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Rural Families and Rural Development in Central and Eastern Europe*

Introduction

The family is one of society's fundamental social and economic institutions. It is primarily responsible for labour force replacement; it contributes to the reproduction of social and community structure; it provides social welfare functions for youth, the elderly and other dependent populations and it produces goods and services for exchange. Social, economic and demographic changes in society affect, and are affected by, the social and economic functioning of families. For example, the profound transformation from state socialism that is occurring in Central and Eastern Europe has reduced economic security for many persons and has resulted in dramatic changes in the family's role in economic production. Moreover, this transition has resulted in dramatic institutional changes that are reflected in the altered demographic characteristics of Central and Eastern European families, and especially in gender relationships and in the position of the elderly. Our paper focuses on two realms of family life that are particularly important to rural community and economic development: (a) the family as a demographic unit with reproductive and social welfare functions, and (b) the family as a unit of economic production. Our overall conclusion is that comparatively little is known about how the transformation from state socialism is affecting the social welfare of rural families, how rural families are adapting to these fundamental institutional changes, or how changes in family organization are contributing to or constraining rural economic and community development. Moreover, little research has been conducted that seeks to determine whether rural and urban families have experienced similar changes during the post-socialist transformation, and whether changes

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in family organization during this period have been similar or different across the region's various countries. Our own research and life experiences have been in rural Hungary. While we use this work to illustrate many of the points in this paper, our broader objective is to show the relevance of our conclusions for the entire region.

The Changing Demography of Central and Eastern European Families

The family is society's principle institution for both social and biological reproduction. Changes in fertility, mortality and migration result in changes in family structure, but they in turn are affected by the changing family itself. Persistently low fertility rates across Central and Eastern Europe for example, have produced smaller and older families, and such families reinforce the regime of low fertility. While a comprehensive analysis of changes in the social and demographic organization of rural families is beyond the scope of this paper, we focus on two key aspects of family structure and functioning—aging and gender relations, and we argue that they are inextricably tied to rural community and economic development in the region. Hence, our demographic analysis has direct implications for our later discussion of families and economic production since both gender roles and age composition are closely tied to labour supply, dependency, and the density of civic networks that contribute to development in and of local rural communities.

AGING OF CENTRAL AND EASTERN EUROPEAN POPULATIONS

While Central and Eastern European nations are demographically diverse, the share of elderly population is projected to rise in every country in the region during the next three decades (Velkof and Kinsella, 1993). Current proportions of those aged 65 and over (9% to 13%) in most of these countries are projected to increase to over 20% by 2025. In Poland, for example, the proportion of 65+ is expected to double during this time from 10% to 20%, and the proportion of the elderly in Hungary, which is already the highest in the region, is expected to rise to over 23%. Moreover, the region's elderly population itself is aging. Currently, the 'oldest of the elderly,' those persons aged 80 and more, constitute almost 20 per cent of all the elderly in Central and Eastern Europe. By 2025, nearly one quarter of the elderly people in the region are projected to be in this category.

Data comparing urban and rural aging trends in the region indicate that villages have a higher proportion of elderly population than their urban counterparts. For example, in 1997 the percentage of the elderly ranged from 17 per cent in cities with 50,000 plus population to over 28 per cent in small villages located more than 30 km from a large city (KSH, 1997).

In addition, recent research on rural-urban population redistribution during 1994–1997 in Hungary indicates that the rate of natural increase in villages lags behind that in towns and urban centres (but not Budapest) (Schafft and Brown, 1999). This indicates either that the rural fertility rate lags behind the urban rate, which is not likely, or that the proportion of the village population of childbearing age is lower. In contrast, this same study showed that villages have received net in migration from larger cities throughout the 1990's. This trend might moderate the aging effect of below replacement fertility since in-migrants are likely to be younger than the longer term residents they join in rural villages. So, while Hungary's rural population is older than its urban counterpart, all populations in the country and almost certainly in the rest of the region are aging rapidly. Hence, the elderly merit serious attention in rural policy discussions.

Trends in fertility strongly influence population age composition, family structure and intergenerational relations. Low fertility in Central and Eastern European countries results in the shrinking size of successive birth cohorts, and growth in the proportion of the elderly. Poland, Hungary, Slovakia and the Czech Republic have all had below replacement fertility since the early 1980s. Moreover, the total fertility rate¹ has declined in all of these nations since 1989 (U.N. Economic Commission for Europe, 1999), and there is evidence that this further decline is associated with concerns that individuals might have about their future economic security (Moors and Palomba, 1995). Persistent low fertility has dramatic effects on family structure. For example, Klinger (1990) has shown that 25% of Hungarian elders have only one living child, and 15% have no children.

While fertility is the main determinant of age structure, mortality can also affect the proportion of the population in various age groups. The expectation of life at birth is a summary measure of a population's mortality experience. All Central and Eastern European countries experienced increased mortality among middle-aged males between the 1960s and 1990, and male life expectancy at birth declined as well. In Hungary, for example, the increase in male mortality was especially large, and life expectancy declined by over 2 years between the 1960s and the mid-80s. Current data indicate modest improvements in male mortality in Hungary since 1994, which will improve men's chances of surviving to old age (Vukovich and Harcsa, 1998). While this reversal in male mortality is good news, it also means that increased life expectancy will combine with low fertility to further age the region's populations.

¹ The TFR shows the average number of children that would be born to a group of women if they were to pass through their childbearing years conforming to the age specific fertility rates of a specific year.

ISSUES ASSOCIATED WITH POPULATION AGING

Dependency and Rural Development. Elderly persons are less likely to be employed in the formal labour market than other adult age groups, and more likely to be economically dependent on their families and/or the state. Some scholars have proposed that nations with high ratios of elders to working age adults are less likely to develop because resources that could be used to establish new economic enterprises are siphoned off into consumption (Coale and Hoover, 1958). This perspective employs a rather restrictive definition of economic activities. Our own research on household livelihood strategies in rural Hungary, for example, indicates that older villagers are involved in productive activities (Brown and Kulcsar, 1998). Moreover, while active job holding is lower among elders than younger persons throughout the region, the rate of labour force participation among elders varies dramatically across countries. Virtually no Hungarian elders work in the formal economy, but almost 1/3 of Polish men and 1/5 of Polish women work after the age of 60 (Velkoff and Kinsella, 1993). There is also evidence that 'work after retirement' is more prevalent among rural elders than their urban counterparts. Winter and her colleagues (1998) showed that rural workers in Lublin, Poland and its surrounding region were more likely to retire than urban workers, and they were more likely to be working with or without pay thereafter. Accordingly, we are not so sure what 'age dependency ratios' mean in the cultural context of Central and Eastern Europe, and we are not sure that a relatively high proportion of the elderly population constrains local economic development.

Economic Vulnerability. Regardless of their involvement in productive economic activities, research has shown that the region's elders are more economically vulnerable than other population groups. A 1994 survey in Poland, for example, demonstrated that age has a curvilinear effect on objective social well being, improving to about the age of 37, declining gradually to the age of 69, then declining rapidly (Winter et al., 1999). In Hungary and Poland (but not in Slovakia or the Czech Republic) data from the Luxembourg Income Study indicate that the proportion of elderly households with less than 75% of the median national household income was substantially higher than that of other household types. These data are for 1990, and the relatively disadvantaged situation of the elderly may have improved during the last decade, especially if pension programmes have kept up with inflation better than other sources of income. Research in Hungary, in fact, does show that the real value of pensions has declined less than the value of other income sources (-13% vs. -52% for unemployment benefits or -55% for family assistance) (Forster et al., 1998). Hence, dependence on government pension programmes has reduced the elderly's economic vulnerability during this period of high unemployment in the region. Of course, *elders' continued economic security is contingent on the*

state's willingness and fiscal ability to allocate substantial resources to this part of the social budget. Research in Hungary by Toth (1999) has demonstrated that the risk of falling into poverty for post-retirement age families would increase to 87% from the present (already high) 24% if pensions were eliminated. The fiscal capacity to provide income support programmes for the elderly is itself partly dependent on aging trends, and especially on the ratio between income earners and pension recipients. Hence, changes in the laws governing retirement, and the design and eligibility criteria of state pension programmes will affect the elderly's economic security in the future. And this issue will be of critical importance for both urban and rural development.

Social Involvement. Social involvement has been shown to improve the elderly's quality of life and even their health and longevity (Young and Glasgow, 1998; Moen et al., 1989). Recent data from the Hungarian Household Panel, however, shows that Hungarians report a decreased number of friends, an increase in being without friends, and a withdrawal from inter-household exchanges. Moreover, Albert and David (1998) have demonstrated this decline in friendships has been especially dramatic among the elderly. They reported that almost a third of elders lost friends between 1994 and 1997 compared with less than a quarter of younger persons. Research by Angelusz and Tardos (1998) indicates that older persons in general, and pensioners specifically, are less likely to have dense networks of social relationships than younger persons or elders who are still employed. Reduction of social network resources is a natural accompaniment of the aging process as members of one's age cohort die or are institutionalized. However, in Central and Eastern Europe this natural process appears to have been exacerbated by the regime change which seems to have resulted in a reduction of social engagement at all ages. A reduction of social involvement among the rural elderly is likely to adversely affect their well-being. In the context of reduced social network resources the elders' access to health services in villages which no longer have doctors, dentists, and other health professionals locally available will have a large impact on their quality of life and longevity. Moreover, it is likely that a reduction of the elderly's social network resources is adversely affecting their material well-being and increasing their (already high) dependence on state pension programmes.

FAMILY AND WOMEN'S WORK

It is abundantly clear that women have been disproportionately disadvantaged during the transformation from state socialism (Wejnert and Spencer, 1996). For example, Molyneux (1995) reported that an overwhelming sense of insecurity because of job loss, declining income, and a deteriorating social environment was a common theme in eight books on women in post-communist countries. She reports that the policy environment in the region

is unfriendly to women, especially with respect to public welfare and employment. Spencer (1996) has observed a revival of patriarchy in all post-socialist nations with respect to family relations, reproductive decisions, employment and income, political representation, and civic participation. Lobodzinska (1995) has observed parallels in women's situations across Central and Eastern Europe even as particular authors describe what they perceive as 'unique experiences' in each of their countries. In this section of the paper we will review what is known about family relations and women's attachment to the formal economy.

INCREASED RESPONSIBILITY BUT INCREASED VULNERABILITY

The central irony shaping economic security in Central and Eastern Europe today is that women's economic vulnerability is increasing at the same time as they are increasingly responsible for supporting themselves and their families. Since we know of no research that investigates these issues separately and/or comparatively for rural and urban areas we will assume that the overall situation reflects the situation in villages, towns and cities throughout the region. Family structure in the region has become more diverse, reflecting trends characteristic of Western Europe and the U.S. The age at marriage has increased for both men and women in most countries in the region, the mean childbearing age has increased, the number and proportion of births born out of wedlock has increased (U.N. Economic Commission for Europe, 1999), widowhood is more prevalent, and the number and proportion of divorced persons has climbed steadily (in some countries more than others) (Vukovich, 1999). The overall outcome of these trends is that a significantly greater proportion of women are living alone and a significantly larger proportion of families with children are headed by women (Lobodzinska, 1995; Vukovich, 1999). Accordingly, *women are increasingly responsible for supporting themselves and their children at the very time their economic opportunities are being limited.*

Both men's and women's employment have been adversely affected by the transformation from state socialism, but the effect on women has been especially dire. Data from a variety of sources demonstrate that women's changed economic situation has been remarkably consistent across the region, as has their declining relative situation to that of men. Women have been much more likely than men to exit the labour force since 1989 (Habich and Speder, 1998); their labour force participation rate has declined more rapidly; their unemployment rate exceeds that of men in Poland, Slovakia and the Czech Republic (but not in Hungary) (U.N. Economic Commission for Europe, 1999; U.S. Bureau of the Census, 1995); and they are increasingly concentrated in low wage, low skill occupations (Varadi and Kovacs, 1997; U.S. Bureau of the Census, 1995; Lobodzinska, 1995).

Decline in Women's Economic Well-Being. This decay of women's labour force attachment has led to a dramatic decline in women's economic well-being, and a feminization of poverty. For example, over a quarter of female-headed households were poor in Hungary in 1992–1993 compared with 16% of male-headed households. Moreover, four out of ten households were poor where women lived alone. Leaving the labour force and becoming unemployed have been shown to be extremely risky during the post-socialist period. In a comparative study of Hungary and Germany during 1990–1996 Habich and Speder (1998) showed that persons who switched from employment to pensions, unemployment, or parental leave and those who had been unemployed throughout the period or had worked part time had the greatest likelihood of being 'losers.' They also showed that housewives, women on parental leave, widows, and divorcees had significantly elevated risks of doing poorly. Becoming marginalized in the labour market is 'bad for your economic health,' and women in Central and Eastern Europe have seen their labour market position deteriorate significantly during the last decade.

Research indicates that women's labour market attachment has declined for both voluntary and involuntary reasons. Withdrawal of women from paid labour is partly a result of economic restructuring that has reduced employment opportunities for both men and women. Moreover, an 'ideology of domesticity' has re-emerged in the region and both men and women appear to embrace the position. Women in particular seem to feel that the 'double shift,' e.g., a job in the formal economy in addition to domestic responsibilities, was an unjust situation that was forced upon them by the previous totalitarian regimes (Zajicek and Calasanti, 1995). Accordingly, many women report that they prefer to leave paid labour and work exclusively in the home. Eisenstein (1996) has observed that many women in Central and Eastern Europe tend to believe that domesticity and family afford a 'kind of personal privacy' that was not possible under communism, and hence they choose it as a way of life. Toth (1997) reports that both men and women in Hungary believe that mothers of small children should not work. The problem for many, as pointed out earlier, is that they cannot afford to relinquish their earnings. This is especially true of women who live alone and for an increasing number who are single parents, but it is also true for married couples with children. As Heitlinger (1995) has observed, 'One income was insufficient to support a family under communism. It still will be found wanting under capitalism.'

Many women and men lost their jobs involuntarily in the economic restructuring that accompanied the transformation from state socialism to market capitalism, but there is evidence that women were the first to lose their jobs, and women's unemployment has exceeded men's throughout the 1990s (U.N. Economic Commission on Europe, 1999; Eisenstein, 1996).

Moreover, there is evidence that public policy is not supportive of women's, and especially mothers', labour force participation. For example, day care subsidies have been cut, reducing women's employment options. Wejnert and Spencer (1996) have also reported that women who continue to work are increasingly being concentrated in low wage jobs, and that male-female wage gaps within the same job categories are growing. Hence, there is an inconsistency in Central and Eastern European societies. There is a recognized need for women to earn income outside of the home, but widespread attitudes that they should not. Toth (1997) however, has reported that these paternalistic attitudes are not consistent across the region, being more common in Hungary and Poland than in Slovakia or the Czech Republic. The situation for women's labour force attachment in rural communities is largely unknown although an ethnographic study of small town women by Varadi and Kovacs (1997) noted dramatic class differences in women's labour force participation. Well-to-do housewives did not hold jobs after 1989, while working class women continued to hold jobs as manual workers in factories, laboratories and agriculture, and of course they continued to be totally responsible for the domestic sphere.

Elderly Women. We conclude this section on women's economic vulnerability by noting the special situation of elderly women. As noted above, every nation in the region is experiencing rapid population aging. And because women have an advantage in life expectancy at birth and at the age of 65 in every country in the region, aging is essentially a women's issue. In fact, there are only about 60 males per 100 females after the age of 65 across the region (Velkoff and Kinsella, 1993). Women's advantage in longevity results in low marriage rates among elderly women (between 30% and 40%), and a high likelihood that elderly women will live alone. Velkoff and Kinsella (1993) showed that while 38% of elderly Hungarian women lived with spouses, and 28% lived with other family members, a third lived alone. Accordingly, these women are highly dependent on the state's political will to maintain a strong pension system, and on the system's fiscal solvency. We have no evidence that rural elders are more or less likely to live alone, although we suspect that they are more likely to live with other family members than is true of their urban counterparts.

The Economic Security of Rural Families

Central and Eastern Europe has experienced substantial economic hardship during the transformation from state socialism that began around 1989. While the region's nations differ in their pre-transition situations, and have not followed precisely the same paths toward democracy and market institutions, all have experienced substantial economic stress during the past decade. As reported by the Secretariat of the U.N. Economic Commission

in 1995, the former socialist countries have experienced, 'a prolonged economic downturn, high levels of unemployment, sharply reduced social security, and widening income and wealth differences...' Situations vary across the region's nations, but there is no dispute that the average citizen's economic security has diminished since 1989. Economic restructuring has reduced the value of many labour market skills, and has resulted in the disappearance of whole categories of jobs, high unemployment, and declining standards of living (Szamuely, 1996). It is against this background of increased economic vulnerability that we consider the family's role in economic production.

THE RURAL SITUATION

Economic distress is not spread evenly across Central and Eastern European nations, but tends to be disproportionately located in the rural sector. In Hungary, for example, data from the annual household panel survey show that about 8 per cent of Budapest's population was poor in 1994, while one quarter of the population living in villages fell below the poverty line (OECD, 1995). Moreover, the prevalence of poverty is about 50% in households where the head works in agriculture and other natural resources industries (Klugman, 1995). At least four factors explain why economic distress has tended to concentrate in rural areas. First, many redundant workers who lost their jobs in urban industrial complexes were village residents who commuted long distances to their jobs. Many of these unemployed workers have moved back to the countryside in search of ways of making a living. Second, foreign investment and resultant increases in jobs has been exclusively targeted to urban and suburban enterprises. Third, states have reduced their roles in the provision of rural health and other essential services with little likelihood that the void will be filled by the private sector. And finally, employment in agriculture has declined dramatically in the transition and has not been replaced by jobs in industry or services.

Our basic contention in this paper is that nonmarket economic activities by rural families which emerged during socialism (Szelenyi, 1988), continue to play an important role in rural development in Central and Eastern Europe during the post-socialist period. In the discussion below we will review what is known about two essential aspects of the family and rural development. First we will focus on the family as a unit of production in rural economies. Then we will discuss the family as a basic element of the social network structures that are essential for strengthening rural communities as places to live and work. Both of these dimensions of family functioning are best understood from the perspective of social embeddedness. As Fischer (1982) has observed, social relationships link individuals to broader social structures and provide means by which household members obtain resources, information and social assistance. Hinrichs (1998),

for example, used the embeddedness perspective to show that participation in marginal economic activities such as maple syrup production make both economic and cultural sense. She concluded that such activities are part of the 'household livelihood puzzle' but they also contribute to reproducing community structure. As Mingione (1991) has observed, households may be motivated by a diversity of goals to produce goods and services for exchange, some strictly utilitarian and others communal or 'reciprocal.' Following the logic of embeddedness, we contend that exchanges between rural households in Central and Eastern Europe are an important aspect of local economic production, but they also reproduce and strengthen the local social structure, therefore making further development possible. In other words, we believe that involvement in social networks provides protection from economic adversity in rural communities, and it also contributes to reproducing the very fabric of rural society that makes rural communities a sustainable social entity in post-socialist societies.

THE FAMILY AS A PRODUCTION UNIT

The transformation from state socialism to market capitalism resulted in wide — spread bankruptcy and industrial downsizing. Economic restructuring has reduced the value of many labour market skills, and has resulted in the disappearance of whole categories of jobs, high unemployment and declining standards of living (Szamuely, 1996). Families, facing increased economic insecurity and vulnerability, sought new solutions to the 'livelihood puzzle.' The situation was especially precarious in towns and villages (Fabian et al., 1998) where the agro-industrial complex released the majority of its pre-1989 workforce into unemployment. Moreover, the social welfare functions previously provided by state farms and collectives were severely curtailed after 1989 reducing access to medical and other essential services. Rural families have been extremely resourceful during the transformation period, and have combined a number of different strategies to maintain their previous standards of living, or merely to survive. These diversified livelihood strategies which we discuss below combine traditional rural activities with new innovations.

Qualifying for Disability Benefits. Official data indicate that unemployment is disproportionately concentrated in rural villages. In Hungary in 1998, for example, 36.5% of the labour force lived in villages vs. 45.5% of unemployed persons (Bodi et al., 1999). But these official statistics underestimate the extent of the unemployment problem. The actual number of unemployed men and women is much higher. As suggested in the section on family and women's work, a significant proportion of women who lost their jobs in the restructuring did not choose to register for unemployment benefit. Instead, they simply left the workforce. As a result, rural men's and women's official unemployment rates are quite similar

(42.6% for women vs. 48.6% for men in 1998) even though the actual prevalence of unemployment among women is significantly higher than that of men (Bodi et al., 1999). Moreover, men's unemployment rate is also underestimated. Many men who faced imminent dismissal from their jobs bypassed the unemployment registry, opting instead to qualify for disability benefit. The advantage of disability over unemployment is that disabled persons receive limited but certain incomes, while unemployment benefit only applies for a limited period of time. Disability was especially prevalent in the less developed northern and eastern rural areas in Hungary where people had extremely restricted employment possibilities, and we suspect that this is also true in other central and eastern European countries. Our study of a random sample of households in 17 villages in three regions of Hungary conducted in 1996 revealed that a quarter of all respondent households included at least one disabled person (see Table 1) (Brown and Kulcsar, 1998). Medical councils were responsible for qualifying individuals for disability in the early 1990s, and they were very 'flexible' at the time.

Table 1

Employment status of survey households

Households with at Least One Person in Particular Status	
Active employment	48
Pensioner	46
Disabled	26
Other*	20
Household Heads in Particular Principal Status	
Active employment	29
Pensioner	35
Disabled	17
Other*	19
TOTAL	100

N = 751 households.

* Other = maternity, homemaker, student, officially unemployed.

Source: Brown and Kulcsar, 1998.

Diversified Income Sources Replace Lost Wages. A significant number of dual earner rural households lost at least one of their jobs during the post-communist transformation. As discussed above, women often chose, or were coerced into retiring from the formal labour market. But, many households lost all employment in the formal economy. Our research

in rural Hungary indicates that only 48% of respondent households included one or more members with a formal sector job, and only one in three household heads held a formal sector job (Brown and Kulcsar, 1998). Accordingly, families have had to create, or re-create, their 'economic space.' Rural families have had to replace lost income with income earned in the informal and/or illegal labour markets. Since virtually none of this income is taxed, rural Hungarians produced only 26.3% of the nation's total income tax, even though 31.7% of personal income tax payers live in villages (Bodi et al., 1999). Clearly, much rural income escapes taxation.

Rural families have also been active in establishing small enterprises. Most of these businesses are focused on agricultural production for sale in local markets, and the evidence indicates that rural families could become even more active in establishing small businesses. However, many villages lack even the most rudimentary commercial and service sectors. In fact, in 1996 the data indicate only 21% of company tax payers and only 29% of personal entrepreneur tax payers lived in villages compared with 36.5% of labour force age population (Bodi et al., 1999). Small enterprise development is an underutilized opportunity for rural economic development.

Taking Advantage of 'Soft Regulations.' A large number of laws and regulations have been produced in all Central and Eastern European nations since 1989 to manage the emerging market economies. Some of these regulations and laws are associated with new institutional arrangements that have replaced socialist welfare and economic policies. For example, most countries have developed elaborate laws to privatize land and regulate its use. Numerous laws have also been developed to regulate commerce, and protect the natural environment. But, state and local authorities often turn a 'blind eye' to violations of these regulations when lax enforcement can help poor people get by. The state unofficially tolerates a certain level of activity in the 'grey' economy because of the decreasing standard of living and poor social services in villages. Hence, rural families often use these opportunities to avoid taxation, hide income, and work in illegal employment to enhance their economic resources (KSH, 1998).

Interhousehold Exchange. Inter-house exchange is not new in Central and Eastern Europe. The second economy emerged despite the socialist regime and was inseparably intertwined with the first economy. Szelenyi (1988) coined the term 'socialist entrepreneurs' to describe the household production of villagers under socialism, and he demonstrated that once the cash value of self consumption was calculated, its value often exceeded household wages from first sector jobs. Our research in rural Hungary shows that interhousehold exchange for cash, goods or services is highly prevalent (Brown and Kulcsar, 1998). The data in Table 2 show that over 1/3 of respondent households produce some goods or service which they exchange for monetary return with another household. Respondents indi-

cated that they participate in interhousehold exchange for largely economic reasons — ‘to get by,’ ‘to earn some money,’ ‘as a substitute for cash,’ or to avoid taxes. In addition, another 20% of respondent households produce goods and services for other households for favours, e.g., they expect no economic return for their efforts. Agricultural products dominated monetary motivated exchange. This finding is consistent with a 1998 KSH study of the ‘hidden economy.’ We also found that participation in interhousehold exchange was most likely among better off households with higher levels of economic and human resources, and better social network resources. It appears that these households participate in interhousehold exchange to supplement other income sources rather than as an alternative to participation in the formal sector. The embeddedness perspective developed by Mingione (1991), Fischer (1982), Granovetter (1985) and others helps to explain the social and economic logic of this behaviour. It is clearly an important part of the household livelihood strategy, but it is also motivated by social reasons, and contributes to social reproduction.

Table 2

Self-provisioning*

	Plant products	Animal products
Produce G.T.E. 50% of H.H. consumption	60%	50%
All of consumption	16%	8%
Produce L.T. 10% of H.H. consumption	18%	28%

N = 751 households.

* ‘What percentage of the food your household consumes each year comes from land you own and/or rent?’

Source: Brown and Kulcsar, 1998.

Self-Provisioning. Self-provisioning is closely associated with producing agricultural commodities for interhousehold exchange. Similar to exchanging, self-provisioning has a long history in the region, and was prevalent during socialism. Our Hungarian study showed that 60% of respondent households produced more than half of their consumption of plant products, and 50% of households produced more than half of the animal products they consumed (see Table 3). In contrast, only 18% of households produced less than 10 per cent of their plant product consumption, and 28% produced less than 10% of animal products.

Using Social Welfare. Social welfare benefits declined dramatically after 1990. For example, Forster and his colleagues (1998) demonstrated that the real value of Hungarian family assistance in 1996 was only 45% of its value in 1992. The total social budget accounted for 23% of disposable income in 1992, but fell to 19% by 1996, and family support de-

clined more rapidly than any other social welfare programme. To some extent the missing support was replaced by family resources, interhousehold exchange within the local community for which no immediate economic return was expected, and the activities of Non Governmental Organizations (NGOs). Regardless of their reduced value, rural households have been forced to use the existing welfare programmes. It has been a difficult decision for many families who have no previous experience of the system. Many people have been ashamed to go to the local welfare office for aid fearing negative judgement from friends and neighbours. Since social welfare is one of the only legal sources of income for many rural poor persons at the present time, it is important to investigate social and economic factors that are associated with their utilization of these programmes.

Table 3

Prevalence of any type of interhousehold exchange*

Households with at Least One Member Involved in Activity	
	Percent of all households
Interhousehold exchange	54
For monetary returns**	34
For monetary-only	18
For nonmonetary exchanges***	36
For nonmonetary-only	20
No interhousehold exchange	46

N = 751 households.

* 'Let's think about gardening and landscaping. Over the past year have you or any member of your household exchanged this kind of work [product] with other households for cash, goods, services, or as a favour?' Question was repeated for personal services, agricultural products, gathered produce, crafts, repair services.

** Includes households involved solely in monetary exchanges, and those engaged in a combination of monetary and nonmonetary exchanges.

*** Includes households involved solely in nonmonetary exchanges and those engaged in a combination of nonmonetary and monetary exchanges.

Source: Brown and Kulcsar, 1998.

THE FAMILY AND REPRODUCING THE LOCAL COMMUNITY

The family is society's central institution for social reproduction, and especially for reproducing local community norms, values, civic relationships, and institutions. In the most general sense the community can be thought of as an institutionalized solution for meeting everyday sustenance problems. In addition, people gain part of their personal identity from

where they live. They interact with the larger society through local community networks and institutions and communities help to buffer individuals from economic and other crises. Families contribute to community development and maintenance by bearing and socializing children, producing and exchanging goods and services locally by participating in voluntary organizations and being involved in civic networks. While the regime changes that occurred throughout the region around 1990 meant a fundamental restructuring of national economic, political and governmental institutions, research has shown that social resource networks have experienced both change and stability (Angelusz and Tardos, 2000).

In rural communities we believe that social networks have maintained much of their historical structure. Norms of reciprocity among families that developed over generations do not perish simply because the macro structure of society is being transformed. Except for the fact that many unemployed family members moved back to villages from urban areas and regained membership in day to day family and community activities, we believe that the social networks that define rural communities and mobilize rural people to participate in communal action have persisted from the past. Social network resources associated with membership in socialist political cadres and economic collectives were lost to many participants in the regime change, but we believe that the more fundamental social networks among families long resident in rural areas predated communism, and persist today.² These social networks make rural communities strong in the face of adversity and persistent in the face of fundamental change, and these social networks hold the promise for future economic development. People will not remain in areas which lack jobs, and businesses will not locate or remain in areas which lack basic social institutions. Strong social networks provide the basis for both economic and community development, and strong families provide one of the foundations for these essential networks. As we have shown in our research in rural Hungary, a significant proportion of respondent households provided services and goods to other households with no expectation of immediate reciprocation. In other words, their behaviour was motivated by generalized norms of reciprocity, not utilitarian goals. They simply provided favours to households in their social networks, and by so doing helped to maintain the community (Brown and Kulcsar, 1998). Local social structure characterized by norms of reciprocity and networks of civic engagement can provide the social basis for local economic development (Putnam, 1993), provided that community affiliation is stronger than family allegiance, or what Portes (1998) and others have called 'rent seeking

² Angelusz and Tardos are initiating an intensive study of social networks in four villages to investigate the form and function of these social assets in contemporary rural settings.

behaviour.' In this latter case, strong kin networks can overwhelm the 'communal project' and reduce an area's prospects for development.

Conclusions

In this paper we have argued that the family is a key institution for promoting rural community and economic development. We have contended that rural families have benefited from and contributed to social resource networks that result in community enhancement. Further, we have pointed to the theory of social embeddedness to explain how family activities are guided by both communal and utilitarian goals. We have used this embeddedness framework to describe how local social networks have enabled rural families to bundle together a wide variety of traditional and innovative activities in extremely resourceful livelihood strategies during this period of economic dislocation. Moreover, because economic development depends on community development (and vice versa), we contend that local social networks are an essential platform for future economic development in rural areas of Central and Eastern Europe.

While the strength of rural communities and the innovative livelihood strategies utilized by rural families makes us generally optimistic about the prospects for sustainable development in rural areas, e.g. development that balances social, economic and environmental goals, we cannot turn a blind eye to the precarious social and economic situation of certain types of rural families. In this paper we have focused on the economic and social vulnerability of the elderly, women, and of children raised in female-headed families. Persons with low levels of formal education and racial and ethnic minorities, while not discussed in this paper, are also at great risk in rural areas throughout the region today. These vulnerable persons will benefit from rural economic development, but their future is also dependent on a strong national and local state that is willing and able to provide essential services such as health care, income maintenance, and education, and vigorously enforce laws that protect vulnerable groups from discrimination and persecution.

Many of the observations we share in this paper were derived from national-level studies conducted in one or another country in the region, but very little actual research has been conducted on how the transformation from state socialism is affecting the organization of rural families and their social and economic welfare how rural families are adapting to fundamental institutional changes or how family organization and social action is contributing to or constraining rural community and economic development. We strongly recommend that future research be designed so that the situation in rural areas can be documented and compared with that in urban areas. Moreover, future rural-oriented research and rural-urban comparative research

should compare the changing social and economic situations across the region's various nations.

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