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DILEMMAS WITH MULTIJOB HOLDERS
(PART-TIME FARMERS) IN AGRICULTURE

Stane Krasovec

In 1964, I presented a study on the future of part-time farming to the 12th International Conference of Agricultural Economists at Lyon. That study drew attention to the relatively high proportion of part-time farmers (paysans-ouvriers) in both developed and developing countries and went on to argue that part-time farming is a transitional phenomenon in the process of rapid economic growth, and that it gradually declines in significance in highly developed regions. The validity of that prognosis was subsequently the subject of prolonged discussion in numerous economic publications. Statistical evidence used in those discussions is often oversimplified and open to question. First, the trend is not identical by size classes. Second, while individual type II and part-time farmers leave agriculture en masse, a large number of type I and full-time farmers may change between censuses into type II. The census does not indicate the movement or degree of mobility of individuals through decades and generations, which can be established only through demographic studies. In addition, the class status of many farmers may be changed as a result of movements in farm prices and incomes. Thus, the actual position in many countries seems to confirm Professor Niehaus' dictum, "stehende Welle" (standing wave).

The share of part-time farms in the total number of holdings has increased in many countries, but some of my critics overlooked a statement in my study to the effect that, in brief, as the marginal size for a viable holding increases, so, for a time, will the number of part-time holdings. Farmers with a lower acreage will have to seek means to maintain their incomes, such as greater mechanization and larger capital investment. Farmers on the smaller holdings could not afford to make these changes without additional income. Moreover, farmers are no longer willing to accept a lower standard of living than their urban counterparts. Even farmers with medium sized or larger holdings who could not increase their acreage found that with increased mechanization they were able to take on supplementary work off the farm. They were encouraged to do so in order to satisfy their desire for a wider range of consumer goods. Shorter working hours in industry and dramatic changes in transport facilities helped them to achieve this end. In short, part-time farmers are no longer the poor paysans-ouvriers whom I had primarily had in mind in 1964. Rohm has stressed that part-time farming has always and everywhere "changed in quantitative and qualitative respects and will change further."

The economic motivation and conditions of part-time farmers have already been examined in considerable detail by distinguished economists of various countries as well as by national and international institutes and agencies, but up to now no one has attempted an exposition of a general and overall policy toward part-time farming as such. This may in part be explained by the lack of clear and credible appraisals in research, and therefore an absence of agreement whether to encourage or discourage part-time farming (Bergmann and Laurent).

The attitude of governments has been essentially one of laissez faire. It is only very recently that part-time farmers have been taken into account in the formulation of economic policies, and, even so, only to a very limited extent. First, it has been frankly admitted in the EC that there is much to be said in the restructuring of agriculture for those giving up farming to go through a transitional period of part-time farming in order to make the change to another occupation less painful. Second, and more important, the EC has provided, under the less favoured areas directive, that financial aid may be given from EC funds to farmers who derive or may derive a substantial proportion of their income

from nonfarm activities such as tourism, thereby helping to prevent the depopulation of remote mountainous areas and a possible subsequent soil erosion.

The extent to which part-time farmers qualify for state aid to agriculture differs from country to country. In France, Italy, the United Kingdom, Canada, and, to some extent, Sweden, pressure from farm organizations—who regard part time farmers as non-bona fide or undersellers—has resulted in their being largely excluded from credit facilities, investment aids, tax concessions, and the like, on the grounds that their nonfarm income should enable them to do without help. By contrast, in Austria, Finland, Norway, and Switzerland, part-time farmers are classified with "low income" farmers and qualify for various income support payments. In socialist countries such as Poland and Yugoslavia, no distinction is made between full-time and part-time farmers in general government policies or in the operation of farmer cooperatives.

The above examples, however, reflect specific ad hoc policies rather than any defined attitude toward part-time farmers as such. This indifference to the technological and economic destinies of these people may be of little consequence for the economies of countries like the United States, Canada, the United Kingdom, and the Federal Republic of Germany, where the production on part-time farms has little effect on the total available food supply. The position is, however, entirely different in some other countries where up to two-thirds of the available agricultural area may be occupied by part-time farmers and land is very scarce and industry poor. In these countries, a wide variety of approaches to the subject could be made (leading in some cases to conflicting results), bearing on land use, general economic policies, employment and income policies, population distribution, ecology, tourism, and even housing and architecture. In addition, political and ideological considerations come into play.

Part-time farming is criticized for low economic and technological efficiency, low yields per acre and per worker, low capital to output ratios and low land mobility. In those socialist countries where part-time farms exist, they are regarded as an obstacle to the expansion of large agricultural units. Similarly, in most capitalist countries, part-time farmers are nowadays looked upon as an impediment to agricultural structural reform since they impede the creation of larger, viable holdings. They may, however, be tolerated in areas where, because of topography or soil, land cannot be cultivated in larger units. It is also recognized that a high degree of efficiency may be achieved on part-time farms in the production of specialty products such as wine, fruit, vegetables, and honey, but this applies to only a minority of part-time farms.

The aggregate income earned per person and per household in part-time farming is a relevant factor in the context of economic growth. On average, the aggregate income derived from farming plus nonfarm work is higher, in similar size classes, than that of full-time farmers, irrespective of the possibly lower yield per acre and the lower level of industrial wages in rural areas. Further, in households where the housewife and one or two adult children earn wages for off-farm work, or replace the "occupier," the family labour potential is fully realized in gainful work, instead of being restricted to work of little or no economic value. While it may be true that the low productivity per acre on part-time farms—whether commercial holdings or not—means that the food supply on the home market is lower than it would be otherwise, it is also true that the subsistence production of part-time farms results in a commensurate reduction of demand. It is surely advantageous to the agricultural industry generally if the extra income earned on part-time farms is used for investment in agriculture, but even if, instead, it is used for consumer goods, provided these goods are home produced, the internal market is expanded. Experience in Japan could be cited in support of this view. Others supported this analysis, contending that part-time farmers act economically as multipliers and may contribute to faster economic growth.

The two conflicting standpoints outlined above on the value of part-time farming to national economies could be reconciled if part-time farmers were considered by category, as they are far from being a monolithic population. Economists have, in fact, identified a wide variety of types with differing origin, motivation, and structure. For the purposes of this paper, two main types with opposing economic behaviour and propensities are basically relevant.

Type I is defined as households where the agricultural holding is the main source of income or represents the farmer's main occupation. In some countries, farmers on such holdings are referred to as paysans-ouvriers. In the Federal Republic of Germany, such farms are called agricultural main income holdings. Farmers on these holdings are entirely dedicated to their farms; they use their savings from off-farm work for farm investments, and, particularly on the smaller holdings, their results are superior to those on full-time holdings of a similar size.

Type II is defined as households where the main source of income or main occupation is off the holding, in some countries called ouvriers-paysans. In the Federal Republic of Germany, such farms are called agricultural supplementary income holdings. Operators of these farms, as a rule, have only one foot in agriculture. They care little about yields, they are willing to reduce their already small acreage, and, in some cases, the holdings are left uncultivated and kept as "social fallow" as a hedge against bad times.

This latter classification has been used in agricultural statistics for some time, originally in Japan and subsequently in many other countries, including the Federal Republic of Germany and Austria, and in the OECD. It reflects the historical pattern of transference from farming into other work via part-time farming. If this distinction is not made, the facts are liable to be distorted and the conclusions reached inaccurate. If type I part-time farms were designated instead as full-time farms--as is done in some countries, including Yugoslavia--the yields of full-time farms would be artificially inflated. The merging of type I part-time farms and type II into a single group of part-time farms can have the general effect of eliminating the differences in yields between part-time and full-time farms.

The situation of type II part-time farmers (and in certain circumstances also of type I), as described above, is, however, subject to some qualification. It is true of classical part-time farmers or ouvriers-paysans in developing regions. In other words, it is true of subsistence farmers practicing old-fashioned poly-cultural (or "mixed") production. In those parts of Europe where subsistence or semisubsistence farming still prevails, it would be useful if a decision were reached as to whether part-time farmers (particularly type II) are subsistence or commercial producers.

The subsistence part-time farmer is on the whole a weak, conservative producer, usually associated with traditional peasantlike mixed agriculture. Sooner or later the farmer gives up cattle, abandons meadows and pastures, and cultivates what remains without manure or fertilizers. Thanks to (often increasing) off-farm income, low yields do not worry the farmer, and, indeed, unless the holding is mechanized or mechanical help is available and the family is large, the farmer could hardly work the holding at all.

The commercial part-time farmer, in the first instance, usually cultivates a proportion of land for the market and then gradually increases that proportion, in some cases ending up with only a single crop. This enables the farmer not only to spend substantially less time on the farm, but, in addition, to achieve often much higher yields than the full-time farmers of the same size farms. The possible loss through crop failure is compensated either by off-farm income or by savings from earlier good years. In this way, the producer may become comparatively wealthy and have a working day no longer than that of a full-time farmer. The succeeding generation may well be ready to retain its footing on the land.

In different environments (different education, tradition, length of the working day or week, transport conditions, and marketing and credit institutions) the behaviour of the above types and subtypes can be modified to a greater or lesser extent.

The implications of various economic types of part-time farming, both for the agricultural industry generally and for the national economies, should be taken into account in the formulation of agricultural policy. National statistical services should be geared to provide information on the frequency distribution of each of the types referred to above. This information should form an integral part of the criteria used in assessing individual regional situations—availability or scarcity of land, lack or excess of national food production, developed or developing economy, and significance of agriculture for the balance of payments. Thus equipped, policymakers would be better able to make optimal decisions on part-time farming; that is, whether, for instance, to adopt a *laissez faire* policy, or to encourage greater commercial production, or to concentrate on efficient land use, or to encourage specialization and monoculture. These decisions would be given effect in the usual ways—through price supports, credit facilities, tax concessions, legislation, and so on. In some countries, many policies on these lines are already in operation; in others, no action whatsoever has yet been taken.

References

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OPENER'S REMARKS--Hiroyuki Nishimura

This paper has brought us some meaningful insights into part-time farming. I agree that part-time farming has played a significant role in increasing farmers' income and thus their well-being. Basically, part-time farming or off-farm employment is an important phenomenon in the industrial society.

In the last part of the paper, Krasovec distinguishes between subsistence and commercial part-time farmers. That may be possible on theoretical grounds. At the practical level, however, the separation of these is somewhat doubtful for various reasons. Use of the statistical methods, as he suggests, may be possible only after the clarification of subsistence and commercial part-time entities. For regional types of agriculture or forms of nonfarm employment, some qualification is also essential. For example, if we extend our observations to a stable type II part-time farmer near and within the urban areas and to a depressed type II part-time farmer in the rural areas, it would be necessary to have more details and adjusted distinctions. I would like to know more about the feasibility of his concepts and their application to actual cases.

As regards the definition of part-time farming, Japanese statistics have added more detailed groupings for part-time farmers of type I and II since the 1970 census. There are now four categories, by status of labour force, of those engaging in off-farm jobs. They are: (1) both head of household and his or her successor; (2) head of household only; (3) successor only; and (4) other family members.

In addition to those cases mentioned by Krasovec, mainly for Western European countries, it may be useful to refer to part-time farming in Japan. First, part-time farming has increased to 87 percent of all farms. The share of type II is

about 68 percent. Off-farm jobs of this type are fairly stable, because of the limited amount of acreage in farmland and the unavailability of large size farming. The main source of income in part-time farming, therefore, depends on a stable salary. Actually, the influence of part-time farming on the agricultural production is large enough that it cannot be entirely ignored.

Second, in most cases in Japan, farming is characterized by rice monoculture, which, in addition to the influence of the monsoon, is predominant partly because of its simple cultural practices and its decreasing use of labour. Moreover, monoculture has resulted in farmers having more time to seek off-farm jobs.

Third, type II part-time farmers usually keep their land as an asset for prospective capital gain or old age insurance. Thus, it brings about unused land and a shortage of supply for residential usage.

Fourth, there is no particular policy to support specific part-time farmers. However, evaluating their role is now a focus of attention because we need to keep a sufficient level of self-supply of foods and to seek a sound society to ensure comfortable living in a safe environment.

RAPPORTEUR'S REPORT--John Hardie

Studies in individual countries to obtain a more precise knowledge of the principal economic behaviour of each of the two types were recommended. All the type I farmers are not completely concentrated in agriculture and do not always obtain better yields than full-time farmers, nor are all the type II waiting for an opportunity to reduce their acreage. In the alpine valleys of France and Italy, there is a trend toward renewal of part-time farming by people who previously were nonfarm workers in the French mountain region of Vosges.

Given the different methods of statisticians working in different countries under different sociological constraints, we will have great difficulty in obtaining comparable data at an international level. Some are already using the share of income between farm and nonfarm sources, and others the percentage of labour time devoted to one of the activities. In France, one can still only use labour time, and the results are estimates based on conventional measures. So the borderline between the two types is imprecise in some countries, whereas it is more accurate elsewhere, for example in the USA.

Should the national contributions of part-time farmers be enhanced through more explicit public policies? Should such policies encourage farm consolidation and enlargement for part-time commercial or type I farmers? And should they help accelerate the transition of type II farmers to urban or nonfarm living? How would such policies best interface with policies to enhance the production of larger commercial farms and policies to promote tourism, dispersed settlement, and other activities?

The adoption or rejection of certain public policies for part-time farmers has implications for larger commercial farms, for international trade, and for the very way of life in some countries. Part-time farmers are far from a monolithic class. They vary greatly in their economic and social characteristics, even within the types presented by Krasovec. Accordingly, Krasovec offers a plea for more data on their circumstances so that appropriate public policies, including the *laissez faire* option may be identified and implemented. But here is a dilemma. We need more adequate data to formulate policies. But without relevant questions based on feasible policy alternatives, we cannot specify what data will be adequate.

Contributing to the discussion were Alan R. Bird (in absentia), Sven Holmstrom, Claude Laurent, and Takeo Misawa.