Changes in European Peasant Farming

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In most European countries operators of individual small and medium-sized holdings in which the farmer and his family provide a large share of the labour required make up the bulk of the working population in agriculture. In the following article Miss Warriner, who has been a student of peasant agriculture—particularly in Eastern Europe—for many years[1]*, examines the position of peasant farming in Europe today and the way in which it has evolved since the beginning of the Second World War under the influence of governmental policy and of various other factors, notably the increased use of farm machinery.*

THE characteristic feature of the European agrarian structure, which differentiates it from that of other continents, is the prevalence of small farm ownership or peasant proprietorship; and it is the purpose of this article to consider recent social and economic changes in this institution. The great contrasts in the levels of productivity and income of peasant farmers in different regions of Europe preclude generalisation about the economic conditions of the peasantry in the continent as a whole, and make it necessary to approach economic problems on a regional basis. But, though from an economic standpoint " the European peasant " does not exist, in a social sense European farmers have something in common, a tradition of freedom and independence deriving from the long historical process by which serfs were freed from bondage and gained ownership of land—a process forgotten in Western Europe, though still remembered in the East. This common origin

[1] Among her works mention may be made of the following: *The Economics of Peasant Farming* (London, Oxford University Press, 1939); *Land and Poverty in the Middle East* (London and New York, Royal Institute of International Affairs, 1948); *Revolution in Eastern Europe* (London, Turnstile Press, 1950); and *Land Reform and Development in the Middle East* (London, Royal Institute of International Affairs, 1957).

explains some enduring social characteristics, which differences in economic levels do not obliterate, and which underlie the economic problems. As a social institution, peasant farming in Europe has shown great stability and great tenacity, in a wide range of physical, political and economic conditions, over long periods of time.

Today the term " peasant " is less commonly used. In Western Europe " family farmer " is gradually superseding it, while in Eastern Europe " kulak " and " individual farmer " designate those who remain outside the collectivising drive. Yet in spite of these fashions peasant farming is still the basis of the agrarian structure in most European countries. Over the past half century its importance in the European economy has grown. Except in the U.S.S.R., Bulgaria, Spain and Portugal, peasant farms now produce a larger proportion of total agricultural output, and take up a larger share of the agricultural land area, than they did fifty years ago. Even in Eastern Europe, the tide is now beginning to turn again in their favour.

In Western Europe [1] the growth in the importance of peasant farming over this period has been associated with a decline in manpower, more efficient and more intensive farming in fairly large farms, and higher rural living standards. Change has been evolutionary, aided, but not determined, by government policy. In Eastern Europe more peasant farming has meant more peasants, smaller farms, extensive farming and low living standards. Change has been in the main revolutionary. The growth of population in agriculture has created a chronic demand for more land, satisfied in part by land redistributions after the two world wars. The antithesis between the two types of change is not, of course, complete, for in Eastern Europe there have also been evolutionary changes through land purchase by peasants from large estates. Moreover, the present political division artificially heightens the contrast, since in western Czechoslovakia, western Hungary, and what was formerly western Poland the agrarian structure resembled that of Western Europe, rather than that of Eastern Europe. But, broadly speaking, the contrast between increase and decrease of manpower in agriculture is a fundamental one, both in relation to the long-period development and to the processes of change that are now taking place.

In recent years the two tendencies, evolutionary and revolutionary, have worked more strongly. The contrasts in levels of productivity and living standards between Eastern and Western

[1] " Western Europe " in this article, except where otherwise noted, excludes the United Kingdom and " Southern Europe ", i.e. Spain, Portugal, Italy. " Eastern Europe " excludes the Soviet Union, but includes Yugoslavia.

Europe remain ; they are, indeed, in all probability much greater than they were in the inter-war years. Western, as well as Eastern, European countries are now laboratories for the study of agrarian structures, and not, as some would have us believe, merely museums. The present position of peasant farming may be considered in the light of this new experience, and in relation to the changes that have taken place since the Second World War.

Western Europe

In Western Europe the most important change, as compared with the inter-war period, is that farmers are better off as a result of higher prices and greater efficiency. Price supports keep agricultural prices well above the pre-war level and above the present world level, to varying degrees, in all countries ; chiefly for this reason production now stands at 25 per cent. above the pre-war level (for Western Europe in its political frontiers). Real incomes in agriculture have risen considerably. The income position in relation to other occupations is generally more favourable than it was in the 1930s, but is still not as favourable.[1]

The second important change is the extent of power mechanisation. Twenty years ago, it would have seemed incredible that Western European countries, with their land predominantly held in farms under 50 hectares in size, should use as many tractors in relation to their agricultural area as the United States, as most of them now do. In the inter-war years it was often assumed that power mechanisation was economic only on larger farms, and that the scale of farming in most Western European countries would be an obstacle to it. Today it is obvious that this assumption was mistaken. It is none the less surprising that Switzerland, for example, with nearly half its land in holdings under 10 hectares in size, should have 23 tractors to the 1,000 hectares of agricultural land. Denmark, Western Germany, the Netherlands, Sweden and Norway have about the same proportion, while Belgium has rather fewer, and France lags behind with only 9 tractors to the 1,000 hectares (1955 figures).[2]

[1] In Norway and Finland, however, the economic position in relation to other occupations is as unfavourable as it was in 1938 (see Food and Agriculture Organisation : *State of Food and Agriculture in 1955* (Rome, 1956), p. 121).

[2] See United Nations and Food and Agriculture Organisation : *European Agriculture. A Statement of Problems* (Geneva, 1954), table 11, p. 22 ; and United Nations, Department of Economic and Social Affairs : *Economic Survey of Europe in 1955* (Geneva, 1956), table 70, p. 139. A classification of tractors by horsepower would affect the comparison somewhat, particularly as regards Switzerland, where many are small.

Chiefly as a result of mechanisation and increased use of fertilisers there has been considerable increase in efficiency, measured by labour and land productivity. The big improvements in labour productivity are confined to the countries where levels of productivity were already high before the war. In Denmark output per male worker in agriculture in 1952 had increased by 50 per cent. over the pre-war level, in the Netherlands by 40 per cent. and in Western Germany and Switzerland by 25 per cent.; France in that year had made an improvement of 19 per cent. on the comparatively low level of labour productivity in the inter-war years. The only country which has greatly improved its position, relatively to that of other countries, is Sweden. In 1950 production per man-hour was 65 per cent. above the rather low level of 1930-39, and so far as labour efficiency is concerned Sweden now ranks with Western Germany.[1]

As a result of mechanisation and the expansion of employment in industry, the rural exodus has accelerated. Movement out of agriculture has been a continuous process throughout the present century in most Western European countries (though not in the countries of South-Western Europe). But the change has been gradual. Between 1900 and 1950 the number of male workers in agriculture in West Central Europe and Scandinavia declined by about 20 per cent.[2] Between 1950 and 1955 in Western Germany, France and Scandinavia the decline in the numbers of male workers has been between 7 and 15 per cent.—very rapid rates by comparison with those of the past.

These changes in incomes, methods, manpower and efficiency have taken place without any major reform of the agrarian structure. Only in Finland has there been a considerable redistribution of land as a result of government policy, and that on a voluntary basis. Some compulsory redistribution has taken place in Western Germany. These changes do not affect the distribution of farm sizes to any great extent.

In all Western European countries the main constituents of the agrarian structure are the medium-sized farms, i.e. those between 10 and 50 hectares in size. These farms now take up the greater part of the agricultural land area in Western Germany,

[1] For comparative levels of land and labour productivity in European countries see *European Agriculture*, op. cit., chart 1, p. 8.

[2] In West Central Europe (the Netherlands, Belgium, Luxembourg, Switzerland, France, the Saar, and Western Germany) male workers in agriculture declined from 10.1 million in 1900 to 7.7 million in 1950. In the Scandinavian countries, they increased from 1.8 million in 1900 to 2.2 million in 1930, but declined to 1.8 million again in 1950. See Folke DOVRING: *Land and Labor in Europe, 1900-1950. A Comparative Survey of Recent Agrarian History* (The Hague, Martinus Nijhoff, 1956).

Denmark, Sweden, Finland, the Netherlands, Ireland, Austria and France.[1] Large farms over 50 hectares in size take up a varying proportion of the land in holdings, but nowhere exceed one-quarter of the agricultural land area. Small farms in the size groups 2 (or 3) to 10 hectares, at the most recent census dates, took up 15 per cent. in Denmark, 16 in France, 28 in Western Germany, 30 in Sweden (arable area), 33 in Belgium, 40 in Switzerland and Finland, and 50 in Norway. A small proportion of the land is in holdings under 2 or 3 hectares; these as a rule are not farms but subsidiary holdings, and need not be considered here.

Over the past half century this structure has been extremely stable. By reason of variations in size group classifications used in different countries, and at different periods in some countries, it has hitherto been impossible to determine whether concentration in larger farms was taking place as a long-term trend. But a new method of analysis, recently applied, allows comparison between different countries over long periods; it shows that during the last fifty years in Western Europe (but not in Southern Europe) there has been a general centripetal movement into the medium size groups, while the proportions of land taken by large and small farms have declined.[2] Measured by numbers employed, all farms have grown smaller.

The long-term trend, recently accelerated, is towards more family farming, because the decline in manpower chiefly affects farm labourers and thus increases the proportion of family labour to hired labour. The latter now represents only a small proportion of the total farm population in all Western European countries, and the majority of farms are now worked by the family. This is in fact the most important evolutionary change in the structure, socially and economically representing a great advance. The social structure is more equal, and family labour is more efficient because it is aided by machinery.

A further evolutionary change is that farm sizes are no longer so well adjusted to social and economic conditions as they were in the inter-war years: a proportion of the smaller farms, which

[1] For recent figures of distribution of holdings by size see United Nations: *Progress in Land Reform* (New York, 1954), tables 5 to 11, pp. 8-11, and *European Agriculture*, op. cit., chart 3, p. 16. For France the 1948 figures are from VON VERSCHUER: "Die soziale Lage der bäuerlichen Familienbetriebe in Frankreich", in *Berichte über Landwirtschaft* (Hamburg), Heft 1, 1956.

[2] Folke DOVRING, op. cit. Mediterranean France is an exception to the general trend, since there the large farms have been maintained; small farms have increased their share of total farm area, while the middle-sized farms have declined. Eastern England is also an exception, for there the trend has recently shifted as a result of mechanisation in this predominantly arable region. Sweden also shows a recent shift towards larger farms.

account for a third or more of the agricultural area, are becoming uneconomic. They tend to retain more labour per hectare than the larger farms, since they rely entirely on family labour, and so cannot substitute machinery for labour without ceasing to exist as independent farms. The larger farms can substitute machinery for hired labour and become family farms on the same area and with higher incomes per head. Small farms can use tractors, and many do (as shown by the Swiss study cited below), but they tend to over-invest in them and so cannot share in the upward movement of farm incomes.

Investigations carried out in Germany, Sweden and Switzerland show that some proportion of the smaller family farms can no longer provide the family with an income that is sufficient by present-day standards.[1] Smaller family farms are generally understood to be the holdings between 2 and 10 hectares. Farm units in this size group are heterogeneous; some are holdings providing only a subsidiary source of income, and some are specialised in fruit or vegetables, in which income per hectare may be high. The problem of the uneconomic or " incomplete " farm (to use Swedish terminology) concerns only holdings of less than 10 hectares in mixed farming that provide the family's main source of livelihood. Incomes per head on these farms are generally lower than on farms above 10 hectares. According to figures published by the Economic Commission for Europe output per unit of labour in Sweden, Norway and Western Germany (Schleswig-Holstein) is 25 to 30 per cent. higher on the larger farms ; the Swedish figures also show that the difference in 1951-52 was greater than in 1945-46.[2] In Switzerland, where the problem is not a new one, an analysis of farm accountancy figures by size groups shows even greater contrasts. In 1953 earnings per man-day on all farms covered by the analysis averaged 15 Swiss francs. Farms in the 10 to 15 hectares size group earned this average, while earnings were 20 per cent. lower on farms between 5 and 10 hectares and 40 per cent. lower on farms between 3 and 5 hectares. In these size groups average annual income per head is too low to provide a minimum living standard, and in most cases the income is supplemented by off-farm earnings.[3] Similar results are shown in German surveys

[1] Cf. Gustav YTTERBORN : " Land Tenure Issues in the Scandinavian Countries ", a paper presented to the Conference on World Land Tenure Problems, Wisconsin, 1951, quoted in *Progress in Land Reform*, op. cit., p. 190.

[2] *Economic Survey of Europe in 1955*, op. cit., table 71, p. 140.

[3] J. PETRICEVIC : *Wirtschaftliche Probleme der Kleinbauernbetriebe in der Schweiz*, Mitteilungen des Schweizerischen Bauernsekretariates, No. 159 (Brugg, 1956).

of the position of small farms in predominantly peasant villages, and in North Rhine-Westphalia.[1]

These results indicate that the minimum size for a family farm is rising. What area is considered to constitute the minimum depends on what standard of living is considered adequate.[2] Such changes in minimum sizes must always occur when methods of farming are changing and standards rising. The existence of a lower level of productivity on smaller farms does not in itself constitute a serious problem, provided the smaller farms are regrouped into larger units as they are given up. The long-term decline in the numbers of small farms, to which reference has already been made, has been a slow process ; whether acceleration has occurred in recent years is not known, but such evidence as there is suggests that small farms are falling vacant rather more rapidly ; certainly this is the case in Germany and Sweden. For France and Switzerland the evidence is insufficient.[3]

Various remedies are recommended by those who have investigated the position of small farms. These include more state assistance in the form of special subsidies for small farms ; co-operative farming ; regional industrialisation, to aid depressed farming areas ; and state assistance to combine small units. These policies may be useful to varying degrees in different local conditions. To believe that this general structural problem requires any revolutionary reorganisation of the agrarian structure, or is susceptible of being remedied by any single solution, such as

[1] " Lebensverhältnisse in kleinbäuerlichen Dörfern ", in *Berichte über Landwirtschaft*, No. 158, 1953 ; and H. BÖKER and R. SCHÖTTLER : " Die wirtschaftliche Lage landwirtschaftlicher Kleinbetriebe in den Höhengebieten Nordrhein-Westfalens ", ibid., Heft 1, 1956. The latter shows that in this industrialised region the farms whose existence is threatened are those in which lack of integration between industrial employment and farm work results in over-work for the farmer and his wife ; many are giving up their holdings for this reason.

[2] The German survey of peasant villages cited above, for example, considers that 7.5 hectares on good land may be sufficient as a minimum, while on poor land 10 hectares is necessary; these standards are presumably those locally considered adequate. A recent report (VON BABO : " Verbesserungen der Agrarstruktur ", in *Berichte über Landwirtschaft*, Heft 3, 1956) calculates the minimum area for a family farm by the area needed to give two full-time workers an income per head equal to that which they could obtain in " comparable occupations " ; on this standard, the minimum ranges between 15 and 18 hectares.

[3] In France, where the rate of decline of small farms in the inter-war years was low, it is now considered that about 500,000 farms, or one-fifth of the number of holdings registered in 1948, will vanish in the course of the next ten or twenty years (see VON VERSCHUER, op. cit). Inter-war data for Switzerland are discussed by K. RUDOLF : " Die Kleinbauernbetriebe in der Schweiz, eine kritische Würdigung ihrer Zukunftsaussichten ", in *Landwirtschaftliches Jahrbuch der Schweiz* (Berne), Heft 4, 1956. PETRICEVIC (op. cit.) considers that there has been a decline in small farms in recent years, indicated by the decline in the number of cattle-owners.

compulsory combination of units, represents a misunderstanding of its causes. The problem emerges because standards of living are rising, and because family farming in general is becoming more efficient ; it is a symptom of economic progress and not of retrogression ; and policy can therefore aim at aiding evolutionary change.

The Swedish policy of state assistance to aid small farms to combine into larger units, as the smaller farms fall vacant, is an interesting example of this approach. It forms part of a much wider programme for increasing productivity in agriculture evolved by a commission of inquiry set up in 1942, when the conditions of the agricultural depression of the thirties were still in view. The object of policy was to raise the rural standard of living to a level equal to that of " comparable occupations ". As a corollary, state aid to farmers was made conditional on " rationalisation ", i.e. improvement in farming methods and management. One of the most successful policies was the encouragement of mechanisation, through grants to machine stations—which may be associations of farmers, private farmers, or business enterprises—financial support being conditional on their undertaking to provide machine service to small and medium-sized farmers. Since 1945 mechanisation has advanced very rapidly and has been the chief cause of the extremely rapid increase in labour productivity emphasised above.

For the small farm under 10 hectares the aim is to assist the combination of units falling vacant with other small farms. All transfers of land have been made subject to official approval so that they may aid " rationalisation ", and the State has the right of prior purchase of farms that fall vacant, which it may use to combine the vacant lot with neighbouring farms. So far, only small areas have been combined in this way. In these cases the State takes the opportunity to reorganise the field lay-out of the entire peasant village, consolidating fragmented holdings and building roads and drains, in addition to the regrouping of the farms receiving land from the vacant farm. No attempt is made to hasten the decline of the units under 10 hectares ; on the contrary the small farmer receives subsidies in the form of special milk prices in order to help him to improve his position and acquire more stock until he can get more land. The process of combination is expected to extend over thirty years, in which time it is intended to combine all farms under 10 hectares, bringing them into the 10 to 20 hectares size group.[1]

[1] For a full account of the policy see Theodor BERGMANN : *Wandlungen der landwirtschaftlichen Betriebsstruktur in Schweden* (Hohenheim, 1955).

The success of the Swedish policy in increasing the productivity of labour in agriculture suggests that the positive approach to the problem of the lower level of productivity on the small farm is to aim at raising it, within the framework of a policy for raising the productivity of family farms in general, without attempting to force regrouping and, when regrouping is undertaken, to use the opportunity to improve the field lay-out of the village. The quicker the general rise in farm efficiency, the quicker incomes will rise, and the quicker the adjustment is likely to be, since farms falling vacant will be more profitably sold if other small farms are able to buy at good prices. Since the policy was inaugurated the number of farms between 2 and 5 hectares has declined by 11 per cent. and those between 5 and 10 hectares by 5 per cent. These are not rapid rates, but they are much more rapid than the rate of decline in the inter-war years in Sweden or in other Western European countries.

Though the emergence of the problem of uneconomic farms does create the need for new approaches, the present tendency to emphasise small farm area as the main cause of low labour productivity in agriculture tends to obscure the effects of other factors that make for low productivity in family farming. In France, for example, the movement out of agriculture has been rapid over the last half century ; farm sizes are generally larger than in Denmark, and the proportion of land held in the 2 to 10 hectares size group is the same ; yet the level of land and labour productivity in agriculture is only half that of Denmark, which suggests that the scale of farming is not an explanation of the lower level of productivity. Fragmentation, poor education and lack of co-operative organisation are all important influences on the general level of efficiency. A recent German survey throws interesting light on the relation between farm incomes and educational levels, showing that farmers with technical education earn 30 to 40 per cent. higher incomes than the uneducated.[1] Such differences are familiar in all agricultural communities ; even in the most advanced the differences in income between the good farmer and the bad, on the same type of land and in similar conditions, are of this order. They suggest how much can be achieved by the means which, together with co-operation, have put Denmark's peasants first among European farmers over the last half century.

Where several factors combine to keep labour productivity low—poor land, small farm sizes, lack of education and remote situation—then a special policy is certainly needed, because

[1] Hermann PRIEBE : *Bäuerliche Familienbetriebe in Nordrhein-Westfalen* (Bonn, 1956). In one district of the region surveyed the highest level of output per unit of labour was reached on an 8-hectare holding, whose owner had technical training and exceptional capacity.

poverty perpetuates itself. Such pockets of underdevelopment can exist even in countries where the general rate of increase in output per head in agriculture is exceedingly high, as for example the marginal farm districts in the United Kingdom.[1] In Switzerland the mountain cantons constitute a similar depressed area, to which policies of regional industrialisation and relief have been applied. The German official report on the improvement of the agrarian structure argues the need for a special policy for such regions, distinguishing between the position of the non-economic farm in regions where adjustment will be easy through good opportunities of industrial employment, and in regions where it will be difficult because lack of choice forces small farmers to cling to their holdings. In such districts the report recommends either regional industrialisation policies or—a bold suggestion—the division of state forests among peasant farmers, under co-operative management.[2]

Perhaps the most significant change, as compared with the inter-war years, is that Western European governments are beginning to introduce a more realistic social policy for agriculture, recognising the need for increasing the efficiency of family farming and giving special aid to the weakest sections of the farming community. If the present trends continue governments will need to think still more about strengthening the family farm structure by investing in education, improving village lay-outs, and aiding co-operation for machine use—a trend now observable in several countries, particularly in France and the Netherlands. Seen in the perspective of the general rise in land and labour productivity of recent years the problem of the smaller farms is not a grave " defect of the agrarian structure ". In comparison with Southern and Eastern Europe, indeed, it appears somewhat parochial to regard it as constituting a problem at all.

Southern Europe

In Southern Europe no general evolutionary changes resembling those occurring in Western Europe can be discerned. Numbers

[1] " Marginal farms " are those on which the net income per head is insufficient to provide an income equal to that of an agricultural labourer together with interest on invested capital. These farms in the past ten years have received considerable financial aid, but there has been no improvement in farming methods. See O. T. W. Price : " What Constitutes a Successful Marginal Farm Policy ? ", in *Farm Economist* (Oxford), Vol. VII, No. 5, 1952. " All that marginal farm programmes seem to have succeeded in achieving in Welsh cattle and sheep farming over recent years is the providing of their operators with a standard of living about equal to that of farm workers." This is not a solution, since only a combination of the farms into larger units would put them on a sound footing.

[2] See von Babo : *Verbesserung der Agrarstruktur*, op. cit.

in agriculture continue to increase in Spain and Portugal, as they have done over the past fifty years, and though in Italy there has been a decline in agricultural population since 1930, it is probably concentrated chiefly in the northern industrialised regions. In Spain and Portugal the agrarian structure appears to be rigid, the latifundia maintaining their position while small farms, chiefly in intensive cultivation, presumably continue to multiply; medium-sized peasant farms are unimportant. There has been no agrarian reform, with the exception of a little land settlement in Spain. Agricultural production remains below the pre-war level, and the standard of living of the peasants has fallen.[1]

In Italy there has probably been a considerable increase in peasant ownership in the northern regions, where peasants are believed to have bought fairly large areas—between 300,000 and 500,000 hectares—in the period of inflation following the Second World War, as they did after the First. Large farms, though they benefit from the policy of protecting grain production and subsidising sugar beet, find that rising labour costs and chronic strikes cut into their profits. A more active policy to aid small farmers, the regulation of share-cropping contracts, the provision of security for tenants and the consolidation of fragmented holdings are the chief needs today. Fear of land reform has induced many landowners to sell land privately, on a fairly large scale : in Sicily alone 250,000 hectares are said to have been sold in this way. The need for strengthening peasant farming is therefore the more acute.

The land reform measures enacted in Italy in 1950 and 1951 relate only to certain regions. For the agrarian structure of the country in general they do not represent a revolutionary change, since the area subject to expropriation and redistribution in the regions affected by the reform amounts to only 700,000 hectares out of a total area in holdings of 21.5 million hectares in Italy as a whole. But in the regions to which they relate—the over-populated south and centre—the reform measures do affect the agrarian structure to an extent that can be described as revolutionary, though the process is slow, cautious and expensive. The land expropriated from large estates is mainly waste land or poor land extensively cultivated. To establish peasant farmers by cutting up big estates with much bad land and granting it in small units to the labourers is not practicable. The land must first be reclaimed and drained and usually also irrigated, before intensive farming is possible. Consequently the reform requires

[1] United Nations, Department of Economic Affairs : *Economic Survey of Europe in 1953, including a Study of Economic Development in Southern Europe* (Geneva, 1954), pp. 141 and 149 ; and DOVRING, op. cit., p. 108.

much deep investment. The new farmers, for the most part farm labourers from the destitute hill villages, must receive complete equipment for the farm and must even, in some cases, be taught how to milk.

The method of group settlement succeeds well in combining the advantages of large-scale machine cultivation with intensive and specialised production. Farms are laid out in broad contiguous strips, with the vineyard and orchard adjacent to the house and the arable land laid out in large fields over which the tractors cultivate across the individual holdings. Recipients of land must be members of a co-operative society and must agree to the terms of a contract which obliges them to follow a compulsory rotation and to cultivate as prescribed by the management. Large machinery remains the property of boards of administration, though it may in time be taken over by the co-operatives; inevitably management is still bureaucratic, rather than co-operative. Technically, the results are good: crop yields are doubled, and livestock production increases.

The settlers who have received provisional title to land certainly have a much higher standard of living and economic security, even if they have not as yet become independent farmers. Holdings are generally too small for independence; the total area assigned by the end of 1955 (526,282 hectares) was distributed among 99,379 families, of whom 58,678 received farms averaging 6 to 8 hectares, and 40,701 a "quota", i.e. a 2 or 3 hectare holding of citrus or vineyard. So long as the central management remains efficient, the settlements will prosper. The method is, of course, expensive, since the cost of reclamation is high, and all capital must be provided. Criticism tends to focus on the large amount which the reform has cost to date—a million lire per hectare. But a century of neglect of land and people necessarily makes the creation of a new agrarian structure a costly undertaking.

The new settlements are islands in the ocean of agrarian poverty: they do not give enough employment to relieve it on a sufficient scale. In 1954 there were still 400,000 unemployed in agriculture in Italy as a whole, mainly in the south. Underemployment is still prevalent; in the south, in 1954, the average number of days worked in agriculture was only 153.[1] The general development programme for the south creates employment in road building, private land reclamation and electrification. Not enough has been done in the direction of industrialisation, and the problem of the great surlpus of labour remains.

[1] Associazione per lo Sviluppo del Mezzogiorno: *Notizie sull'Economia del Mezzogiorno* (Rome, 1956).

Eastern Europe

In Eastern Europe, by contrast, there would appear to have been no improvement in the efficiency of agricultural production as a result of the recent drastic structural reforms, but the policy of industrialisation has succeeded in absorbing much surplus labour into industrial employment. Unfortunately the absence of agricultural statistics makes it impossible to study the effect of these changes on the peasants in quantitative terms; it is possible to assess the impact only in broad outline, distinguishing between what can be reasonably surmised and what is uncertain.

There can be no doubt that a fairly large proportion of the agricultural population has been absorbed into industrial employment. To reduce the pressure of population on the land was a necessary precondition for improvement in the position of peasant farming. So long as rural overpopulation and seasonal unemployment existed on a large scale, neither land reform nor co-operative farming could do much to improve the agrarian structure. The need was not, as in Western Europe, to aid an already operating evolutionary process of adjustment to larger family farm units, but to lift the whole structure out of stagnation by absorbing surplus labour into employment outside agriculture.

The proportion of the total population in agriculture must certainly have been considerably reduced by the great increase in non-agricultural employment in recent years. Whether there has also been an absolute decline in the agricultural population is uncertain, since figures are not as a rule available. In Czechoslovakia and Hungary there has certainly been an absolute decrease in the agricultural population ; reports of a shortage of agricultural labour suggest that the decline may have been large. In the Balkan countries, with their high rates of natural increase, it seems probable that the agricultural population still continues to increase, though its relative importance must be declining. (In Yugoslavia, where demographic conditions resemble those of the other Balkan countries, except in so far as war losses were far greater, active population in agriculture in 1953 was slightly larger than in 1931 on a slightly larger total area—5,179,000, as against 5,083,000—while the numbers employed in industry increased by 600,000 or 60 per cent. over the same period.)

In Poland it is officially claimed that there is no longer a surplus of labour on the land, a claim which the changes in territory and population and the rapid increase in industrial employment would seem to substantiate. In the first years of planning, up to 1950, agricultural population certainly decreased; but the rate of increase of industrial employment is slowing

down, and it is probable that agricultural population is now increasing again.

The growth of industrial employment not only absorbs agricultural workers permanently into urban occupations; it also offers increased earnings to peasant families, and gives rise to a to-and-fro movement between industrial employment and seasonal work on the farm holding. In Slovakia, a region with much surplus labour and poor peasants, the policy of industrial decentralisation is reported to have drawn all male workers off the farms, except in the harvest season. In Poland this to-and-fro movement is strong in all country districts adjacent to industrial centres as a result of the shortage of new urban housing and of food. Members of farm families commute daily or weekly over long distances; factories even fetch labour by lorry from the villages.

In Yugoslavia the to-and-fro movement is very evident. A sample survey covering all regions of the Republic in 1953 showed that on private farms only 61 per cent. of the total cash receipts was derived from work on the holding, while 39 per cent. was derived from off-farm activities.[1] The tendency to seek work outside agriculture is seen on all holdings, but is rather more marked on the smallest farms under 3 hectares in size. There are now about a million " peasant industrial workers " who go to the towns for short-term work, and return to their holdings for sowing and harvest. Thus, although the seasonal labour surplus is absorbed, there is no improvement in farming, for the holdings of these workers are less well cultivated than others; factories cannot count on steady employment or build up a skilled labour force.[2] But the peasant standard of living is certainly higher as a result. The tendency to cling to the farm holding, even if it is small and unproductive, has doubtless been accentuated by the frequent changes in agrarian policy in recent years. The to-and-fro movement, Professor Bićanić considers [3], is likely to be prolonged by the bad housing conditions in towns, and decentralisation of industries into rural districts.

Except in so far as off-farm earnings must have brought improvement, no generalisation about rural standards of living in Eastern Europe as a whole is possible. As to real incomes

[1] Rudolf BIĆANIĆ : Data taken from a paper on national income distribution in Yugoslavia, read by Rudolf Bićanić to the International Association for Research in Income and Wealth, Hindsgavel, 1955.

[2] Idem : " Dohodak Seljackih Gospodarstava u FNRJ i NRH u razodoblju od 1953-55, in *Ekonomski Pregled* (Zagreb), Aug.-Sep. 1956.

[3] Idem : " Occupational Heterogeneity of Peasant Families in the Period of Accelerated Industrialisation ", in *Transactions of the Third World Congress of Sociology* (London, International Sociological Association, 1956), Vol. IV.

from agriculture, the absence of statistics precludes comparison with pre-war levels. Up to 1948 or 1949 there was a rise in real incomes per head for those sections of the farm population which benefited from the land reforms. These reforms expropriated all large private land holdings and, although not all the land expropriated was distributed, fairly large areas came into peasant ownership. The scope of redistribution varied according to the proportion of land formerly held in large estates; in Hungary the change was considerable, in Bulgaria, negligible. In Poland and Czechoslovakia very large areas of former German land became available for redistribution, but a large proportion of this land was retained as state property, either in permanent state farms or for later use as a base for collectivisation. Published figures on the results of the reforms do not reveal the extent to which expropriated or evacuated land was held back from redistribution, so that the extent to which peasant landownership increased its importance cannot be known.

However, the reforms benefited the poorest sections of the farm population, previously half employed and underfed. The general policy was to increase the smallest holdings by distributing land in small lots to as large a number of claimants as possible, giving priority to farm labourers and the smallholders with less than 2 hectares. The inevitable result was that a greater part of total agricultural production was consumed on farms instead of going to the towns or the export market.

In the years immediately after the Second World War real incomes in agriculture certainly rose relatively to incomes in other occupations as a result of the shortage of food. Price controls and produce delivery systems were generally ineffective. Since 1949 price controls have been tightened, and compulsory deliveries (up to 75 per cent. of the farm output) have been enforced. The general policy for agriculture has been the reverse of that followed in Western European countries, since it aims at preventing investment in peasant farms. Low official prices, high delivery quotas, and high taxation, have checked investment and so, too, have changes in currency, which wiped out peasant savings accumulated in the years of high prices. The fear of collectivisation reinforces these other deterrents, in particular preventing the purchase of livestock. The peasants' earnings from activities outside agriculture are invested not in the farm, but in building new dwelling houses.

No effort has been made to develop more intensive types of agriculture, except in so far as sugar beet production has been encouraged. The peasant economy is much weaker, in spite of the reforms, than it was in the inter-war years, because it is starved

of capital, and because farms are smaller. After the reforms the greater part of the agricultural land in all Eastern European countries except Czechoslovakia was held in farms under 10 hectares in size. The numbers of hired labourers on peasant farms must now be very small, and family farming must now be the predominant element in the structure, as in Western Europe; but it has not achieved greater efficiency, nor is there a trend towards larger peasant farms. What has happened to the larger peasant holdings between 20 and 50 hectares, which formerly employed hired labour, cannot be ascertained. Peasant farms are probably still growing smaller. In Poland it appears that the downward trend in farm sizes, the great weakness of peasant farming in the inter-war years, is still continuing. [1] This may be due to the decline in numbers of the larger peasant farms, where the tendency to subdivide may be accentuated by the desire to avoid heavy taxation under the " kulak " classification.

Since 1949 collectivisation has been the aim of agricultural policy, with the complete abolition of peasant farming as its ultimate goal. In order to avoid the results which followed direct expropriation of peasant farmers by forcible collectivisation in the U.S.S.R., co-operative farming was chosen as the form of organisation, and laws were passed providing for the constitution of co-operative farms in four types, graded according to the method of income distribution among the members. [2] According to the laws membership was voluntary in all but the fourth type.

These forms of organisation have attracted interest in other countries. Co-operative cultivation appears to be a method by which peasant farmers can use large machinery jointly, without surrendering their independence and the incentive of individual ownership. In Western European countries, as already mentioned,

[1] Between 1950 and 1954 the number of farms between 0.5 and 5 hectares increased from 1,613,400 to 1,703,200 and their share in the total number of private holdings increased from 54 per cent. to 59 per cent., the total number declining from 2,968,800 to 2,874,000. The proportion of the total privately owned agricultural area held in these size groups increased from 25 per cent. to 29 per cent. No absolute figures of area are given. *(Rocznik Statystyczny*, 1956, pp. 150-151.)

[2] In all four land is pooled for joint cultivation, but individual plots are retained; livestock is also pooled, though some animals may be kept by members as their private property. " Lower " types allow a proportion of the income to be distributed as rent, according to the area of land contributed, although the greater part of the farm income must be distributed as earnings of labour, calculated according to the " labour day principle ". In the fourth or " highest " type no rent is payable, and all income is distributed as earnings; it is a full collective and, once it is formed, land cannot be withdrawn by the members, as in theory it could be from the other types of co-operative. The distinctions between the four types vary in minor details in the different countries, but the general principle of differentiation between lower and higher is everywhere the same.

co-operative use of machinery is proving useful, while in Italy the large-scale compulsory co-operative settlement is part of the mechanism of land redistribution. Asian countries, as Dr. Schiller has recently emphasised [1], have reason to be interested in the Eastern European model, because their problems of uneconomic units and surplus population resemble those of the Eastern European countries.

In Eastern Europe there have been spontaneous co-operative forms of farm organisation, as for instance in Bulgaria in the inter-war years. In Poland the peasants who were resettled after the Second World War in the Western Territories on former German large estates evolved of necessity a co-operative type of farming which might well have become a general model.[2] Machine cultivation, organised as an aid to better farming, and not as an end in itself, could have been useful by enabling farmers to reduce their working livestock and to keep more livestock for meat and milk. The combination of the scattered strip holdings into larger fields could have raised yields. Had the aim been to intensify agricultural production by linking livestock more closely with grain production, co-operatives could have guided improvement by providing better breeding stock and disseminating knowledge of better feeding methods.

But in the conditions in which co-operative farming was introduced in Eastern Europe it is impossible to distinguish between the merits of co-operative farming as a form of organisation or tenure, and the process of collectivisation. This process involves not merely the combination of farms for mechanisation but the whole policy for agriculture in general. To make the process work it was essential to depress peasant incomes and prevent investment on peasant farms. Lower prices for farm produce, higher delivery quotas and higher taxation for individual peasants were part of the strategy. All supplies of new equipment were directed to the co-operatives ; they also received more favourable prices and paid lower taxes. In spite of these advantages, the voluntary principle was not sufficient to attract membership among the peasants, and in practice, according to official statements, was disregarded.

The rate of collectivisation has varied in the different countries, though the methods used have been everywhere the same. At present there is a dual agrarian structure composed of the socialised

[1] Otto SCHILLER : " The Significance of the Soviet Agrarian System in Asian Countries ", in *International Affairs* (London), Vol. 32, No. 3, July 1956.

[2] Wincenty STYŚ (" Zagadnienia mechanizacji rolnictwa ", in *Ekonomista* (Warsaw), 1948, II), on the basis of this experience recommended a field lay-out for co-operative farms in the Western Territories resembling that now introduced under the Italian land reform.

sector, including state farms and co-operative farms, and the private sector, including individual peasant farmers, predominantly small. Only in Bulgaria, formerly an entirely peasant country of small farms, does the socialised sector now predominate. By 1956 peasant farming had been almost completely collectivised, with 75 per cent. of the cultivated land in co-operative farms. No statistics are available to show the results of this rapid conversion.

In the other East European countries, peasant farming still takes up the greater part of the agricultural land area, and in some it has recently regained lost ground. In Czechoslovakia co-operative farms in 1955 comprised 1.6 million hectares, or 33 per cent. of the total arable land area, and state farms half a million hectares; the socialised sector thus took up 43 per cent. of the total arable land area. There was apparently some decline in the area in co-operatives between 1953 and 1956, but this may now have been offset by new expansion. In Hungary the socialised sector in 1955 included one-third of the arable land area, with 1.3 million hectares in co-operatives and 700,000 hectares in state farms; but between October 1956 and January 1957 there was a 50 per cent. decline in the area and number of co-operative farms. In Poland the rate of formation of co-operatives was slower than in other Eastern European countries. By early 1956 the socialised sector comprised 23 per cent. of the agricultural land area, with 2 million hectares, or 10 per cent. in co-operative farms, and 13 per cent. in state farms. Since the political events of October 1956 three-quarters of the co-operatives have dissolved.[1] New policies, designed to increase output on peasant farms, and even to encourage land purchase, are now being introduced.

In Yugoslavia the peasants came back quickly into their own after co-operative farming had failed. From 1948 to 1952 production co-operatives were promoted with energy and lavish credits; by 1952 they took up 25 per cent. of the arable land. Management was inefficient, and the credits were expended chiefly in building.[2] The bad harvest of 1952 forced an abandonment of price subsidies and credits, and so most co-operatives dissolved during that year, leaving only small areas in the possession of stranded rump co-operatives, the original landless nucleus, for whose benefit a

[1] Official figures are reproduced in *Economic Survey of Europe in 1955*, op. cit., table 93, p. 196; and United Nations, Department of Economic and Social Affairs: *Economic Survey of Europe in 1956* (Geneva, 1957), table 23, p. 24.

[2] Some co-operatives were, however, successful when the process was voluntary and the technical advance genuine, as for example the Jerko Ivančić Co-operative in the Split peninsula, which has converted poor wheat land into a market garden by irrigation and has continued to expand since 1946, supplying Split and other towns with vegetables.

new land reform was enacted in 1953 expropriating all land held in excess of 10 hectares. The area in production co-operatives is now small. Within a period of three years, about a million hectares switched in and out of public ownership.

To assess the effect of the collectivisation policy on agricultural production in Eastern Europe as a whole is not possible, because production statistics on a basis comparable with pre-war figures have not been published by all countries. The Czechoslovak figures are incomplete, and since 1950 Bulgaria and Rumania have adopted the Soviet method of estimating production by biological yield, in which the margin of error is too great to allow comparison with barn yield figures.[1] For Yugoslavia, Poland and Hungary, however, official crop production figures have been published which appear to be comparable with pre-war statistics. These are shown in the following table.

CROP PRODUCTION IN POLAND, HUNGARY AND YUGOSLAVIA
1934-38 AND 1948-55

(Million metric tons)

Year	Poland			Hungary			Yugoslavia
	Grain	Potatoes	Sugar beet	Grain	Potatoes	Sugar beet	Grain
Annual average 1934-38:							
Pre-war frontiers . .	12.5	35.0	2.8	—	—	—	—
Present frontiers . .	13.3	38.0	6.0	6.1	2.1	1.0	8.1
1948	11.3	26.8	4.2	6.3	2.1	1.8	7.6
1949	11.9	30.9	5.1	5.2	1.9	1.2	7.3
1950	11.3	36.5	6.4	5.4	1.4	1.6	4.6
1951	11.1	26.7	5.4	6.2	2.1	2.4	7.2
1952	11.4	27.7	6.2	4.0	1.1	1.2	3.8
1953	10.0	31.8	6.9	6.2	1.9	2.5	7.5
1954	11.0	35.7	7.0	5.4	2.0	1.9	5.1
1955	12.7	27.0	7.3	6.6	2.5	2.2	7.3

Sources. Poland: 1948 and 1949 figures from Food and Agriculture Organisation; other years from *Rocznik Statystyczny* (1956). Hungary: pre-war and 1948 figures from Food and Agriculture Organisation; other years from *Economic Bulletin for Europe* (Geneva, United Nations), Vol. 7, No. 2; and *Economic Survey of Europe in 1955*, op. cit., table 82, p. 174, corrected by *Economic Bulletin for Europe*, Vol. 8, No. 3. Yugoslavia: Food and Agriculture Organisation.

From these figures it appears that grain and potato production in Poland did not recover to the pre-war level till 1955, while in Yugoslavia it had not regained the pre-war level even in that year. That agricultural production did not recover to the pre-war level within three or four years, as the first post-war plans envisaged,

[1] See United Nations, Department of Economic Affairs: *Economic Survey of Europe in 1951* (Geneva, 1952), pp. 222-224; and *Economic Survey of Europe in 1955*, op. cit., p. 174.

is not surprising : war damage, territorial changes and the lack of public funds for investment in agriculture put this target far out of reach. More significant, however, in relation to the effects of agricultural policy is the low level of grain production in the years between 1950 and 1954. The recovery in the years immediately following the war was not maintained.

The low level of grain production in 1950-54 cannot of course be attributed entirely to the effects of agricultural policy. Bad harvests were an important factor in reducing output, particularly the droughts of 1950 and 1952 in the Danubian lands. But policy certainly played a part in keeping production low. In Yugoslavia, for instance, the very poor harvests of 1950 and 1952 were due not only to the droughts, but also to lack of incentives to cultivate : an area of about half a million hectares, some of it included in the production co-operatives, went out of cultivation during the years when collectivisation was most vigorously promoted. In the other Eastern European countries the recognition that the food crisis of 1953 was a result of the " disincentives " for the peasants led to a revision of policy in that year. Official prices of farm produce were then raised, taxes and delivery quotas for private peasants were reduced, and larger supplies of equipment and fertilisers were allocated to them, although co-operatives still continued to receive preferential treatment in all these respects. The Hungarian and Polish figures in the above table show that some improvement followed these changes.

Another indication of the influence of policy on production in Hungary and Poland is the increase in production of sugar beet. Official policy encourages this crop by favourable prices. Doubtless a similar policy for grain and potatoes would have shown similar results.

The strong " disincentives " to peasant production which the process involved must necessarily have had adverse effects, which could only have been offset if power mechanisation in the co-operative farms could have achieved a very rapid improvement in land and labour productivity. Even if power mechanisation had been complete and well organised in the socialised sector, the increase in yields that it could have achieved would not have been very great, for mechanisation is at best only an aid to better farming. Judging by official statements, mechanisation was far from complete, and co-operatives were often formed before sufficient machinery was available for them. The extent of mechanisation, measured by the numbers of tractors to the 1,000 hectares of agricultural land, is still very low by comparison with the peasant economies of Western Europe. Tractor work organised as a farm service will be needed in the future, even where the policy of

collectivisation has been abandoned. The more immediate problem is to get away from the one-sided emphasis on tractor cultivation, and to find means of improving livestock production, still far below the pre-war level. Here the problem of incentives in socialised farming has proved insoluble.

Thus it appears that co-operative farming, as practised in Eastern Europe, has not proved to be a way of raising the efficiency of agricultural production, or the rural standard of living, because it has not in reality been co-operative. Land productivity is no higher : in the three countries for which figures are available, yields have not risen above the low level of the inter-war years. As to labour productivity, it seems unlikely that there can have been any improvement, though in the absence of occupational statistics for agriculture no conclusions can be drawn.

Nor can it be argued that the movement of labour into industry necessarily involved a repressive policy for peasant agriculture, for surplus labour would certainly have left the land even if farm incomes had risen. Collectivisation was not necessitated by the expansion of industry, as is shown by the fact that collective farming has gone farthest in Bulgaria, little industrialised as yet, while in rapidly industrialising Poland it proceeded slowly. Forcing the pace of agricultural organisation has increased the cost of industrialisation, and delayed a rise in the urban living standard by many years. If the economic results are taken into account, they suggest that it is time to abandon the belief that giving the peasants a hard time will improve the efficiency of agricultural production.

* * *

To conclude, even though peasant interests can be served by revolution when the agrarian structure is highly unequal, evolutionary change is the best way of raising farm productivity. The Swedish example shows how much can be done by building up from what exists, without compulsion. Peasant farming does not necessarily mean small unmechanised units, incapable of advance ; it can and should mean prosperous family farming. One way of achieving that result may be through co-operative use of machinery. But the form is less important than the content : Eastern Europe, like Western Europe, needs to invest more in its peasant farmers. In the European experience there are many well proved ways of strengthening the family farm by strengthening the farm family, without destroying the invaluable asset which peasant ownership at its best represents.