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The Opportunity of Subsistence-Style Agriculture in Central and Eastern Europe

Abstract

This study presents an alternative perspective to the common belief that increases in subsistence style agriculture in Central and Eastern Europe (CEE) represent a problem for agrarian transition. By organising recent literature on agrarian change and rural development in CEE into a Sustainable Rural Livelihoods framework, the author explores the social, economic and environmental processes and resources that underlie the increasing dualism of large and small-scale agriculture in CEE. Utilising this perspective, subsistence-style producers can be viewed as rural residents making use of an available resource to sustain their households in the face of economic uncertainty, in a way that is socially valued and historically embedded. The resilience of large-scale agriculture represents optimal use of existing resources and a low-risk survival strategy. Far from being a 'problem' for rural development or agrarian transition, both structures represent inherently functional and rational practices, given the current context. The author argues that key to understanding agrarian change in CEE is recognition that survival of the household, rather than efficient agricultural production, is the primary motivation of the majority of agricultural producers at this time.

Introduction

Agrarian systems in Central and Eastern Europe (CEE) are challenging Western thought about agrarian transition. Building on the foundation of the socialist agriculture experiment, responding to drastic changes in policy, and operated by one of the most highly educated (but poverty stricken) populations in the world, the agrarian systems of CEE are not evolving as anticipated: far from creating the efficient, productive family farms initially championed by Western development experts, post-socialist agrarian transition has been marked by an increasing dualism – the resilience of large-scale, collective-style farming and an increase in small-scale, labour intensive agricultural production (Swain, 2000). This situation is problematic

from mainstream perspectives, as it evidences a step backward towards the subsistence agriculture characteristic of developing countries.

This paper will add to the discussion of agrarian change in Central and Eastern Europe (CEE) by presenting an analysis based on an international development model: the Sustainable Rural Livelihoods (SRL) approach. To date, analysis of the agrarian change process in CEE has relied on the economic perspectives of the West, operating in tandem with attempts to integrate post socialist agriculture into world markets. The Sustainable Rural Livelihoods (SRL) approach offers a holistic, non prescriptive conceptual framework for the analysis of system change. The author chose the SRL approach as a means of entering into a discussion of the holistic and complex factors impacting on agrarian change in CEE. It is her perspective that current agrarian structures are oriented toward family survival rather than productivity and, as such, a focus on livelihoods, rather than production, will better illuminate the current situation. It is not the author's intention to test or validate the SRL concepts, but rather to present recent literature in a way that incites thinking 'outside the box' of traditional agrarian change paradigms.

The author's field research experience is in Western Russia and Bulgaria, which will inevitably influence her analysis of the literature to some degree. The Livelihood Systems of Central and Eastern Europe in and of themselves are diverse, but with significant common elements. It is these common elements which are the focus of discussion in this paper. For these purposes, the traditional definition of 'Central and Eastern Europe' is broadened to include those countries and republics which were previously part of the USSR, and located West of the Urals. Thus literature from the Ukraine and Western Russia is included in the discussion. Poland and Slovenia represent significant exceptions to the predominating dualism in agrarian structures in CEE, and are not directly addressed in this paper.

Sustainable Rural Livelihoods

The Sustainable Rural Livelihoods Approach (SRL) became a mainstream international development paradigm in the 1990s. Based on studies of the rural poor, the SRL approach combines participatory, bottom-up approaches with recognition of the impact of macro level governance, policies and institutions. For consistency in this paper, emphasis is placed on the model adopted by the Department for International Development (DFID) in the United Kingdom as found in Diana Carney's 1998 DFID publication 'Sustainable Rural Livelihoods: What Contribution Can We Make?' Based on an earlier (Chambers, 1992) definition, this book defines Sustainable Rural Livelihoods as follows: 'A livelihood comprises the capabilities, assets (including both material and social resources) and activities required

for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.' (Carney, 1998: 4)

Key in this definition is the recognition of the holistic range of resources and activities, with and without direct monetary return, which are important for livelihood maintenance. The SRL approach includes social, economic and environmental perspectives and as such is inherently interdisciplinary in application. In addition, livelihood sustainability as described is a process, rather than an end result.

Agricultural production is one of the most common natural resource-based livelihoods strategies. Within the SRL model, agricultural activities are conceptualised as resulting not only from natural capital (land and climate), financial capital (access to markets and optimisation of resources), and human capital (human knowledge and activity), but social aspects as well, such as household dynamics and organisation of production. Agriculture is influenced by policies and institutions, which allocate access to different capitals. However, agricultural production is not listed as an outcome – the primary focus of the SRL perspective remains on livelihood sustainability. As a result, in theory the SRL approach is value-neutral as to the preferred forms of agricultural production that are adopted as livelihood activities, emphasising instead the outcomes, such as income and food security, which result.

Vulnerability Context: Trends, Shocks and Culture

In the SRL model, the vulnerability context establishes the historical background for the current livelihood, or livelihood system. An analysis of the vulnerability context establishes the level of risk to the current livelihood or livelihood system, by identifying the recent changes (trends), change factors (shocks) and cultural factors (culture) impacting local decision-making processes. In essence, the vulnerability context identifies the reasons used to justify current international development intervention. In some SRL models, culture is included in the capital assets section.

Most of the CEE countries undertook massive privatisation reforms in their agricultural sectors in the early 1990s. Typically these were based on principles of restitution and/or redistribution to agricultural workers. These new forms have not resulted in the increase in agricultural production originally anticipated. This is particularly significant, because agriculture has traditionally been more important economically for CEE than for Western countries, accounting for 15–20% of the national product (Csaki, Csaba and Lerman, 1997). Gross quantities of agricultural production, already lagging behind Western efficiency standards, dropped dramatically through-

out CEE in the early 1990s, sometimes to as low as 30% of their 1989 levels (see OECD, 1998). As of 1998, although agricultural output had started to increase, none of the CEE countries had regained their 1989 production levels (OECD, 1998). Failure of the reforms has been attributed to the unstable macroeconomic environment and institutional structure and general misunderstanding of the foundations of a market economy (Stiglitz, 1999). Commentators are now recognising that the ironically termed 'shock therapy' prescribed by the West failed at least in part because of the limited amount of consideration given to the social context in which the reforms would operate (Wegren, 1998).

Culture cannot be effectively summarised for the myriad of people groups present in CEE. The intention of including culture in the SRL construct is more pragmatic: recognition that there are social predispositions to act embedded in any social system. Home production, or subsistence style agriculture: the production of agricultural goods on garden size plots, has a long heritage in Eastern Europe, both as a means of supplementing income, and as a social tradition. Home production was notorious throughout the Soviet period for out-producing the larger scale collective and state farms from a production per hectare standpoint. It was on this basis that many international experts believed that once 'freed' from the restrictions of collective farming, these home producers would expand their operations to become family farmers.

Capital Assets Supporting Agriculture

Capital Assets are the resources on which people draw to sustain their livelihoods. Different constructions of the SRL model offer different variations, all of which point to the theme of holism. The five categories: financial, social, human, physical and natural, are thus somewhat arbitrary. The purpose of identifying capitals is to describe the range of resources from which people derive their livelihoods, including those which are not easily valued in financial terms.

F i n a n c i a l C a p i t a l – the financial resources which are available to people (whether savings, supplies of credit or regular remittances or pensions) and which provide them with different livelihood options (Carney, 1998: 7). The most obvious characteristics of the financial resources of rural people in CEE are their limitations. Dixon and Gulliver (2001) estimate that in 1997, 5% of the population of CEE and former Soviet Union were living on less than 1 per day, and 25% on less than 2 per day. In rural areas, this is due to low (and often inconsistent) wage payments, and the loss of jobs in the agriculture sector. In response, rural people have increased home production (often referred to as subsistence-style agriculture) as a means of offsetting low or absent wages and government transfers.

Many regional governments allocated further small land allotments to rural residents as a means of combating malnutrition. Over 55% of agricultural production in Russia in 1998 was produced on small-scale plots (under 4 ha in size) (Goskomstat of Russia, 1999). The OECD 1998 CEE country reports indicated that between 30% and 55% of rural household income was spent on food. Analysts routinely decry the absence of a land market in CEE as a major limitation to agrarian transition. Although the vast majority of land has been privatised, held either as land or land shares, it is generally not possible to mortgage the land to raise the capital necessary to invest in individual, commercial agricultural production. Owners are reluctant to sell (or even borrow against land with the risk of losing it), given the indeterminate value of the land, and the buffer against future starvation that land represents. Most agricultural areas of CEE have been subjected to 'price scissors:' the cost of inputs has risen twice as fast as the prices paid for production (Ivanova and Todorov, 1999 in Kostov and Lingard, 2002). These price scissors, in combination with the unstable macroeconomic situation, make even the short-term investment from planting to harvest high risk.

S o c i a l C a p i t a l – the social resources (networks, group memberships, relationships of trust, access to wider institutions of society) upon which people draw in pursuit of livelihoods (Carney, 1998: 7). The author's earlier work in rural Russia demonstrated the relative shortage of overt forms of social capital – community organisations, formal co-operation and voluntarism (see Small, 2002). Lomax (1997) and Leonte (2001) observed the same phenomena in Eastern Europe. Absence of civic responsibility can be constructed as a side effect of the Soviet system: Soviet governments provided and regulated all social services, actively discouraging initiative and any organised activity independent of government programmes. The rapid political transition of the late 1980s was marked by high levels of civil activity, which then disappeared equally as quickly. The lack of formalised social reciprocity presents a problem for international development agencies, which typically assume the development of community groups in the establishment of their community development initiatives.

This is not to say that social resources do not exist in CEE – extensive work by O'Brien and Patsiorkovsky (1998, 1996) in Russia demonstrate patterns of trust and reciprocity that exist between households, which have remained informal throughout the 1990s. Some community style organizations do exist, often supported by the state or international development agencies, but these are unpopular (Lomax, 1997), or weakening through loss of initial interest (Miszlivetz, 1997).

Informal support networks form the backbone for household level agricultural trade. Chevalier (2001) describes informal exchange mechanisms in Bulgaria which facilitate food security for rural residents, often linking

them to urban relatives. Produce from garden or subsistence style plots not only support rural residents, but also offset low wages of urban relatives. Private farming, in contrast, often represents a break from society. In the Soviet period, the large-scale farms typically played a significant social role, particularly in Russia. Social services, such as health and education, were often administrated through the large collective farms, and rural residents expressed a very real fear that these services would suffer in the privatisation process. Recent work by the author (Small, 2002) in Russia demonstrates the ongoing social role of large-scale agricultural enterprises in local social services.

It is important to note that agriculture is not a high status profession in CEE. Bonnano et al. (1993) found that Russian and Ukrainian workers were not particularly interested in establishing private farms. Rural areas throughout CEE have had sub-standard social services and standards of living, both during the Soviet period and in the present, and as a result, agriculture was and is often an occupation of last resort.

H u m a n C a p i t a l represents the human resource characteristics of the population – demographics, health, education and employment levels. All developed countries face the challenges of changing demographics – ageing populations and reduced birth rates. In CEE, however, the experience is more dramatic – death rates in Bulgaria, Romania, Ukraine, Estonia and Lithuania are 60% higher in rural than urban areas (Coleman, 2000). This reflects the high proportion of rural elderly and declining rural birth rates. A study by Kulcsar and Brown (2000) projected that the elderly (aged 65 and older) population across Eastern Europe will reach 20% by 2005. This has significant agrarian implications. To date, few studies include the age of various types of agricultural producers. It is evident, however, that the current population of workers and subsistence-style producers will not be able to physically manage the workload for an extended period of time.

The countries of CEE have much larger rural populations (based on a percentage of the total) than do their Western European counterparts. Rural populations across CEE are estimated at between 30% and 50% of the countries' populations. Specific examples include Slovakia, 50% (Blaas, 2001), Hungary, 37% (Kiss, 2000), and Poland, 38% (Coleman, 2000). The rural population is also experiencing net in-migration in many places in CEE (van der Ploeg, 2000). This suggests that agriculture is continuing to play its traditional role of absorbing excess urban labour, in the wake of decreasing urban employment opportunities.

There is also a skill issue in the transition to capitalist agriculture. Under the Soviet system, agricultural production was highly subsidised. Farms received payment largely independent of the quality or quantity of their production. As a result, in the early 1990s there were few members of

the population who had market skills such as price setting, market identification and promotion. It is also important to note that agricultural education systems throughout CEE were oriented toward producing workers and managers of large-scale collective farms. Although technical education was readily available during the Soviet period, it was oriented toward a particular speciality. Thus most collective farm workers were not formally equipped with the range of skills necessary for initiating a new agricultural enterprise. A study by Csaki (1998) found that agricultural training programmes throughout CEE have evolved very little in the 1990s, despite clear changes in the agricultural systems.

Very little is known about the social welfare – health, education or longevity of rural families in CEE (Kulcsar and Brown, 2000). The quality of health and educational services is certainly in decline, a result of drastic reductions in funding. In a study of Romania, Dumitrache and Armas (1998) found that the health of the Romanian population had deteriorated during the 1990s, as a result of decreases in standard of living and quality of health services.

Physical Capital – the basic infrastructure (transport, shelter, water, energy and communications) and the production equipment and means which enable people to pursue their livelihoods (Carney, 1998: 7). Physical capital generally refers to the built environment – anything humanly constructed, rather than naturally occurring, which can be used to sustain livelihoods.

Little has been published about the relative state of physical infrastructure in CEE. References to physical infrastructure appear as sidelines in papers, rather than focal points. Even so, there is general recognition that physical infrastructure, never well maintained during the Soviet period, has continued to decline (Davis and Pearce, 2001). Soviet farm machinery was notoriously poor quality. In addition, existing infrastructure and machinery from the Soviet period are primarily suited to large-scale agricultural production. Instigating private farming requires significant remodelling or new investment to achieve a workable farm unit. Certainly in rural Russia and Bulgaria, people live in villages or towns, rather than dispersed throughout the countryside on individual holdings. This means that individuals wishing to operate Western-style family farms have to bring in their own physical infrastructure (sometime including roads and electricity), hire guards, or risk leaving their new property with buildings, machinery and storage unattended. For large-scale agricultural enterprises, regardless of structure, the struggle to compete in the new market conditions means that there are few resources for maintaining equipment stocks.

Natural Capital – the natural resource stocks from which resource flows useful for livelihoods are derived (i.e. land, water, wildlife, bio-diversity, environmental resources) (Carney, 1998: 7). Certainly the

transition has resulted in changing land use patterns, and resultant environmental issues. In the Baltics and northern Russia, much marginal land is no longer being cultivated. In southern CEE, land redistribution processes have yet to solve the management issue of the existing large-scale irrigation units. This has resulted in soil salinisation as small-scale producers utilise their own wells to irrigate their plots (Backman, Sipilainen and Alexiev, 2002). The use of commercial fertilisers and pesticides varies – in some areas producers cannot afford these inputs and have involuntarily moved to organic production; in others lack of knowledge has led to excessive use of both fertilisers and pesticides.

Transforming Structures and Processes

Transforming Structures and Processes include structures: levels of government and the private sector; as well as processes: laws, policies, incentives and institutions. Essentially, this category describes the macro-level structures that influence the way that livelihoods are carried out. The primary characteristic of macro-level structures during the 1990s is instability – of governments, currencies and legal systems. Kostov and Lingard (2002), in their discussion of Bulgaria, identify institutional change as the essence of transition. They argue that the two main sources of instability in the process of economic transition are the inability to follow previous rule of thumb and the behaviour of institutions. Until new patterns of behaviour become embedded – and the rule of law re-established in a consistent manner, instability is inevitable. Unfortunately, the significant legal grey area evident in many countries of CEE, while somewhat inevitable in the transition from old precedents to new laws, has facilitated increases in black market activities.

The institutional process that has received most academic attention in the literature on agrarian change in CEE has been land reform. The variety of processes is detailed in books edited by Swinnen, Buckwell and Mathijs (1997) and Swinnen (1997). The primary similarity in the land reform process was the goal of privatisation. The processes typically involved restitution (return of land to original owners or their heirs) and/or redistribution (distribution of land to the workers). The result was a large number of land, or as more typical in the case of Russia, land share, holders. The process of determining precise land allocations was an institutional nightmare, particularly for those countries that opted for restitution. Although in most Central and East European countries (excluding Russia), land was still formally owned by individuals who became collective farm members (Rabinowitz and Swinnen, 1997), determining the precise location, quantity and quality to allocate to numerous heirs was an enormous task for which existing institutions were not equipped. Even for countries that opted for redis-

tribution, the land had to be surveyed and asset values identified (buildings, machinery) before this could be achieved. Land reform processes were slower than anticipated by the West, and in some cases are still ongoing.

Rabinowitz and Swinnen (1997) argue that land reform was more about legal rights than formal privatisation. An entire legal structure addressing land relations such as rental, sale and inheritance had to be developed. In addition, cash starved governments needed the tax revenue from both agricultural businesses and land. Frequent changes to land and tax laws continue to pose problems for enterprises of all sizes, with the notable exception of household plots, which are typically considered to be too small to constitute agricultural production, and thus are not usually taxed. Extensive consultation with lawyers, land officers and accountants added to the challenge of preserving or establishing a farm enterprise.

The political agenda of 'returning the land to the people' also resulted in considerable land fragmentation. At best, restituted land was sufficient for the establishment of a farm size that was viable in the 1940s. At worst, as is the case in Bulgaria, the allocated land is not only too small for use in individual farming, it can create an access problem for machinery – Soviet era farm equipment is simply too large to enter some of the tiny new fields. Swain (2000) identified the development of a land rental market throughout CEE as one of the primary results of land reform. Although reluctant or unable to sell, a large percentage of new owners rent their land to farm businesses. Due to the small size of most of these holdings, private farmers and reformulated collectives are faced with the transaction costs of negotiating (and fulfilling) leasing arrangements that can number hundreds or thousands. Given the insecurity of the current financial climate, landowners opt for short-term leases of one to five years. This presents a problem both for enterprise stability and for capital investment – enterprises are reluctant to plan or invest long-term, because owners can withdraw the land before the return on the investment is realised. The efficiency factor of cultivating hundreds of dispersed plots, rather than large fields, is also a problem.

Livelihood Strategies

Livelihood strategies are the combination of activities that households utilise to sustain themselves. Strategies are categorised as natural resource based, which includes agriculture; non natural resource based, which includes employment in secondary industries and services; and migration – leaving the area to find employment, or access other resources external to the area. Countries in CEE report differing levels of in-country migration – Romania, for example, has seen an out-migration of largely unemployed urban residents to the countryside. Other countries report rural out-migration in search of urban employment. Access to land can be considered both

an asset and a hindrance – land ownership serves as a motivator to rural residents to remain in their local area, rather than moving to a city in search of more profitable employment. Although employment in industry has declined in rural areas, rural tourism is developing, particularly in regions that border on Western Europe or have coastal areas. Grykiewicz (1998) describes work in this area in Poland, as does Hall (1998) in Albania. Areas of Romania have long established tourist industries, as discussed by Turnock and Ploaie (1998).

Important to this discussion are the combinations of agricultural activities that are included in livelihood strategies. There are a range of farming styles, most commonly differentiated by size: large-scale, corporate style; medium-scale family-style; and small-scale subsistence-style plots. Definitions vary between and within countries. In the 1990s, agriculture remained the primary rural employer throughout CEE. Actual rural employment levels are a grey area of discussion in CEE: unemployment was never officially recognised during the communist period, and reported levels of unemployment during the 1990s have been notoriously inaccurate. However, the number of jobs on large-scale agricultural enterprises has clearly declined, in line with the break down and/or reorganisation of collective farming. The number of individual farms has certainly increased, but given the small average size of many of these enterprises, it is questionable whether these farms can be considered full-time employment.

Participation in any of the farming styles evidenced in CEE is not mutually exclusive. Pluri-activity is the norm rather than the exception. Subsistence-style plots were traditionally allocated as part of membership in a collective farm; employees thus participated in both styles. Other subsistence-style plots were granted to town residents, independent of the large enterprises. The land reform process has further complicated the available combinations of livelihood strategies: with the prevalence of land rental, rural residents may work on their plots and rent their land shares to the cooperative, or rent both or neither. They may also combine agricultural production with employment external to the agriculture sector. Livelihood strategies are frequently combined at the extended family level to include reciprocal relationships with urban family members, pensions and other waged income.

There is no literature to date that identifies which combinations of livelihood strategies are most common in rural CEE. However, it appears evident that almost all rural households engage in subsistence-style agricultural production, to which they add some form of participation in other agricultural or non agricultural enterprises, depending on available capital assets – economic, social, human, physical and natural. Security appears to be a primary motivator: Leonte (2001), based on her work in Romania, found that landowners of small plots prefer to keep the land as a source of

security, rather than sell it. Similarly, Csaki and Lerman (1997) found that rural people in CEE prefer to remain in the safety of large co-operatives because of the political and legal uncertainty of leaving the protection of the large enterprise.

This is not to say that subsistence-style agriculture is not a rational economic choice: innovative work by Kostov and Lingard (2002) in Bulgaria has demonstrated the inherent economic efficiency of subsistence-style agriculture. In a situation where it is virtually impossible to find waged income, the labour cost of subsistence activities effectively become zero, and subsistence agriculture a reasonable use of available resources. There is also a social rationale to subsistence-style agriculture: Chevalier (2001) described the role of subsistence-style agriculture in both food security and community social relations in rural Bulgaria – norms of reciprocity that are integral to maintaining local identity and family membership.

From a macro perspective, dominant livelihood strategies present as the growing dualism characteristic of agriculture in CEE: ongoing increases in household plot production, alongside continuation of large-scale, now collectively owned, agricultural enterprises. The establishment of independent family-style farming, as understood in the West, has been minimal (Swain, 2000).

Livelihood Outcomes

The conceptual framework lists several factors which can be utilized to determine increases in livelihood sustainability: more income, increased well-being, reduced vulnerability, improved food security, and more sustainable use of the natural resource base. The DFID definition of livelihood sustainability also includes the ability to cope with and recover from stresses and shocks, as well as maintaining or enhance their capabilities and assets both now and in the future. Ultimately, sustainability is constructed in terms of increasing resilience or decreasing vulnerability, in order to represent improving quantity and quality of life.

The broader SRL literature typically addresses sustainability by dividing the strategies undertaken by households into those that are 'coping' and those that are 'adaptive.' Coping represents a temporary change, adopted with the expectation of returning to the previous strategies when the shock or stress has passed. As such coping results in a depletion of resources, usually through intensification of existing activities. Adaptation represents a long-term change, and implies innovation. Adaptation is considered to be the desired outcome, as it evidences sustainable use or growth of resources over the long term. Some work (see Helmore and Singh, 2001; Hoon et al., 1997) suggests that given sufficient time to become permanent, successful coping strategies automatically reach 'adaptive' status, as long as they meet

the criteria of ecological integrity, economic efficiency and social equity. The SRL literature does not address the issue of long term coping strategies that are not by these definitions 'sustainable.'

The preceding sections paint a fairly grim picture of agrarian life in CEE. For the vast majority of people involved in agricultural production, income and wellbeing are far below 1989 levels. Food security and financial vulnerability are being addressed by increased reliance on subsistence style production. Basic analysis of the vulnerability context demonstrates the series of economic shocks to which the populations have been subjected over the past 15 years. Capital assets are low across the board, with limited access to financial credit or potential to save, low levels of community activism, an ageing rural population, decreasing health and educational services, decreasing equipment and infrastructure quality, and poor environmental practices. The only capital asset that appears to have grown in the past 10 years is the strength of informal networks. Transforming structures and processes have been characterised by instability – uncertain legal and financial conditions that have crippled, rather than enabled, market transition and entrepreneurship. Resultant household choices of livelihood strategy are largely those that can be categorised as low risk and maintenance of the status quo: subsistence-style agriculture and large-scale, collective-style farms.

Based on this description, the agrarian forms currently dominating CEE appear to reflect largely 'coping' responses. The resurgence of subsistence style agriculture is not at this point enabling households to build resources for the future. It is allowing them to slow the depletion of other resources and as such is enabling them to cope – but not recover – from recent shocks and stresses. However, it could be argued that the increased reliance on subsistence style agriculture is making the population less vulnerable to macroeconomic shocks in the future. The resilience of the large-scale farms represents utilisation of existing resources, although the clear depletion of those resources stands in contrast to the adaptation to market relations that is occurring. It is tempting to classify medium-scale family farming as an adaptive response: farming is new to most areas in CEE, involving learning and considerable innovation. However, medium-scale agriculture is also highly supported by international programming, and as such the author is reluctant to consider it adaptive until it survives without international support and becomes a mainstream activity.

It is at this point that the weakness of the SRL framework as a tool for analysing agrarian change becomes evident. Although the holism inherent in the framework results in credible justification for current agrarian structures in CEE, the SRL framework is not an agrarian change paradigm. It is an international development tool for identification of areas for intervention. The concepts of coping and adaptation are not sufficiently devel-

oped to offer solid insight into how the identified system has changed in the past, or how it is likely to change in the future.

Discussion

Utilisation of an SRL framework to analyse recent literature on agrarian change and rural life in CEE has demonstrated the inherent rationality behind the dualism of large, collective-style farms and small-scale subsistence-style agriculture. This finding is in clear contrast to mainstream discussion of agrarian change in CEE, which to this point has focused around two issues – the scale of agricultural production and the implementation of macroeconomic reforms. Numerous studies have attempted to demonstrate the superiority of medium scale, family-style farming over large-scale collective agriculture (see Mathijs and Vranken, 2000; Sarris, Doucha and Mathijs, 1999; Lerman, 1998), with limited success. More scale neutral studies have demonstrated the strengths of different farming scales, such as Thiele and Broderson's 1999 work in Germany and Wegren (1998) in Russia. The SRL analysis steers clear of this discussion, disregarding the scale of operation in favour of the quality of livelihoods it supports.

The lack of success of agrarian reforms has also received considerable attention in the literature. Although some papers identify implementation of reforms as the problem (see Sedik, 2001), others have identified problems with the reforms themselves – the narrowness of perspectives too rigidly based on textbook economics (Stiglitz, 2000), and the historic importance of state investment, rather than divestment, in agricultural change (Wegren, 1998). Despite these various perspectives on agrarian transition, the value of privatisation itself is rarely questioned. Authors are inconsistent in their inclusion of subsistence-style agriculture in the discussion: despite producing a significant portion of the agricultural produce across CEE, household plots are not considered to be 'agriculture.' SRL includes subsistence-style agriculture, as well as other livelihood strategies, social and human resources, and pre-existing conditions, as fundamental to understanding the agrarian system. SRL takes into consideration the impact of the macroeconomic reforms on livelihoods, but is less concerned with their original rationale.

What SRL offers to the discussion of agrarian change is credible justification of current structures, based on an analysis of a holistic range of factors impacting current agrarian change processes. Subsistence-style agriculture is found to be a highly resilient and functional livelihood strategy, operating to reduce household food insecurity and fulfil community social obligations. Subsistence-style producers can be viewed as rural residents making use of an available resource to sustain their households in the face of economic uncertainty, in a way that is socially valued and historically

embedded. The resilience of large-scale agriculture represents optimal use of existing resources (given the current context) and a low risk survival strategy.

Although the SRL framework requires further development in order to be utilised to analyse agrarian change, it provides sufficient evidence that subsistence-style agriculture will be a long-term phenomenon. In so doing, subsistence-style agriculture becomes an opportunity, rather than a problem, for agrarian transition. The guiding philosophy of SRL is to build on existing system resources, instead of addressing needs. The small amount of household security provided by subsistence agricultural production may act as a foundation for market-oriented household activity, by enabling household members to take on a increased levels of economic risk with other household resources. Work in Armenia suggests that rural entrepreneurs typically operate from a base of stability – often a spouse's income – in establishing new ventures (Bezemer, 2002).

The dominance of subsistence-style agriculture does not preclude expansion into commercial agriculture, but recent history has already proven that this will not be the majority response. Work by Davis and Pearce (2001) suggests that demand pull factors of commercial opportunity and resource availability, rather than the need-push factor of low income, are the primary motivators for entrepreneurs in Romania and the Czech Republic. Thus the low income apparently motivating subsistence agriculture cannot be expected to motivate entrepreneurial activities in the majority of cases. The SRL analysis demonstrates that subsistence-style agriculture is fundamentally different from private farming, in terms of legal status, skill requirements and capital investment. Although it may act as a bridge for a small percentage of individuals, subsistence style agriculture is likely to remain a buffer activity, rather than a commercial one. It is important to note that individual, or 'family style' farms do exist and are continuing to grow in size and number in many areas of CEE. Their existence has been downplayed in this commentary to emphasise the fact that they are not the norm.

Further Thoughts

The utility of the SRL framework in providing justification for the agrarian structures of CEE demonstrates the need for closer linkages between research on agrarian change and international development practice. Established academic knowledge about agrarian change did not appear to figure into international recommendations to CEE in the early 1990s. Basic knowledge of history indicates that the complex institutional support structure of Western agriculture was the work of decades, rather than months. Neither has the ongoing predominance of family farming ever been ade-

quately explained even in the West – classical economic theory suggests that family farms should not be able to compete with the increasing economies of scale inherent in capitalist agriculture, and should have disappeared decades ago. In spite of this, a ‘return’ to family farming was identified as an essential stepping stone to capitalist agriculture, and has been the primary focus of most international development projects and research into agrarian change.

This preoccupation with family farming is one of several assumptions embedded in Western thinking about agrarian change that becomes evident through use of an SRL framework. The nuances of agrarian rationality in the West do not fit with the emerging realities of CEE. The goal of the majority of agricultural producers in CEE is clearly not production, or survival of the farm, but literal survival of the household. This signifies a different relationship to the market, and to land. ‘Family farming’ is not the automatic default of a ‘capitalist’ system. Macro level instability is a major factor in agrarian change, leading to risk averse, subsistence-based behaviours, even in a highly educated population. Agricultural producers act within a complex, evolving system of social, economic and environmental influences and opportunities. All of these factors need to be considered for an adequate understanding of agrarian system change.

Conclusion

Utilisation of a Sustainable Rural Livelihoods framework has proven useful for organising and reflecting on a range of literature on rural development and agrarian change in Central and Eastern Europe. From this discussion it became evident that the current dualism in CEE agriculture to date – increasing levels of subsistence-style agriculture alongside unexpectedly resilient large-scale enterprises – can easily be rationalised through identification of the multiple underlying factors. Despite the lack of theoretical depth in the SRL framework, it is evident that subsistence-style agriculture will be a long-term strategy of rural people in CEE. The challenge for international development practitioners is how to work with this strategy to increase livelihood sustainability in the future. The challenge to researchers of agrarian change is to recognise the holism inherent in agrarian systems, and the assumptions embedded in traditional Western thought. Stronger linkages should be made between academic theory on agrarian change, and international development paradigms.¹

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