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Thoughts on Living Difficulties of Farmers and Marketing Economy in the Risk Society

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Abstract The paper combs the problems about living difficulties of farmers and marketing economy in the risk society and puts forward another point of view that with the theory of risk society, reconsider the dilemma of living choices of farmers under the background of marketing economy. On the basis of the statistics, the paper discloses the trend of larger and larger disparities of incomes between urban and rural areas; the paper explains the risks and uncertainties of life choices with the background of deepening marketing economy. In order to understand the life dilemma of farmers and marketing economy in the risk society, the paper makes an analysis from perspectives of the relationships between risk society and markets, the risks of farmers' living choices. The results show that in the risk society, because of the division space from time, the personal farmers are devoid of the safe environment. Then the situation deepens to worse. In addition to the organization which is not in charge results in a situation that the personal farmers would take all risks by themselves.

Key words Marketing economy, Risk society, Farmers, Living difficulties, China

China is at a stage of structural transmission with a rapid development of marketing economy. While at the same time, the disparity of incomes between urban areas and rural areas becomes larger and larger and difficulties of living choices of farmers deepen together. These are facts similar to most developing countries at present and continuously generate academic discussions. The author makes an analysis and explanation on the marketing economy and living strategies of farmers from a perspective of risk society with document researches and qualitative format, aiming to afford some help in influencing factors comprehension of farmers difficulties in living choices.

1 Theoretical basis of risk society

Risk is a word having fuzzy origins and lots of arguments, so it is hard to give a definition. Risk is publicly known as the uncertainty and objectively existing which is firstly used in fields like assurance economy and finance. Before the theory of risk society being put forward, free marketing economy is considered as the most important tool to realize the maximum public profits.

It is mentioned in the *Wealth of Nations* of Adam Smith that market is an invisible hand. In marketing economy, everyone starts from himself and finally realize the profits. And then realize the maximum public profits. He believes that when someone proceeds according to selfish profits, the public profits would be difficult to realize, which is defined as Pareto optimality in economic field. And in other words, it is comprehended as Pareto equilibrium. And then Arrow-Debreu theory later. It is the theory that on some preconditions, the marketing mechanisms would realize the maximum of public profits. Markets cannot increase profits for everyone, but not at the same time

reduce others' rights^[1]. Which is an opinion put forward by many learners. Therefore, Adam Smith is considered as the pioneer of free marketing economy.

However, under the conditions of the marketing mechanisms of free marketing theory not complete, the marketing standing not fair, the trading costs varied, marketing rules avoided and marketing laws not perfect, the fact is that the marketing will not realize its maximum profits. To the contrary, it promotes the unbalanced wealth and unfair social standing. To the truth, it cannot explain the serious problems of unbalanced development between rural areas and urban areas from a perspective of marketing economic theory.

The main socialists who study on the theory of risk society are Beck and Jidense. Risk society has been firstly mentioned in the *Risk Society* published by German socialist Beck in 1986. Beck thinks that the concepts of risk society is the reflection and restructure of the modern industrial society. He points out the responsibilities of risk marketing during the process of economic development, the universities of high scientific technology and the incompleteness of abstract scientific researches. He also puts forward that the risk generating by the development of society are threatening human being themselves. And the irresponsible attitudes of social organizations accelerate the risks and finally result in the universal spreading of science and democracy. Only the promotion of a kind of reflection thoughts could inspect the rational difficulties of modernity and try to cure this kind of difficulties with a rational mentality. In terms of the relationships with marketing, Beck thinks that the life conditions and modes of modern society become more and more personal which means that dependence on marketing of all aspects of life deepen. In other words, there is no awareness of oneself which is only aroused by the public media in terms of choices, habits, attitudes and life styles. All of which lead human being to a inner controlled and standardized unaware household and

social culture^[2].

After being put forward by Beck, the concepts of risk are used to explain all conditions appeared in social science, including policies, community and personality. Jidense clarifies the thoughts of risk society of Beck in his the *Results of Modernity*, putting forward the theory of domain that is in the modern society, the social relationship is devoid from the mutual regional connections through the uncertain time and the restructural connection. This kind of escape breaks the original safe net and the original life modes and reconstruct the social relations in forms of individuality. At the same time, this kind of escape deepens the dependence of individual ones on the economic and politic reliance of the irresponsible organization, making which take the responsibilities brought by these policies. It not cuts down the risks brought by classes and unbalanced wealth in the traditional society, but to the contrary deepens the risks. Meanwhile, the risks are not constrained in the field, risks outside the field matter a lot. These theories play a significant role in helping understanding the current social and economic society in modern society.

2 Marketing Economy and Farmers' Living Difficulties in Risk Society

With the reform and opening up, the deepening of marketing economy enlarges the gap between urban areas and rural areas. And the gaps of incomes get larger and larger. The unbalanced distribution of public resources, the unbalanced marketing information, the linear policies and so on all disclose that China has entered a risk society. Among which, the small sized agricultural economy is contradict to the professionalism and scale required by marketing economy which put farmers in dilemma in living selection.

2.1 Invisible tools in narrowing gaps between urban areas and rural areas It has been 13 years since reform and open up. The marketing economy has deepened and the basic functions of marketing distribution resources become stronger and stronger. While there is an problem must not be neglected that is industrialization and modernization are accompanied with the daily bleak of rural areas and the difficulties farmers facing in life selection which are difficult to get rid of. Agriculture is the addition and sacrifice of the industry. Rural area is facing a dilemma that it is a pity to be given up while there is not attractive. And the numerous peasants are the symbol of poverty who are reasonably the objectives of projects of poverty alleviation by the local governments or some organizations. The disparities of incomes between urban citizens and rural residents from the year of 1978 to the year of 2010 are in the following table^[3].

From Table 1, it can be concluded that from the beginning of 1980s to the year of 2010, the trend of incomes disparity between urban citizens and rural residents is linear expansion. Before 1990, the gap of incomes between urban and rural areas is in a steady rise. From 1996 to 2003, the incomes ratio has increased to 3.23. And in the following five years, the gap of incomes continue to enlarge, by end of 2008, it has raised to the peak of 3.36. This year becomes the one which is greatest

in gap of incomes between urban and rural areas. There is no obvious change in 2009 and 2010. It is not difficult to conclude that the tool used to narrow the gap between urban areas and rural areas.

In fact, the development of agriculture is not only the bottleneck of the development of economy and society of our country, but also the rough challenges of most of the developing countries. According to the reports of World Bank in 2002, among the world countries of low incomes, agricultural population covers 69% with only 23% GDP created. Agriculture has become a generation department with low addition values.

Table 1 Disparities of incomes between urban citizens and rural residents from 1978 to 2010

| Year | Rural incomes // Yuan | Urban incomes // Yuan | Ratio |
|------|-----------------------|-----------------------|-------|
| 1978 | 134 | 343 | 2.57 |
| 1981 | 223 | 492 | 2.20 |
| 1984 | 355 | 651 | 1.83 |
| 1987 | 463 | 1 002 | 2.10 |
| 1990 | 686 | 1 510 | 2.19 |
| 1993 | 922 | 2 557 | 2.56 |
| 1996 | 926 | 4 839 | 2.26 |
| 1999 | 2 210 | 5 854 | 2.36 |
| 2002 | 2 476 | 7 703 | 2.67 |
| 2003 | 2 622 | 8 472 | 3.23 |
| 2004 | 2 936 | 9 422 | 3.21 |
| 2005 | 3 255 | 10 493 | 3.22 |
| 2006 | 3 587 | 11 759 | 3.28 |
| 2007 | 4 140 | 13 786 | 3.33 |
| 2008 | 4 761 | 15 781 | 3.36 |
| 2009 | 5 153 | 17 175 | 3.33 |
| 2010 | 5 919 | 19 109 | 3.23 |

2.2 Reasons why gaps increasing between urban and rural areas in developing countries under marketing economies Researches abroad put forward several opinions. Michael thinks that most of decision makers in developing countries live in metropolitan and important towns where are far away from rural areas in region. While, they copy the ideal modes of the Western economists completely without paying attention to the practical needs of rural areas which result in a situation that the policies of agricultural development deviate from the practical situation^[4]; Rostow thinks that the developing countries are deeply influenced by the traditional agricultural modes. Peasants are grudging to have seeding experiments such as seeding, harvesting, irrigating and seeds-selection except accidental or unpredictable technique innovation, which result in long-term low efficiency of agricultural production^[5]; developing economists, Griffin *etc.* think that the green innovation helps the development of agriculture. While because the trial of new seeds needs the improvement of irrigation and the intensified usages of fertilizer which is difficult for poor peasants to bear and only the rich peasants benefit from which^[6].

the previous researches are based on modes like property—investment—outputs and conclusions are made. Small sized agricultural producer are still small sized and generally marginalized who are always the failure of markets. While these kinds of conclusions are negative. In fact, most developing countries carried out the construction of industrialization

and urbanization once independent which is accompanied with continuous usages of new techniques, strong flows of population, restructuring of social structure, the deepening of marketing and globalization and more and more fierce competition. This is a period which is called by learners as the social transmission period. The commonalities of all factors of this period changes the traditional modes and concepts of farmers, which makes the fields of life and production deviated from each other, making both of which gradually deviate from the traditional safe mechanisms and entering the risk society guided mainly with technique risks, trust risks, opportunities risks and marketing risks.

3 Analysis on selection difficulties of farmers' life in risk society

3.1 Relationships of risk society to marketing In terms of the relationship to marketing economy, Gidence thinks that the coming-into-being of markets makes the theories of agricultural trading behaviour deviate from the trading markets. On one hand, it breaks the spatial constraints of trading rules of markets. On the other hand, it makes the risks not constrained in the moderate areas^[7]. After the capitalism markets coming into being in 19th century, the distribution and nature of markets change a lot. The wider ranged inner trading dominate and the local markets decline. The price mechanism determined by the demanding and supplying breaks the constraints of space and time, becoming the rules of market competition which gradually are accepted as the general and the universal ones, surpassing the limits of time and space and realizing domain taking off. Different from the previous capitalism markets which is based on the traditional morality and space, the capitalism marketing rules are non-human which is based on the capitalism rights and laws; if the premier is a kind of material rule, then the later is a kind of form. The non-human and form make the marketing rules become general and local. The unity of market space and rules are broken and the rules of market become the universal ones which are not constrained anymore by space.

Based on analyzing Maxim about the shifting and contrary theories of the marketing main profits, Zhuang Yougang puts forward that in the risk society, single main body is rational in chasing profits and the maximum profits are the final aims of every single trader. While from a perspective of whole society, the daily extension and deviance of market itself result in the well-organized individual and messy entity which is a paradox containing huge risks. These kinds of risks are born with markets which could not be surpassed by markets themselves. Therefore, the more developed the markets, the more extended the space and time and more abrupt the risks are^[8].

According to the above theories, it is concluded that in risk society scholars' opinions, risk society are the basic features of post-modern society. The market economy, including China market economy, exists and proceeds under this circumstances. The coming-into-being of markets makes morale rules separated from the space which result in further wide field of risks farmers are undertaking who are market traders. The

more developed the markets, the more extended the space, the more obvious the uncertainty and inborn nature of risks. The deepening of the market risks, in addition to Beck's irresponsible theories further explain the complicated risk environment farmers facing during the transmission period from a perspective of policies, which play significant roles in understanding the choices of poor farmers making about living conditions and the realization of practical life.

3.2 Risk analysis of farmers' living conditions In marketing economy, time and space get further and further and farmers are unavoidable to get involved in this kind of marketing economy. The original local knowledge and living life cannot deal with the necessary communications with urban areas, including products transmission, the communications of knowledge and techniques, human capital and so on. At the same time, the original local knowledge and living styles are contradicted with the culture and separated from the structural arrangement. So it is difficult in making choices on how to maintain life. This fact shows that farmers are getting devoid of self-giving and supplying mode and enter markets who must face the loss of network in traditional society and take over the constraints and results of making choices and responsibilities. It needs attention that the freed individual become more dependent on markets, laws and the new socialized mode of education which relies on environment and conditioned individual existence more and more obvious and intense and out of controlling. From the shortages of the so-called social safety to affording education opportunity, the negotiation of salary and working conditions which are far less in a period lacking individual living space before^[1].

Generally speaking, there are 3 kinds of choices for farmers in the developing countries to make about life. They are respectively intensification, diversification (salary or the autonomous rural enterprises) and migration (including income and bonus)^[9]. These policies or activities with natural resources as basis, or the activities with non-natural resources are limited by all kinds of risks and uncertainty of risk society.

3.2.1 Intensification risks. Intensification is generally considered to increase the production values by increasing investment on capital and labours to the farmland which itself can be viewed as an important production systems to farmers. From a perspective of the context of risk society, intensification style is not only characterized with policy risks, but also the technique risks. Policy risks on one hand reflect the irresponsible organizations in term of social policies, such as market risks. Because of the extension of space and time, the market information and trading environment are far away from rural areas and the outer risks farmers are facing are increasing all the time. On the other hand, the uses of fertilizer, the innovated seeds make farmers experience the technique domain. In other words, results of seeds far away are not predictable and influences on environment are unpredictable too. This kind of unskilled nature increases the outer risks for farmers to undertake and the difficulties in making life choices. Farmers and crops are damaged are abundant both in the past and at present. In

addition to the widespread uses of fertilizer, the deteriorated farmland and most of seeds fostered to meet the conditions of farmland are useless to seed which of course increases the costs of farmland. Therefore, the choices of life are facing a difficulty which is difficult to get rid of from a perspective context of intensification.

3.2.2 Diversification. In the context of risk society, diversification makes individual farmer get rid of village community in a period, or be devoid of family, disclosing themselves to the outer risks completely which are reflected on many aspects. Firstly, because of the comparatively lower level of education, farmers can only take a part time job in physical labour jobs which is not beneficial to improve skills, but deepens the dependence on simple physical jobs and low salary for those who are in a worse competition. Secondly, because the diversification is seasonable, so it is soon withdrawn after a short entry and weak adaption which is difficult to accumulate social capital and a part-time job becomes unsteady. So, in term of context of risk society, diversification faces difficulties which are difficult to get rid of.

3.2.3 Migration. Because of the flows of profession and space, the social behaviours, or the individual farmers are separated firstly from village community and reasons of behaviours are weakened. Therefore, with the losses of traditional community network and individual behaviour, the individual admission faces challenges. Just as what said of Gidence, the migration of farmers actually the newly generated crisis in a more complicated society when the trust is lost in the original one^[7]. In fact, most individual farmers migrant to another new place, because of the low educational level, the vocational choices are at low levels and at the same time, they are pushed out culturally and politically. They are also pushed out in economy. In a word, they are marginalized by difficulties.

4 Conclusion and suggestion

The development disparities between rural areas and urban areas in marketing economy and the difficulties of life choices not only should adopt the method of upgrading the purchasing prices of crops to solve it, but also should make a self-reflection on the risks of policies brought from a perspective of risk

society. All of which should be improved and perfected from the following aspects and deal with risks of life. The first is to realize the reasonable distribution of public resources and gradually narrow the gap between urban areas and rural areas. The second is to strengthen the construction abilities, including affording the corresponding skill training and vocational training; the third is to establish a complete marketing information scattering systems to cut down the marketing costs of farmers; the fourth is to try to construct the production insurance system to cut down the management costs of farmers. Then, in the educational and vocational competition and flows mentioned by Beck, farmers are capable of being the main body of market competition and getting rid of the difficulties of making choices about life.

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