, the enthusiasm of the participants was high. However, the search for computer applications suitable and beneficial for local farmers brought disappointment. Also creating new rural jobs (telework) has not brought expected results. Anyhow, the telecottage has kept itself running and maintained two permanent jobs in the village. The significance of new technology was partly, and perhaps mostly, in launching new social processes. The village people could identify themselves as a community capable of meeting modern challenges. Getting rid of the stigma of backwardness was met with enthusiasm.

The present role of telecottages is twofold. One aspect is acting as 'village secretary'. This connects the telecottage intimately to the village community and gives it a social (moral and political) justification. In this role the telecottage helps in the routines of village organizations: text processing, accounting, keeping membership registers, producing and mailing of bulletins, computer services for fishing contests, and the register of landowners leasing out hunting grounds. Also the telecottage expertise in writing official letters and petitions, and in understanding letters and decisions from public bodies, is valuable. The telecottage premises are important for village events and several courses of the adult training institute.

The second role of the telecottage is to bring jobs (telework) into the village. Ruvaslahti telecottage has relied on its expertise of rural development. Its has produced reports on telecottages in Finland, a bibliography of rural research, a report on distant work (telework), a regional database of rural experts, and organized a village development seminar. The biggest job was entering part of the national agricultural census data of 1990 into a database, which gave five part-time jobs for two months. Also some work has been sold to a town accounting bureau. The sale of rural information work has been possible because of the combination of several factors: the skills and connections of telecottage organizers, the availability of part-time female labour (for example, farmers' wives and daughters with commercial school training), and the hardware and software in the telecottage. In 1993 Ruvaslahti telecottage signed a contract with the Central Association of Finnish Municipalities to act as its national information centre serving village committees.

New rural development blocs

New coalitions behind new development initiatives can be seen as elements of changing rural coherence. Their significance is increasing because of an increasing recognition of the market-based rules of marginalization: you are marginalized by

being pushed or left out of labour or commodity markets. Several different kinds of local coalitions for development are emerging, such as industrial development blocs, environmental blocs, tourism and leisure blocs. They are seeking new competitive strategies for local communities, municipalities and regions. Rural organizations and agencies are preparing strategic plans, training their members and personnel, rethinking their activity in terms of competitiveness.

One example of such a bloc is the coalition promoting information technology. The village of Ruvaslahti and its telecottage has attracted plenty of favourable publicity and fame, but the municipality of Polvijärvi hardly used it at all for publicizing the municipality. This lack of ardour is apparent when Polvijärvi is compared with another North Karelian telecottage municipality, Kontiolahti, which has a strong information technology profile and well-demonstrated image-making skills. An explanation of this difference could be that in Polvijärvi the municipal strategy was formulated by the industrialization (manufacturing) bloc, but in Kontiolahti by the information technology bloc.

On the basis of observations about Ruvaslahti village and Kontiolahti municipality, I suggest that the information technology strategy has been constructed and supported by a coalition of three groups: rural developers, rural entrepreneurs and rural service class. The *rural developers* are well-trained information professionals, whose work or activism (political, interest group) is connected with defining and expressing the 'rural interests'. These people can be politicians, planners, activists of rural-based organizations, development project workers etc. *Rural entrepreneurs* need better communications to develop their production and trading connections. They are willing to solve their practical communication problems with new technology, but they want reliable technology that is easy to manage. If it is available for a reasonable price, they employ it (telefax is a good example). The *rural service class* could also be called "new rural residents" or "rural yuppies". They are well-trained, middle class people living in the countryside, working in urban-like professions. They want to combine the best qualities of urban and rural life: to live in the natural environment, to bring up their children in small communities etc. They want also to have a successful career and access to urban services, culture and information networks. For them new information technology promises to link rural environment to urban services. If these three groups are strong and able to join forces, as in Kontiolahti, the result can be a long-term development strategy.

These pursuits correspond quite well with national policy developments, like Finland's new comprehensive rural policy outlined in the National Rural Programme (1991). The same tendencies are also encouraged by international recommendations for rural policy in western countries, like the European Commission report "The Future of Rural Society" (1988) and the OECD rural policy report "What Future for Our Countryside?" (1993). These reports see the future countryside as being integrated into urban markets. These documents propose new mechanisms for connecting rural areas into society. These changes are achieved by several shifts:

- from agricultural to residential rurality (rural living environment);

- transferring responsibility for public services to the local level, where experimental forms of service provision are encouraged;
- decreasing but more pluriactive farming;
- re-channelling public rural development support into expanding competitive rural industries;
- integrating rural actors into information-based networks.

Linking to urban

For many rural communities it is hard to find positive aspects in the new integration project. It brings problems to small industries producing for local markets, it threatens to halve the income of farmers, to cut down public service funds and decrease all social transfers that have been beneficial to rural areas. New market-oriented ways to avoid marginalization are hard to create.

The new local development blocs try to gather forces to overcome these obstacles. The key common feature of these local development blocs and their new strategies, is their orientation towards renovating forms of rural-urban interaction. They try to fight exclusion from the markets by finding new ways of controlling their exchange with the towns. These new heroes are aware of the new rules of marginalization. They are also supporters of the new policy projects.

What elements of earlier projects are more likely to be transferred to the next? More likely to continue are those parts where the stronger points of the old and the new period meet, or to put it in terms of political forces, where groups of the old bloc can compromise with the new, or eventually join the new bloc. That helps to explain how the earlier peasant state rationale was able to flavour the welfare state, especially its agricultural policy, social security and social services.

In the emerging policy project, rural communities are drawn in new ways into the urban-led production and consumption system. The groups forming new rural development blocs are fighting against marginalization by increasing urban-rural interaction. Even when they express solely rural interests, their most important resource is their urban connections. The intensifying interaction with the urban system brings about a paradox. At the same time as it improves the expression of rural interest (by these groups), it also helps to annihilate the distinction between the rural and urban, and to destroy the specificity of rural in their interests. What remains of the rural in this interaction, is those elements that can be transferred into the urban. Maybe this partly explains why rural is today so often defined in terms of symbols and culture.

Today's rural heroes are like grandchildren of the peasant age. For grandchildren rural becomes a feature of the past, of reminiscence, part of identity, quality of cultural artifacts. Today it has become a feature of commodities, to be consumed. It is a quality of food, or of life, a pleasantness of housing district or holiday landscape, a cultural value, a feature in a piece of art or in a style.

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Chapter 23

Rural Women in East Germany

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The transition from a planned economy to a social market economy in East Germany is going along with a drastic reduction of jobs. Although in the former GDR women had been almost completely integrated into working life, men and women started into the transition process from different positions. In spite of the ideologically-founded assumption of equality, the high rate of female employment in the former GDR primarily resulted from economic necessity. Even in the former GDR women's subordinate position in working life had not fundamentally changed (Förster, 1991). Patriarchal structures continued to exist, from which followed, especially for women, negative consequences concerning their position in the labour market (Arbeitslang, 1993: 239).

In fact, women are not more severely affected by the reduction of jobs, but it is more difficult for them to re-enter working life. Their risk of staying unemployed is higher than for men. Therefore, sex-related discrimination is mainly caused by recruitment policies favouring men (Heseler and Warich *et al.*, n.d.: 44). In September 1993, for example, the unemployment rate for women (21.6 %) was much higher than for men (10.7 %).

Because of sex-specific segregation of the labour market in some sectors, women are particularly affected by job reduction. So in the textile industry, where more women than average had been working, but also in the chemical industry, light industry and in agriculture, women's jobs were susceptible to rationalization (Engelbrech, 1992: 31). In some sectors structural change has been causing problems in regional labour markets above all. In the regions concerned there are hardly any job alternatives for women, because men and women are in competition for scarce vacancies. Step by step men force their way into the service sector, which has been dominated by women up to now (Engelbrech, 1991: 655). This is also true in the agricultural sector.

In rural areas agricultural enterprises had been the main employers; unlike unemployed men, women have greater difficulties finding other jobs in those structurally weak areas. In 1989 in the GDR approximately 819,700 persons were engaged in agriculture, 38.5% of them women. In livestock and horticultural enterprises women's shares were higher than in crop production. In agricultural enterprises in the GDR, there was vertical and horizontal segregation. In the administrative sector, in the manual side of livestock and crop production and in the

child-care sector, women's shares were above average (Table 1).

Table 1. Employment sectors in agricultural enterprises in the GDR in 1989 (%)

Employment sector	Men	*Women*	Total
Primary production	72.2	*57.3*	66.5
Engineering and make-ready work	3.7	*2.0*	3.1
Management	6.6	*3.5*	5.4
Administration	1.1	*12.4*	5.4
Child care	0.5	*5.5*	2.4
Other sectors	15.9	*19.3*	17.2
Total	100.0	*100.0*	100.0

Source: Datenspeicher Gesellschaftliches Arbeitsvermögen, calculated by Gommlich IAB, VII/6

Although men and women had similar qualifications (Table 2) most women had jobs characterized by a relatively high routine content and a lower mechanization content, which could be fitted in with their family and housekeeping duties. These jobs hardly enabled women to preserve, let alone improve, their qualifications and their occupational experience (Schenk, 1992). In the primary sector women were predominantly doing unskilled jobs. Their main jobs were manual work in the fields (e.g. hoeing sugar beet), preparing, storing and marketing crops like potatoes and working with livestock. These non-mechanized jobs were often more strenuous than mechanized jobs but they were much more poorly paid. The more responsibility a job required, the fewer women were holding such a job (Table 2).

Table 2. Qualification levels of the permanent labour force in agriculture in the GDR in 1989 (%)

Qualification level	Men	*Women*	Total
Without any vocational training	4.6	*8.0*	5.9
Partly skilled workers	4.2	*2.3*	3.5
Skilled workers (with craft certification)	72.2	*77.3*	74.2
Master craftsmen	9.2	*3.1*	6.8
Specialized technical workers (with vocational extension certificates)	6.5	*7.1*	6.7
University graduates	3.3	*2.2*	2.9
Total	100.0	*100.0*	100.0

Source: Statistisches Jahrbuch der GDR '90: 217, own calculations

to enable women to re-enter working life?

Table 5. Development of the labour force in agricultural production co-operatives and their legal successors by gender and sectors between July 1st 1989 and autumn 1991 (%)

	Sectors				
Labour force	**Management**	**Administration**	**Production/processing**	**Social sector**	**Total**
Men					
Voluntary quitted	16.7	0.0	12.5	8.2	12.6
Dismissed	23.6	50.0	40.8	51.0	38.1
Left [1]	8.3	0.0	6.7	2.0	6.1
Still in LPGs or succeeding enterprises	51.4	50.0	40.0	38.8	43.2
Total	100.0	100.0	100.0	100.0	100.0
Women					
Voluntary quitted	*5.3*	*11.9*	*9.9*	*11.8*	*10.2*
Dismissed	*36.8*	*37.3*	*42.6*	*76.4*	*43.4*
Left [1]	*5.3*	*0.0*	*5.9*	*0.0*	*3.6*
Still in LPGs or succeeding enterprises	*52.6*	*50.8*	*41.6*	*11.8*	*42.8*
Total	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*
Total					
Voluntary quitted	14.3	10.8	11.3	9.1	11.5
Dismissed	26.4	3.4	41.6	57.6	40.4
Left [1]	7.7	0.0	6.4	1.5	5.0
Still in LPGs or succeeding enterprises	51.6	50.8	40.7	31.8	43.1
Total	100.0	100.0	100.0	100.0	100.0

1) Without giving any reasons

Source: Fink and Zierold, 1993

Coping strategies of unemployed women

For women in rural areas, the value attached to employment as part of life only changes slowly, even after the radical change of the social order in the former GDR. Yet the women are pessimistic about their professional future. This is less due to the fact that at the moment women are particularly affected by structural change, than to their fear that those who lost their job will no longer be able to meet their requirement which is to bring family and career into line, either in the near or in the distant future. The following remark, which was often heard in interviews with unemployed women, expresses this fear: *"It would require a miracle to find a new job!"*.

Table 6. Employment status and whereabouts of employees by gender and former employer, autumn 1991 (%)

		employment status/employer at the time of investigation								
		gainfully employed						training and retraining	short-time work/unemployment	(early) retirement, econo. non active
former employer		LPG/ LPG-successor	business separated from the LPG	state farms	other sectors	no response	total			
LPG	men	37,6	4,5	0,2	20,5	2,0	64,8	0,7	12,0	22,5
	women	*31,3*	*1,6*	*0,0*	*10,8*	*1,0*	*44,7*	*3,2*	*30,5*	*21,6*
	total	35,1	3,3	0,1	16,5	1,6	56,6	1,7	19,6	22,1
state farms	men	4,3	8,7	27,6	30,5	1,4	72,5	0,0	14,5	13,0
	women	*5,9*	*5,9*	*17,6*	*20,6*	*8,8*	*58,8*	*0,0*	*23,6*	*17,6*
	total	4,9	7,8	24,2	27,1	3,9	67,9	0,0	17,5	14,6
other sectors	men	0,2	0,0	0,4	69,2	1,3	71,1	1,3	14,5	13,1
	women	*0,4*	*0,2*	*0,2*	*61,6*	*0,9*	*63,3*	*2,2*	*20,3*	*14,2*
	total	0,3	0,1	0,3	65,0	1,1	66,8	1,8	17,7	13,7
total	men	17,7	2,7	2,3	44,1	1,6	68,4	0,9	13,3	17,4
	women	*11,4*	*0,9*	*0,8*	*42,4*	*1,2*	*56,7*	*2,4*	*24,0*	*16,9*
	total	14,7	1,8	1,5	43,2	1,4	62,6	1,7	18,5	17,2

Source: Fink and Langendorf, 1992: 40

Impacts and implications of unemployment on women are subtly different. It is interesting to see how a similar situation for all women, namely confronting unemployment, is being experienced and managed in different ways. Another interesting aspect to be examined is the influence of factors such as age, qualifications, length of unemployment, family conditions and closeness to profession.

Starting from the analysis of employment as part of women's life, this section intends to show how the affected women subjectively experience unemployment and what kind of strategies they evolve to cope with these completely new circumstan-

Woman and labour market policy

The above-mentioned quantitative analyses and the interviews show that in spite of the shaking out process, the East German labour market situation will not ease in the next few years due to women withdrawing voluntarily from working life. Women are joining the unemployment register just like men, and trying to find new jobs. Especially in rural areas and for women formerly engaged or vocationally trained in agriculture there are very few opportunities to find a new job in the primary labour market. So it is only a matter of time before West German labour market structures characterized by a low female employment rate are adopted by the new *Länder*, unless counter-measures are taken under a specific labour market policy.

Women formerly employed in agriculture are very likely to stay unemployed. In 1989 39.0% of all agricultural employees were female, at the end of 1992 58.9% of all unemployed persons coming from agricultural jobs were represented by women. Women who show two or more of the following characteristics are particularly difficult to place in jobs: those who are older than 40 or 45 years, have a low level of school education, have no formal occupational qualifications or a low qualification level, have been working many years in agricultural production, lack mobility, do not own a car and are single parents (BMFJ, 1992: 12).

As women's job prospects in the primary labour market do not look good for the future, policy measures are of great importance for improving women's situation in the labour market. Regarding the current situation such measures should bring financial security for persons affected, reduce unemployment and stabilize society. In the long-run they should improve individual job prospects and conditions for development of permanent jobs (Spitznagel, 1992: 278).

Instruments of a sound labour market policy are employment service, job creation and retraining measures among other things. Each of these instruments should be monitored to assess its impact, to show how they contribute to surmounting sex-specific labour market problems and labour market segregation. The proportion of female employees out of all gainfully employed persons (1989 49.0%) or the proportion of female unemployed among all unemployed persons (April 1993 63.2%) could be used as selective criteria for impact assessment (Ochs and Seifert, 1992: 442).

In the following sections the sex-specific effect of labour market policy instruments is discussed for the two Länder Mecklenburg-Vorpommern (MV) and Brandenburg (BB), whose economic structure was dominated by agriculture.

Job creation measures (ABM) [4)]

In November 1993 women as a proportion of all unemployed persons amounted to

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[4)] ABM - Arbeitsbeschaffungsmaßnahme (Job creation measure).

61.8% in Mecklenburg-Vorpommern and 66.3% in Brandenburg. In Mecklenburg-Vorpommern 46.0% of the new jobs (including ABM) were held by women, in Brandenburg 54.1%. Women's shares of ABM amounted to 53.5% (MV) and 51.0% (BB)(see Table 7).

In December 1991 women's share in ABM amounted to 36.7% in all the new *Länder*, by November 1993 it had risen to 51.0%. So women's share of ABM is rising slowly from a low level. It is, however, out of all proportion due to women's share in unemployment and due to the fact that at the moment in rural areas ABM are often the only possibility for starting work again.

Table 7. Unemployed women, ABM and placed persons in Brandenburg and Mecklenburg-Vorpommern and the new Länder in November 1993 (%)

Land	Women's share of all unemployed persons	Women's share of ABM	Female ABM-jobs per 100 unemployed women	Women's share of placed persons
Mecklenburg-Vorpommern	61.8	53.5	19.5	46.0
Brandenburg	66.3	51.0	15.8	54.1
All the new Länder	65.5	51.0	15.3	49.7

Source: IAB Werkstattbericht, 1993: 17

The finding that women are under-represented in ABM is mainly caused by the fact that most of the measures were set up in sectors dominated by men. More than half of the ABM are measures to improve infrastructure, to restore buildings and to reduce ecological damage; only 20.0% of the ABM are related to the social infrastructure (Spitznagel, 1992: 283). Especially in employment promotion companies are women under-represented. In such companies in Brandenburg the women's proportion amounted to approx. 33%, this is less than the women's share in all ABM. A reason often mentioned is the fact that women are not capable of doing strenuous work (Wagener, 1992: 21). In Mecklenburg-Vorpommern employment promotion companies were predominantly founded in sections dominated by men. In the crisis-ridden sectors of metal industry and shipbuilding, whole enterprises were transformed to employment promotion companies. Many ABM are established in these sections (Pfalz, 1992: 26).

To raise women's share in ABM Boje *et al.* (1992: 31) propose that ABM in the social and administrative sectors should be extended, because these are sectors dominated by women. Ochs and Seifert (1992: 447) call for specific promotion of projects, that offer prospects for women, e.g. in the social sector with urgent societal needs, but also in the service sector. However it is doubtful whether these measures are suitable for women formerly employed in agriculture. In any case future ABM should be more oriented to the benefits of women.

due to low population density in Mecklenburg-Vorpommern and Brandenburg. Lack of cars, poor local transport services and the decreasing number of kindergartens reduce women's possibilities of attending the retraining measures.

Women in the new *Länder* are, in relation to their share in unemployment, under-represented in labour market policy measures or they participate in measures which have little hope of being used in the primary labour market. What options does labour market policy have to hand to counteract women's being driven out of the labour market? Surely labour market policy cannot influence causal relations which arise from women's double role as employee and housewife. Women's possibilities of bringing family and employment into line are worsening, although e.g. the Land Brandenburg tries to preserve child care services for children under three years. Against this background and with ruling patriarchal societal structures which make women responsible for the reproduction sphere, women are in an inferior competitive position on the primary labour market. Therefore, labour market policy has to counteract this position by positively discriminating in favour of women, at least in ABM and retraining measures.

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Chapter 24

Agricultural Change, Rural Society and the State in Central and Eastern Europe

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"The transition from a socialist to a market economy, a counterpart to sweeping political and ideological changes, started with the illusion that market mechanisms would transform former communist countries instantly into welfare states. Consequently, all former socialist countries declared uncompromising faith in a capitalist market mechanism: the firmer, the fewer market institutions they possessed" (Mencinger, 1993: 22). Small wonder, therefore, that dramatic transformations are forecast for central and eastern Europe at the end of the twentieth century (Repassy and Symes, 1993: 81).

The main characteristics of the transformation relate not only to false expectations that political change will result in immediate economic well being (Kovacz, 1994: 9) but also to the underlying political and economic uncertainties themselves. The political situation has displayed pronounced tendencies towards extremes. In some post-socialist countries (Poland, Lithuania) the majority of votes cast in their second democratic elections went to parties developed from ex-communist ones; in others nationalism has attracted a majority of electors (Russia) or retained their allegiance (Serbia, Montenegro). The former situation may simply reflect the failure of inexperienced and sometimes self-centred political leadership to secure internal political and economic stability and to accelerate the processes of integration with the European Union; the latter, however, risks economic disaster and threatens peace and stability throughout Europe.

Developing a market economy has proved a more difficult goal than the transition from a one-party to a multi-party political system. Negative rates of industrial growth and high unemployment levels are just two indicators of this difficulty. Since 1992, the majority of post-socialist countries have begun to reverse both trends (Kovacz, 1994: 10) especially after the realization that support for economic development from western European countries would not, in fact, match their earlier enthusiasm for political change in central and eastern Europe.

Many new laws relating to privatization were hurriedly introduced throughout the region but without a clear vision of their practical implementation. In general, however, the failure to create new institutional frameworks and the carry-over of features from a socialist past have impeded the transition to a capitalist social system. High rates of unemployment (Slovenia 13.6%, Hungary 15%) are partly due to the exposure of hidden unemployment within the socialist economy and partly to

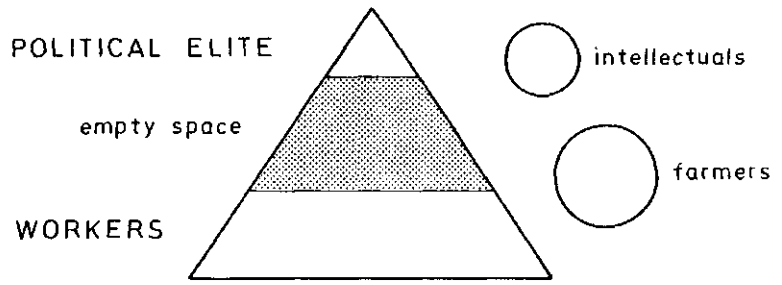
a decline in economic efficiency resulting from low levels of productivity inherited from the previous system, the loss of former markets and the limited opportunities to create new ones. Unemployment channels large numbers back to the rural areas, whence most redundant workers originated, in the expectation of support from family and relatives or utilization of their skills in new rural jobs. The transformation of agriculture involves a switch from state or co-operative farms to family farms, as in Hungary, the Czech Republic, Slovakia, Bulgaria, Rumania, the Baltic States and Russia, or the transition of state supported or semi-market oriented family farms to the free market, as in Slovenia, Croatia and Poland. Both processes call for a reduction of labour in order that the private, family farms might become market competitive.

Agriculture, rural society and the state in post-socialist countries can only be fully understood in the context of general political, economic and social change. Accordingly, the aims of this paper are firstly, to present some general characteristics for central and eastern European countries; secondly, to raise questions concerning an immediate or gradual transition to a free market economy; and thirdly, to consider how far rural diversification can be considered an appropriate strategy for development in post-socialist countries. While the first two themes are illustrated mainly from Slovenia, the third relates to a broader theoretical construction.

Global specificities of central and eastern Europe

The social situation in the former socialist countries differed enormously from that in western Europe. Economic development, based on central planning, prevented the growth of a market economy. Social development favoured common as opposed to individual interests and so held back private initiative. Legislation, especially in economic matters, more often limited than supported initiative and self-reliance. Fortunately, however, these general features could not totally prevent the formation of nearly efficient markets nor the emergence of private initiatives.

Figure 1. Social structure of Socialist Slovenia



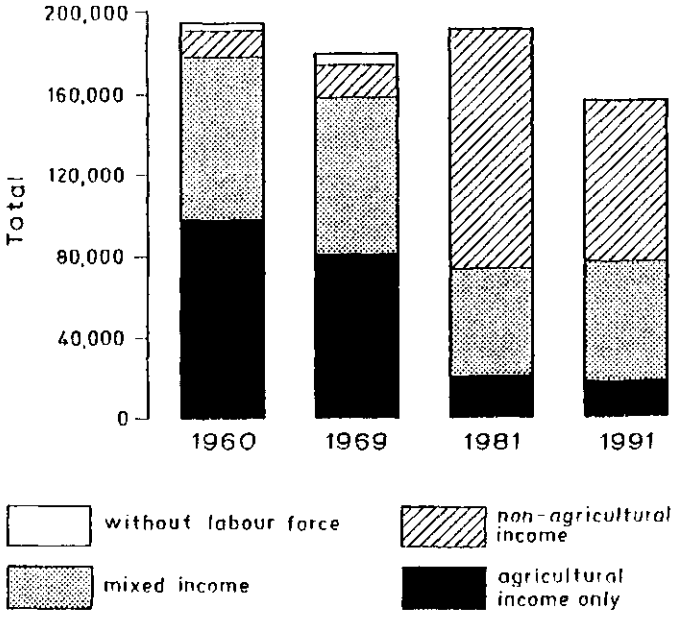
Source: Svetlik (1993)

Slovenian agriculture provides an apt illustration. Together with other republics in the former Yugoslavia, Slovenia enjoyed several advantages over certain other socialist countries: a better internal situation resulting from a planned market economy, freedom of travel for its citizens, a free flow of information and better international relations with the West as a result of the break from Stalinist domination as early as 1948.

According to Svetlik (1993) the social structure of socialist Slovenia had a pyramidal shape with the political elite on the top, the working class at the bottom and an empty social space between the two (Figure 1). Placed outside the pyramid were the intellectuals (scientists, writers and artists) in opposition to the system and its ruling elite. Private farmers were also more or less excluded from the system. In a sense, they unwillingly 'escaped' from the system to create their own survival strategies. As a marginal social group, excluded from official state policy, they could either accept a passive position, waiting for better times, or act on their own seeking out niches for the preservation of their farms and guaranteeing economic and social security for themselves and their families.

Some Slovenian farmers chose passivity, while the majority found a suitable survival strategy by taking an off-farm job, selling a minimum of their output to the co-operative to secure benefits of membership, while selling the rest on the free market, and developing supplementary activities within the farm household like rural tourism, handicrafts or beekeeping (Figure 2).

Figure 2. Farm households according to income structure



The rapid decline in the agricultural population can be attributed to the fact that Slovenian farmers were to some extent exposed to a market economy and to their own initiatives and also to the unfavourable agricultural policy of the socialist state. The small size of the agricultural population, accounting for 7.6 per cent of the total and likely to fall to around 6 per cent by the end of the decade, would seem to provide a good starting point for the future development of family farms in Slovenia. Further pressures, arising from the small size of holding, low average education and the low prestige of farming as an occupation, will render some farms unable to compete on the free market regardless of the experience gained in the former system.

An immediate or gradual transition to a free market economy?

The political transition of central and east European countries from communism to multi-party parliamentary democracy was accomplished in a single moment of history, reflecting the urgent will of the people. It was immediately followed by the building of political institutions to support the political transition. By the same token it had been assumed that the transformation of a centrally planned economy to a market one could be realized with the same speed. Unfortunately this was not the case, for an economic system cannot be changed overnight. To break up old economic institutions without replacing them with new ones results in an ever increasing economic crisis. Central and eastern Europe has been facing such a crisis since 1989.

Many professionals, as well as the ordinary citizens of Slovenia, failed to endorse the state policy by which socialist enterprises and the former social security system should be immediately replaced by private ownership and a western social security model. It is widely believed that Slovenia need not have undergone the recent economic downturn had a gradual transformation strategy been adopted. Several reasons can be advanced to explain why the chosen economic transformation strategy failed: a lack of understanding of the situation, a dearth of appropriately trained and experienced professionals, but above all the impatience of the new political elite to prove themselves in the public eye. However, the 'shock therapy' might, in the long run, prove effective as people will be forced to adjust rapidly to the new circumstances.

Three processes seem essential for the successful transformation of agriculture in Slovenia and other central and eastern European countries: privatization of the social agricultural sector, reduction in the role of state support and adaptation of agriculture in alignment with west European and global trends.

The privatization of socially-owned agricultural land and farms can be realized in a variety of ways depending on the specific circumstances of the individual state. In Slovenia all property confiscated after World War II will be given back to the former owners, while parts of certain food processing firms (dairies, mills etc.) are reformed as co-operatives. According to the Law on Co-operatives (Zakon o zadrugah, 1992), the co-operatives will receive 45 per cent of the nominal value while the

remainder is divided among the former employees. As only 10 per cent of agricultural land in Slovenia belongs to the socially-owned sector (Statisticni letopis R. Slovenije, 1991: 214, 215), its privatization should not prove unduly problematic.

Redefinition of the role of the state in agriculture does not mean a total withdrawal of regulation but it does imply a switch from protective to supportive agricultural policy. As Marsden (1992: 213) puts it, "the application of technology and the growth of differentiated production and 'niche' markets requires a contingent and variable framework of institutional and social regulation both at local level and in the national and international economy".

Adaptation of central and eastern Europe's agricultural policies to the global situation and trends is the most demanding process. The lack of experience in free market agricultural production on the one hand and realignment on state support on the other, are the most urgent problems to be solved, closely followed by the introduction of mechanisms to secure an environmentally friendly production system. The efficiency of central and east European states in solving these problems will depend in large measure on their status with regard to the European Union as well as their ability to co-operate among themselves.

The strongest obstacle to these processes could prove to be the newly created farming lobbies inspired by the political parties or developed through a realignment of the parties viewing the farming population as a potential source of electoral support. In Slovenia such potential support includes not only the 7.6 per cent of farmers but the 25 per cent of the population engaged in agriculture or even the 45 per cent of the population living in the countryside. Farmers, who under the socialist system lacked direct channels for involvement in decision-making, can easily be manipulated by such lobbies and become strong supporters. Thus, in contrast to their diminishing power in post-capitalist countries (Buttel, 1993), farm lobbies can play an important role in the agricultural policies of central and eastern Europe. Since the need for different income sources and thus for a range of rural development options is much greater in post-socialist countries, formulating a relevant rural development strategy has to be a vitally important political issue.

Rural diversification strategies

What options do the former socialist countries have for rural diversification? The answers have to be sought within general strategies and within the specificities of the transition stage of the former socialist countries over all and in each of them in particular. Strategies for increasing income are broadly related to the specific conditions of the individual farm family on the one hand and to the particular rural community on the other.

The most common strategy for farm families has been the deployment of some family members in non-farm economic activities, resulting in an ever-growing number of part-time and supplementary farms. The differences between western and socialist countries in the transition from full-time to part-time farming are to be found

in the underlying causes. In western countries the prevailing reasons were the need to make farms competitive; in the socialist countries they were related to job opportunities in industry or the socialist agricultural sector and to the low prestige of farming as an occupation. Market forces did not altogether by-pass farm families in socialist countries. Where collectivized farming predominated an informal market production developed sooner or later, with the most outstanding example being in Hungary. In those countries where family farms had not been abolished, the state was forced to subsidize agricultural production on the family farm, often quite heavily, especially when faced with food shortages or a shortfall of certain produce like vegetables. But many family farms were involved in market production only to the extent that they gained entitlement to state subsidies; the largest part of the family income was, in fact, provided by members employed in non-agricultural activities.

In western Europe, the stimulation or suppression of agricultural production and the need for non-farm jobs and additional revenue sources has primarily been driven by the Common Agricultural Policy. Yet, the initiative for stimulating non-agricultural economic activities has been left largely to the local community itself, albeit with diversification grants available from government sources.

Attempts to attract small and medium-sized firms to rural areas combine advantages and disadvantages. Among the latter are the preponderance of one-gender jobs and ecologically harmful firms moving into rural areas. Firms which employ predominantly male or female labour can cause inequality in employment opportunities (Peterson, 1986) with various social consequences: the feminization or masculinization of the rural population, emigration of either men or women trained in non-farming professions to other areas and, for the younger members of the 'remaining' gender, difficulties in finding spouses. The majority of firms expressing an interest in opening a branch in the countryside have been willing to do so only by transferring technologically less developed or ecologically harmful processes. But they do at least bring temporary help to the local community by providing new jobs for the resident population and bringing additional income in the community (Mlinar, 1980). However, it is clear that, in the long run, such a strategy cannot represent an adequate development option for the rural community.

Economic activities based on agriculture and other local resources have proved extremely effective not only in the short term but also in the long run. An outstanding example has been rural tourism, (skiing and skating in winter, hiking, canoeing and fishing in summer). Agriculture and the rural environment serve as a resource for tourism and are, in turn, supported by it. With the development of independent economic activities, local communities and rural regions will come to depend less on the provisions of agricultural policy. Locally-oriented niche production (specific products, local plant and animal production technologies, food processing) "no longer contrasts with internationalized mass processing and consumption. Increasing interconnectedness at the global level does not remove the salience of locality and local identity. Rather it seems to rebuild it" (Marsden, 1992: 223-4).

Passive sources of income from services and institutions catering for groups of the population, excluded by age or handicap from the economically active, have

been less utilized in Europe than in the United States (Hirschl and Summers, 1985). The countryside, as an ideal location for such groups, can offer residents a variety of jobs and also, perhaps, attract urban migrants, not only enlarging the resident population but bringing new professions and encouraging better services. However, such development should not be advocated without a warning of the need for careful evaluation of the capacity of rural space lest the very advantages which make such developments possible are themselves sacrificed. Such warnings relate to the dangers of overpopulation, over-exploitation of natural resources and environmental degradation.

Utilizing local specificities to the highest possible degree enriches any of the above development strategies. Natural attractions (mountains, lakes, caves, spas, flora and fauna) and cultural heritage (buildings of aesthetic value, historical monuments, local festivals, customs and habits) can be used either as a basic resource for development or as supplementary development potential.

Obstacles to rural diversification in post-socialist countries

Each strategy outlined above can be applied in any western or post-socialist country, providing the system of agricultural production is functioning effectively for the benefit of both producers and consumers. Unfortunately, the two groups of countries differ greatly in relation to this condition. Transformation of agriculture in post-socialist countries aims not only at the (re-)privatization of agricultural land and the development of independent farming but also the creation of a free market for agricultural produce, with both producer and consumer prices freed from state control (Repassy and Symes, 1993) and no state subsidies to farmers. For strategic reasons, including the aims of self-sufficiency in basic foods and the maintenance of rural populations, almost no country has so far left its farmers completely exposed to market forces but has subsidized them in one way or another. Regardless of the problems that EU countries are facing because of such subsidies (Gasson, 1991; Symes, 1992), the transformation of agriculture in post-socialist countries must not be left to market forces alone. Without some state support for domestic agriculture, the import of cheap food will destabilize the rural economy and expose countries to low quality food products. The state exercises a responsibility for regulating the balance between domestic food production and imported supplies for the benefit of its citizens.

Rural diversification in post-socialist countries faces several obstacles. Lack of capital and professionally-trained management take first place. Among the more subjective problems, the most intractable is the unreadiness of the rural population for risk-taking ventures, especially with the negative experiences of those who have already tried but failed. The transfer of responsibility from society to its individual members is a long and painful process and one in which the people of post-socialist countries are not yet ready to engage fully. Neither have the proper administrative institutions been formed nor the relevant value systems promoted.

Local self-government, the most appropriate agency for rural development, has not yet been established. Decentralization of the former highly centralized government system required not only administrative reorganization but also the formulation of implementation strategies for making local self-government work (Barbic, 1993a). Experience in western countries (OECD, 1990) demonstrates that to be effective, partnerships depend on a number of eventual political, managerial and administrative pre-requisites. Partnership or co-operation among local administration, public and private sector, formal and informal residents groups and individual residents can only be secured where certain conditions are met. Such conditions would include the identification of the majority population with common goals, equality of partners in carrying out common actions and effective local self-government both in managing local affairs and in communicating with the higher levels of government, primarily so as to secure financial aid for local development programmes.

In all post-socialist countries creating effective rural communities will be a lengthy process; in those where (re)privatization of agricultural land and the re-establishment of family farms is required, even a painful one (Hudeckova and Lostak, 1992; Bergmann, 1992). Government support as well as professional advice is crucial.

Sustainable development – a future for rural areas

Development based on the conservation of resources, on which the very existence of mankind depends, has lately been promoted as 'sustainable development'. The paradigm is not new. It was well respected in ancient societies founded on the harmony between man and the satisfaction of his needs, on the one hand, and nature and its production potentials, on the other. People knew then how to sustain themselves, their relationships, communities and the natural environment (Burkhardt, 1992). During the Industrial Revolution maintenance of the equilibrium between man and nature became less relevant and was gradually left out of development planning. To some extent the concept of sustainability was preserved in agricultural production, but even here it has been diminished by aggressive, radical neo-liberalism (Bonanno, 1993).

The perceived threat to resources from uncontrolled industrial development and the growth of scientific knowledge pointing to the dangerous consequences of such development have contributed to a representation of the concept of sustainable development as the philosophical paradigm for the late 20th century. The need to protect the environment is gradually permeating all human activity and is becoming one of the main determinants of development strategy. Treatment of the environment and its successful protection is now a criterion of the advancement of an individual society of state (Kirn, 1991). It is no coincidence that developed as well as less developed countries today claim to give priority to the protection of the environment. The fear is that a flood of words about the need for environmental protection will substitute for concrete action to restore the most damaged parts, especially in

less developed countries (Barbic, 1993b).

The human component of sustainable diversity

So far rural diversification has been discussed mainly in relation to non-agricultural economic activities and their contribution to the revenue of rural communities, irrespective of their effects upon the environment or the resident population. If either component of sustainability (nature or man) is neglected, there is a danger that the neglected component will be so damaged that it may never fully recover, even where specific strategies are later applied. The variety of economic activities implicit in rural diversification may help to reduce the danger of over-exploiting nature. But rural diversification is only sustainable if it allows natural processes to renew themselves over time and enables the local populations to satisfy their needs in accordance with tradition and preference "without compromising the ability of future generations to meet their own needs" (De la Court, 1990).

The alleged conflict between economy and ecology can be said to be spurious or temporary for two reasons. First, sustainable agricultural production can well prove profitable; a growing demand for organic food is expected to follow the growth of ecological awareness and health consciousness among consumers. Changes in consumer preferences are thus becoming increasingly important in comparison with more easily quantifiable economic factors (Tracy, 1993). Second, the economics of activities including agriculture in post-industrial societies are not evaluated only in terms of absolute profit but also in relation to their contribution to the quality of human life. Each activity can either threaten or enhance this quality, securing it for contemporaries in the short term and for future generations in the longer term. There is, however, an inherent conflict between individual welfare functions and community welfare functions; one is served at the expense of the other (Moles, 1992).

Awareness of the need to protect nature, as the basis of human existence, has been growing in recent decades in respond to professional and public groups such as Greenpeace and wildlife conservation societies. It became a worldwide event with the Rio Summit in 1992. Regardless of the growth in environmental consciousness, however, pollution, irresponsible development projects, environmentally unfriendly technologies still occur. There are at least two reasons: first, the absence of adequate control mechanisms over polluters and developers and secondly, the narrow interests of scientists, professionals and producers whose single-discipline contexts or one-sided economic orientation may lead to a neglect of the natural and human environments and of the need for co-existence between the two.

In agriculture, the conflicts between plant breeders who select seeds for their yields and those who make seed selections based on their cross-crop effects, stability, multiple uses and maturation dates (Sachs, 1992) call for intra- as well as inter-disciplinary approaches with special attention being paid to the sustainability of natural resources. If food production in central and eastern Europe is to compete in

world markets, environmental measures must be applied in food production (Maticic, 1993).

From the point of view of society in general and local communities in particular, diversification can prove conflictual and controversial (Kousis, 1993). As Sachs (1992) points out, "supporting diversity without simultaneously shifting social relations through redistributing power leads down a dangerous path". Several potential sources of danger can be identified for rural areas. Rural diversification can break the gender equilibrium in the community, resulting in the exodus of young jobless people and a shortage of spouses to maintain the farm family (Barbic, 1992). Redistribution of power among different social groups can result in the expulsion of farmers from local decision-making bodies and promote the interests of groups and individuals who are new to the community. Rural diversification is, therefore, likely to damage the patterns of social and cultural life in the community, replacing local traditions with activities unfamiliar to established rural residents; where such substitutions are imposed they can destabilize existing social relations. Finally, rural diversification may threaten the social security of farming families, especially where farmland is expropriated for non-agricultural activities, thus leaving less land available for agricultural production. If farm family members are unable to switch to non-farm occupations, they may become a burden on the family and the local community.

Prerequisites for a sustainable strategy

A sustainable rural diversification strategy is multi-dimensional, with legal, economic and socio-cultural components. Each has to be designed in such a way as to facilitate the realization of the main goal, namely the promotion of economic activities which both contribute to the quality of life and secure the sustainability of resources. Among the necessary requirements, adequate legal arrangements and the socio-cultural characteristics of the population are worthy of further consideration here.

A decentralized government structure is essential with local authorities or municipalities undertaking three distinct sets of responsibilities:

- local tasks defined by the municipality and managed within its sovereignty; these are mainly related to the building, maintaining and facilitating of infrastructural needs, the provision of local communal services and promotional activities for specific economic and other ventures;
- local responsibilities which the state imposes on the municipality through laws relating to local government;
- responsibilities of the state administration carried out by local government under supervision from the state (Rus, 1993).

Sustainable rural development can only be carried out locally; as such it is largely dependent on local leadership as well as local economic and cultural elites. In traditional democratic societies, especially in rural areas, the elites tend to be rather

stable, while in the newly democratized states, local elites have still to be reformed. The previous local elite, in most cases, consisted of the secretary of the Communist Party, the president of the local council and other state-appointed leaders, most of whom were 'outsiders' with little if any commitment to the local community. In the first democratic local elections, two factors proved decisive for the success of candidates: being well known locally and living in the community (Tall, 1993).

The decentralization of formerly centralized political structures will affect rural communities most profoundly. At a normative level, it will enable rural residents to organize themselves within local communities and give them formal rights to manage local affairs. On a practical level, the transition from centralized political power to local autonomy will confront many problems, some caused by the eagerness to establish local autonomy and make it work and others related to the passivity of the local population. The solution of many of the problems facing rural communities in former socialist countries will also demand considerable financial resources which impoverished central governments will find it hard to provide.

Identifying the capabilities of local residents to formulate and implement a sustainable rural development project relates to stratification characteristics such as age, gender and education, the availability of labour and its professional skills, their value systems and their readiness and motivation for participation. Realization of sustainable development requires integration and co-operation. Individual activities and aspirations may have to be modified for the long-term common good of sustainability. Farmers especially may face conflictual situations. As food producers they are businessmen trying to produce as much as possible at the lowest cost; therefore, they must use modern production techniques (heavy machinery, chemical fertilizers, pesticides) which are ecologically questionable. As rural residents they also wish to live in non-polluted, aesthetically pleasing environments and so they desire to protect the local natural and cultural heritage. Such a conflict can be minimized, if not completely resolved, only by a common development programme which sets out the community's long- and short-term priorities.

Local residents are both the target population and the main actors in any sustainable development project. It is their responsibility to formulate objectives and identify pathways to their achievement. They can participate as individuals and as members of informal (family, friends) and/or formal groups (local political parties and religious, sporting and cultural organizations). The top-down approach, developed in western countries in the 1950s and 1960s, tended to overlook large parts of rural regions and had little regard for those mainly affected by the development (The Secret of Success, 1992). A bottom-up approach alone cannot successfully replace a top-down one, for only a combination of the two can bring the desired results. The mobilization of ideas and energies at local level can be achieved by maximizing the skills of highly committed individuals, together with well-targeted and timely aid from higher levels (Chassagne, 1992). A meeting between bottom-up and top-down initiatives should be the guiding principle in rural development projects. Without relevant financial and professional help from outside, however, local initiatives are likely to fail even with the highest possible commit-

ment from local residents.

As the main actors in a rural development project, local residents must be motivated towards participation. First they need to be informed that something is going to happen in their community – through informal get-togethers, house-to-house calls, village meetings and the local media. Later the achievements of individuals and groups must be disseminated, the failures analysed and suggestions for further action put forward (Barbic, 1991). Training adapted to the local situation is also essential. The average educational level among rural populations is often low. In addition to general educational programmes, special training related to the new economic opportunities and also aimed at raising ecological awareness and building local identity will prove indispensable to the success of the project.

Professionals and government officials, together with representatives of the development institutions, should neither ignore nor underestimate the potential contribution of local people through their experience, values and aspirations and the importance of the local communication network. They must co-operate with and learn from local experience.

Sustainable approaches to rural development change agricultural policy into a rural policy which perceives economic development in terms of diversification, improvement and protection of the environment as well as in terms of local enterprise. The switch from top-down to bottom-up approaches – or rather the combination of the two – promotes the utilization of local potential and so not only shifts state support from agriculture *per se* to the support of broader rural development programmes but also seeks to assure better local economic and environmental control.

It is a social system which imposes itself on the national one. Nature operates within its own laws, which in many instances are broken by human interference. Since a deep or long-lasting distortion may prevent natural processes from renewing themselves, sustainability depends ultimately on the local social system. Thus, sustainability of the immediate environment will depend on the environmental consciousness and behaviour of the local actors as individuals, households, communities, business enterprises and institutions. At a supra-local level, through the wider social system, the socializing institutions, together with legislation and control mechanisms, will help to determine the local actors' behaviour.

Conclusion: opportunities and constraints for the future of central and eastern Europe

Despite past and present differences between western and central and eastern European countries, agricultural policies need to be shaped in accordance with two common goals: sustainable agricultural production and the protection of the physical and socio-cultural features of the rural environment. There are two processes shaping agricultural change today. The first is the globalization of food production and markets for agricultural products (Bonanno, 1990; Symes, 1992). The second is the concern of individual countries to secure high levels of self-sufficiency in locally

produced food, since there is no lasting guarantee of a peaceful future in Europe.

There are also important similarities between western and central and eastern Europe as a basis for present and future agricultural policy, including the need for transition from productivist and protectionist policy frameworks to competitiveness in a free market economy (Symes, 1992), the increasing role of consumer power, growing public interest in ecological farming, *inter alia*.

Broadly, there are two possible options for the future of Europe. The first implies retaining the present concept of the European Union (EU) but gradually widening its boundaries by accepting individual countries, separately or in groups, as new members. No doubt countries applying for membership will have to meet conditions laid down by the EU, even if some of these conditions have been violated by member countries themselves. There is evidence to suggest that some countries have exercised power afforded by membership of the Union to exploit weaknesses and vulnerabilities arising from the unstable domestic situation and subordinated international position in some post-socialist countries. The second option for a future Europe lies in building 'the house of Europe' which would integrate all European countries on an equal footing regardless of the present differences in their economic development.

A compromise strategy for European integration would combine the two. Non-member countries would be required to meet basic democratic standards before accession to the Union, but their level of economic development would not be a limiting factor. Only all European countries acting together can work out a concept of a sustainable European future, setting aside the differences in their levels of economic and social development. Not being a member of the EU at present creates a bundle of obstacles for the accelerated economic development of non-member states. Possibly such an option is overly 'romantic' but central and eastern Europe must base its future development strategy on a realistic evaluation of existing circumstances in Europe and the world. Prospects for sustainable rural development in post-socialist countries will be very much greater within the secure and supportive framework of the EU. Yet the West, which enthused 'romantically' over the collapse of the Berlin Wall, has reacted 'realistically' in its failure to provide economic support for the bankrupt economies of the post-socialist countries. This is not to minimize the help afforded by discharged international debts to Poland and Russia or the development loans and programmes for technical aid, research and educational exchanges, but rather to stress the fact that the normal laws of returns on foreign capital investments remain the *sine qua non* of economic relations between western and central and eastern European countries.

Realistic assessment of international relations will force each post-socialist country to re-evaluate its economic potential and social traditions and to utilize these in future development strategies. In connecting the future with the past, the tendency towards a restoration of the pre-World War II situation should be avoided. Only the positive traditions should be emphasized.

To overcome future isolation, post-socialist countries have to develop links between themselves, especially in the field of economic co-operation and also in the

field of diplomacy. Slovenia, for example, has already signed bilateral agreements for free trade with the Czech Republic, Hungary, Poland and Slovakia. Co-operation on the diplomatic front could be especially fruitful in negotiations with the EU.

Despite depending on the general circumstances for European integration, some specific features of western agriculture also exert an important influence. The EU, for example, has sought to protect its agriculture not only through heavy production subsidies, but also with high import taxes on agricultural products and by agricultural trade wars, often under the guise of preventing the spread of livestock diseases. Faced with domestic overproduction, it is unlikely that the EU will willingly open its doors wide to agricultural products from central and eastern Europe. The best chances, therefore, of gaining access to EU markets for agricultural produce may lie in high quality products from organic farming, which can exploit niches in the more affluent consumer markets. How far such an approach can be realized in the former socialist countries, now facing problems of privatization and restructuring the agricultural economy under the growing pressure of environmentally-centred environmental movements (Buttel, 1993), is difficult to predict.

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Chapter 25

Agriculture at a Turning Point
From agricultural policy towards rural policy

Cees P. Veerman

History teaches us that agriculture is a business characterized by periods of prosperity and severe depressions. Agriculture produces vital products for mankind but paradoxically this does not result in a correspondingly strong economic position for farmers. Quite the opposite is the case and that is exactly the reason why governments interfere in agriculture. It is useful therefore, to summarize the reasons for this paradox and the resulting agricultural question.

First, with regard to the technical structure of agriculture, climate and weather together with a virtually fixed production period are responsible for inflexibility in the farmer's response to changes in short term demand conditions. To illustrate this point, one can choose to make a chair or write a book any time of day or season. By contrast a farmer's job is highly dictated by nature – by the seasons of the year and the rhythmic cycles of production. Within reason one can accelerate the growth of crops but cannot shorten the gestation period of animals.

Secondly, with regard to the structure of production, many relatively small family-owned and managed farms result in a highly decentralized and diversified structure of decision-making. In addition there are the problems of non-rational economic conduct caused by psychological and sociological factors like tradition and emotional ties that bind families to the land they use. Together these factors cause inflexibility in adaptation to changes in the external conditions of the sector in the longer run. Labour and capital are over supplied from a purely economic point of view in most sectors of agriculture. And farmers, like any other men, have a natural tendency to oppose change.

Thirdly, the structure of the market is influenced by a limited number of relatively homogeneous products, characterized by very low elasticities of demand and supply together with a very low or even negative income elasticity. This makes prices very inefficient regulators of demand and supply.

These factors in combination result in highly unstable food markets and lead to agrarian business cycles with consequent structural shocks and changes for society as a whole and enormous economic, social and psychological effects on farmers and their families. So government not only has strategic political reasons for interfering in agriculture but also humanitarian and social grounds for taking care and for correcting the consequences of unlimited ruinous 'free competition'.

It is of crucial importance to evaluate these fundamental structural problems of agriculture in the light of technological and economic change, and to pose the question whether this problem has become less during recent decades.

Although technological development has been successfully applied in diminishing the influence of weather and diseases and in increasing productivity of land and labour, the issue of inflexibility has been neither solved nor reduced in scale. Quite the contrary. Technological development has caused the capital:output ratio to increase. As a consequence fixed costs have risen considerably as a share of total costs and as a further consequence variable inputs like fertilizers and pesticides have a high marginal productivity. These inputs are in a technical sense mutually interdependent. Technical input relations are practically fixed. Within a certain range the prices of those inputs become irrelevant in taking production decisions. The same holds for output prices. Thus agricultural production has become even more inflexible than it was forty years ago before the mechanical and biological revolutions had taken off.

The basic problem in agriculture – inflexibility in face of changes in external conditions, due to technical, production and market reasons – has grown even larger. From this point of view the government has certainly not less but even more reason to interfere with agriculture. But this argument is largely offset by another familiar feature: food production in the European Union outstrips food consumption by around 20 per cent and the share of disposable income spent on food by households has dropped from 30 to 20 per cent. So in this sense the original reasons for the state to regulate food markets have become less important.

These are not the only reasons for the changing regard for agriculture in public decision-making. In discussing these changes and their implications for agriculture, the principal factors have to be discussed: the growth of a 'green philosophy'; the consequence of a new economic conservatism; and the impacts of European integration.

Post-modernism and the growth of a green philosophy

A new philosophical vision as to man's position in nature is currently appearing. This wave of 'green philosophy', also called the New Age movement, emerged from modern physics, biology and, at first glance most remarkably, from mathematics. These new philosophies are based on the ancient visions of, above all, the Eastern philosophers and mystics. In Anglo-Saxon literature, the books of Lovelock and Capra have played an important role. Simply, and in concrete terms, this 'new thinking' leads to a new global image, in which man is no longer viewed as the ultimate element of creation, or the final stage of biological evolution, gifted with the power of understanding that makes him unique. This old image has its philosophical basis in the Age of Enlightenment in Europe. This eighteenth century movement took human rationality as an undeniable and un-

questionable Archimedean point. So human understanding, structured and stored in the different sciences, became the principal instrument for necessary changes: changes that could be realized because one believed that human insight into nature created the possibility of no longer accepting what happened, but taking one's fate into one's own hands. Man took the instrument of the brain to emancipate himself from ruthless fate and uncontrollable nature. Man also had to create his own rules of behaviour, since the dogmatism of the Church and the authority of the nobility were explicitly abandoned. Humanity became the ultimate ethical standard. Optimism characterized this period: man could be made more human by professional education and better living conditions. In the beginning of the nineteenth century the growth of the sciences gave rise to an even more explicit capacity for solving problems of society, which resulted in the device: "savoir pour prévoir". So man became ruler of the world and controlled nature by science in the name of humanity. Independence and control are the basic philosophical concepts.

How different is the modern vision. In this "new thinking" man is no longer lord and master. Nor can his position be separated from nature. Man is an integral part of the cosmos. The entire cosmos lies locked in man himself and at the same time, man forms the cosmos by being an inseparable part of it. The sense of fundamental unity of the cosmos can be discovered by meditative techniques. This view also incorporates the idea that man has more than one life (reincarnation). On the one hand, therefore, man is dependent and limited, but on the other hand, he is free and god-like. Man should not control nature, and thereby distort it, but he must learn to live and work in harmony with nature. Mutual dependence and harmony are the essential philosophical concepts.

Harmony is opposed to control for two reasons. First, man has no legitimate right to interfere with nature because he is just part of it and has no autonomous position. Man has to become less arrogant towards nature and accept his natural place and dependent position. Secondly, man has no reliable instruments to interfere with nature, because the human intellect is not capable of completely understanding the enormous complexity of nature. Although they may show impressive results, as in the case of agronomy. Our sciences are surely not unproblematic and are limited instruments - witness for instance the unexpected negative consequences for the environment of certain pesticides. Man therefore has to re-evaluate the power of understanding and the impact of science. Instead of "strong" forces like rationalism and control, this new thinking stresses the importance of "soft" forces like emotion and harmony. This should be seen in combination with a change in dominance from masculine to feminine forces. These new philosophical concepts go hand in hand with the belief that a new period in history is about to break through, the astrological period of Aquarius. It is not too bold to conclude therefore that after two ages, this new thinking is totally revising the vision and ideals of man.

Another remarkable phenomenon in modern philosophy that goes along with

Because understanding and controlling social processes on a global scale far outstrips human understanding and human capacity, there is a growing tendency as in the turbulent 18th century, to seek refuge in the principle of *Deus ex Machina* – the principle by which people are prepared to assume that everything will come good: "Laissez faire, laissez passer, le monde va de lui même".

This wave of new liberalism had its breakthrough in the eighties and brought Reagan and Thatcher to power. Economists claimed they invented a new theory, "supply-side theory", but on closer inspection it is simply a change of emphasis from socialized to privatized demand, from high marginal tax rates to lower ones, from government expenditure to private expenditure. Nowadays some of these sparkling theories are almost forgotten or falsified. Who remembers the Laffer curve? Some economic theories are like lies, they have short lives, but in the mean time they favour "the culture of contentment", as Galbraith put it.

This new economic conservatism has an enormous impact on society. The elementary function of government is redefined and reduced. The foundations of the welfare state have become an object of public debate. Originally, the social and economic consequences of the Great Depression and World War Two created the general feeling that history should not be allowed to repeat itself and this became the driving force in politics for regulation of the market. The state was the only authority to administer this collective desire for *active care*. The social sciences and economics were, in that same period, developed along the lines of the successful natural sciences, in order to be able to advise politicians and to develop the instruments necessary for the state to intervene strongly and actively and on a wide range of issues in society. This policy gave birth to a number of research institutes for economic and social policy, and an even bigger number of advisory boards and commissions. Especially in The Netherlands, the influence of the state became dominant in essential processes like wage negotiations and the labour market, health care, pensions, disability to work and so on.

But the consequences of these developments manifested themselves in increasing costs, inflexibility, lethargy and fraud. The external changes mentioned above, together with changes in military positions and political systems over recent years, led to a growing consciousness that in the words of European Commissioner Frans Andriessen "the uncertainty about stability has become a certainty about unstability".

The question therefore is how to cope with this new perspective. Flexibility is the absolute precondition for change. Traditionally, competition is the most effective instrument to make people, companies and institutions flexible. Facing the new realities, it is quite logical for the role of the market as an economically controlling principle to be rediscovered and reactivated. The question though is how far one should go in restoring market forces and redefining the role of the state. In this kind of political process one can expect what could be called the law of "postponed political courage".

Politicians like their voters dislike major changes; therefore they have a

natural tendency to postpone decisions by asking for more information, by consulting and debating. Once the decision becomes inevitable, they tend to react in draconian fashion so that the target is overshot. Politicians react too late and too forcefully.

It is likely that the system of active care by the state will be changed to a system where the state acts from the belief that its role is secondary, small and concentrated only on basic tasks. The underlying credo will become, "let the market do its job". In this way systems, companies, institutions and people can adapt to changes that cannot otherwise be controlled. The state has to see to basic tasks like education, justice, defence and secure the basic provisions for income, health care, public transportation and social security, whilst also specifying the global boundary conditions for competition. The qualification for this new role of the state is *passive support* instead of *active care*. This will, of course, have serious consequences for agriculture as for all other sectors of economy and society.

The social developments outlined above will continue to strengthen in the coming years. The political and economic scope is also steadily increasing and agriculture is having to face the effects of operating on a worldwide scale, under conditions of increasing liberalization and reductions in government support. Furthermore, there is the tendency for the modern environmentally-aware consumer to become ever more closely involved in the way in which agricultural products are produced, and in evaluating the products, this same consumer is asking how the environment and animals are treated in the production process. Agriculture's role as a cheap supplier of food is becoming ever less important. Agricultural management of open spaces and the landscape is becoming the criterion upon which the reasons for the agro-industry's existence are being judged, especially in Western Europe. In other words, the agrarian perspective is changing fundamentally.

Economic integration

Both on a European and a global scale, mutual contacts are increasing. A few months ago we passed the threshold of Europe '92. Attempts are being made to achieve monetary and political co-operation. On the broader issue of a United Europe the chances of making substantial progress seem slim. Nationalism and tradition will play an increasing role as the basic unifying denominators for people, since ideals, religion and ideology are losing ground. People in Eastern *and* Western Europe have to find new ideas to believe in, new norms to adhere to and new structures for a society to live in. This process is taking place in the aftermath of communism and the Cold War. But it means there are no unquestionable and safe axioms from which we can infer the necessary new political and economic structures. In the mean time the system is very unstable. Chaos seems around the corner in some parts of the world. History teaches us that basically metaphysical entities like confidence, the will to co-operate and mutual trust, in combination with vision and courage, eventually bring about new unifying

principles and thereby suitable and solid structures.

But in science since the days of positivism we have detested metaphysics because of its unverifiable and uncontrollable character. Therefore we should not look to traditional science for solutions in the first place. Instead we should listen to poets, writers, artists and all those people who are sensitive and in touch with the current of time. Science can help clarify the position we are in, by analyzing the mechanisms at work. But science is limited and we have to make the necessary choices ourselves.

It is a remarkable position to be in. On the one hand economic and technological forces make the world smaller and globalism is the relevant perspective. On the other hand individualism and nationalism go together and give people personal freedom and at the same time collective identity. Universalism is a catalyst for economic development, but it is dwindling. Economic integration and co-operation seem likely to be increasingly hampered by these political tendencies.

Another issue for consideration is the consequence of the development of the agricultural potential in Eastern Europe. The broad scope of this question lies beyond the remit of the present paper. But one question should be posed: can we imagine a European Union that closes its borders to basic agricultural products from former Eastern Bloc countries and at the same time seeks to preserve political stability, prevent mass migration and continue military disarmament? On the other hand the incorporation of the former Soviet satellites within the EU would treble the costs of the Structural and Cohesion Funds by 2000.

A vision of the new agriculture

In formulating a new strategy for agriculture firstly we have to redefine the role and function of agriculture in the western economies. Instead of food production alone, agriculture's role has become much broader to include care for the landscape and ecological management of the countryside. Rural life and agriculture are closely tied together and an essential part of our culture with the right to be preserved from ruinous competition. Assuring good living conditions in rural areas is also a vital objective. Last but not least, maintaining the agricultural infrastructure to accommodate the needs and demands of future generations is essential.

This last point is extremely important in view of the pessimistic outlook for the world food situation in the next twenty-five years. On a worldwide scale a slowdown in food production since 1984 is observable. Meanwhile the world population is growing at an increasing rate (it doubled between 1825 and 1925, and doubled again in 1925 to 1976, and will double once again by 2025 to approximately 10 billion). As recently pointed out by Adema (1992), if things do not change, in 2020 half of our planet's life will consist of man and cattle, and fertile land per capita will be half of what it is now. Even more important for the

western world is that this population growth is taking place almost wholly in the developing countries, while the growth in actual and potential food production is located mainly in the developed countries. This is because the farmers in the western world have the modern bio-technology at their disposal and growing conditions which possibly are more favourable with respect to environmental problems and climatological changes. Social and economic migration from Africa to Europe or from South and Central America to the USA and Canada is far from being an unrealistic expectation. Moreover, a substantial fraction of current world food output is produced on highly erodable land or by overpumping groundwater. The two basic components for food production, fertile land and fresh water will be under severe strain in the coming decade. In the meantime it is highly questionable whether the production potential of Russia and the other former Soviet republics can be speedily revitalized against a background of the devastating effects of collectivization, pollution, and a degraded infrastructure of human resources, knowledge and capital equipment.

In face of such facts, is it wise to run down deliberately the infrastructure for food production in our western economies? It is dangerous to experiment with agriculture in this way. As Timothy Weiskel (1990) has said: "We live in a highly industrialized, urban culture, but it is important to remember that there is no such thing as a 'post-agricultural' society".

In the perspective of renewable resources agriculture will hold a central position in the future. Agriculture, in fruitful combination with agribusiness, will be able to produce "natural" products in a sustainable way and thus make us less dependent on fossil energy and at the same time contribute to a reduction in carbon dioxide and other forms of air, water and soil pollution.

But other elements of the future role of agriculture are also important. Much of our countryside is a cultural landscape. If man who shaped it withdraws his hands from it there does not automatically grow a valuable natural landscape. It is practically impossible, and even more important, ecologically and socially undesirable, to let the land be and for nature take its own course. There are no good grounds for a deprivatization of agriculture and for bringing functions like landscape preservation directly into the hands of the state. On the contrary, if the role of the state is getting smaller, it will be more effective to stipulate the conditions within which agriculture has to do its job. These conditions will be about food safety and security, human and animal health and well-being, good living and welfare conditions for those who work, live and recreate in the countryside, and environmental care.

Due to changing consumer habits and preferences, process technology, marketing and demographic changes, basic agricultural products reach the consumer in a more diversified form and quality. There is a strong general tendency for the raw material costs to form a decreasing share in the ultimate consumer product. This tendency is strengthened by market concentration in retailing and in production. This process leads to a shift of market power from the producers, who were

the first to concentrate for reasons of economies of scale and of scope (especially with respect to brand making), to the retailers. Retailers develop their own brands to increase their margins and secure their turnover by creating brand loyalty.

These facts have important consequences for the primary producer; the farmer. In Holland for instance the percentage share of consumer outlay on food that went to the primary sector dropped from 41% in 1960 to 28% in 1988. The share of processing increased from 24% to 27%, but did not increase after 1975. The share of distribution rose from 35% to 45%. Only because of a general increase in food spending of 500% in nominal terms, has the primary sector been able to increase its total added value.

A strategy for agriculture

Farmers, as primary producers, need to be aware of the fundamental changes that are taking place and the speed and impact of those changes. Those who believe the present situation to be part of the normal processes of change could not be more wrong.

There is no sustainable solution to be found in the old vision of agriculture. Farmers and their unions are wasting their time discussing momentary problems in the framework of old fashioned policy instruments and obsolete defensive strategies. The world has changed too drastically to offer any hope for success. The only way is to again seize the initiative in public discussion, rather than leave it to others to solve the question: What shall we do with the subsidized farmer? An offensive strategy is needed: one that defines the function of agriculture in the future, and stipulates the conditions wherein farmers are prepared to play their role both in preserving basic public values of food and non-food production in a sustainable way and in the conservation of landscape and rural life. It will take the form of a major deal with society in general and with local, regional, national and even supranational governments. This deal could have the form of well specified contracts with targets, commitments and financial arrangements. Rather than a bureaucratic MacSharry-like solution, one might envisage a simpler, straight forward solution involving a fixed income payment per hectare, irrespective of the use of the land. Taken in combination with a gradual breakdown of tariffs and production quotas, this would provide "free" competition on top of a provision that secures basic goods and values produced by agriculture under strict environmental conditions. But this pre-supposes a broad vision of the function of agriculture.

The economic reason for this plan lies in the acknowledgement that part of the fixed costs of agricultural products should be compensated directly because the free market prevents any durable full cost compensation for the main farm products. Therefore the compensation secures stability and continuity of agricultural production without preventing or discouraging structural changes. The far-

mer certainly needs to be an entrepreneur, ready to innovate and seize his chances, because only part of the fixed costs are directly compensated. The reason for society in general to go into this kind of arrangement lies in the new conditions that should be formulated for agricultural production such as environmental care and landscape preservation. The political reason for this type of support lies in the global and robust character of this measure: we can have many doubts and discuss even more, but the number of hectares is quite easy to control.

The consequences of this policy are clear. Lower output prices for farmers will stimulate the search for cost advantages through structural adaptations and increased added value through higher quality products. Lower output prices will also reduce the volume of non-factor inputs like fertilizer and pesticides. The income drop that cannot be offset by this kind of measures will stimulate farmers to make their labour more effective by looking for work outside agriculture or by increasing farm size. Will the medium-sized family farms disappear in this system? Probably not - at least the consequences will be milder than under the MacSharry type of support. This view is based on the fact that farmers, although they are deeply attached to their farms, are becoming more and more realistic and therefore prepared to adapt to all necessary changes. History shows that this power of adaptation is indeed remarkable. Family farms are the most flexible units of production. In as much as education of farmers and their families is increasing, economic calculations and rational considerations will dominate decision-making processes. Entrepreneurship will gradually become the most essential factor of production. The system of fixed income payments per hectare will reward entrepreneurship and flexibility. The economies of very large-scale production will turn into diseconomies of size in the form of co-ordination problems, inflexibility, lack of a sense of responsibility, and problems in realizing small-scale objectives like landscape preservation and ecological production. Lower output prices will also stimulate new market outlets for traditional products (bio diesel) and provide an opportunity for new products (myscantus and woodpulp). The fixed premium per hectare will make possible other uses of the land such as nature and recreation.

One other consequence of this system should be mentioned. In as much as a fixed premium per hectare is based on the average fall in product prices and incomes which seems fair from the need for compensation, one could argue that for the less productive regions this will mean an over-compensation while for the more productive regions, under-compensation would result. Surely, here is a problem. But to keep the system simple and to resist the temptation for politicians to be too just or too wise, one could argue that part of the premium be not passed to the farmer but collected in a fund for small rural industries that would help to achieve more added value for agricultural products, create jobs and preserve cultural values of the region and the pride of the people living there.

Another problem to be faced is the duration of this fixed premium and the financial consequences for the state. According to some calculations, the total financial outlay would not exceed the financial costs of the MacSharry measures.

Taking into consideration earlier comments on the future role of the state and the view that the kind of basic support proposed fits well with the new trend for passive support by the state, a transitional period of 10 to 15 years seems realistic. The premium could take the practical form of a saleable bond on which the state pays an interest payment that forms the premium. This system increases flexibility, secures the compensation claim and allays the farmers' fears that payments could be suspended at some future date without warning.

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