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BULLETIN



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STUDIES ON THE SETTLE- MENT RE- LATIONS IN HUNGARY

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RESEARCH INSTITUTE FOR AGRICULTURAL ECONOMICS

Bulletin 14.

STUDIES ON THE SETTLEMENT RELATIONS IN HUNGARY

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RESEARCH INSTITUTE FOR AGRICULTURAL ECONOMICS

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Gyula Varga

X A CO-OPERATIVE VILLAGE X

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The Village and its Inhabitants

In the south-western part of Hungary in Transdanubia at the foot of the Tolna Hills, lies the village of Aparhant, which came into being as the amalgamation of two smaller settlements, the former Apar and Hant. In 1960 its population numbered 1,354. The majority of the population, up to the end of the Second World War, were mostly German-speaking peasants whose methods of agriculture compared very favourably with the average national level. The local stock-breeding was particularly well-known.

After the world war those of the German inhabitants who during the war, as members of the *V o l k s b u n d*, the organization of German fascism, had identified themselves whole-heartedly with the nazis, were deported to Germany, their place being taken by Hungarians coming from Rumania and Czechoslovakia. At Aparhant, therefore, three groups of peasantry different in culture, habits and agricultural experience settled down to live together, a process which in the first few years was marked of considerable conflict and antagonism.

Looking back from a certain remove, it is not uninteresting to note how the growth of the cooperative movement influenced the life of this village. When the first cooperative farms were formed at Aparhant in 1952, the population was divided into two cooperatives; the members

of the first cooperative were almost exclusively Germans, those of the second were Germans, and the Hungarians coming from Czechoslovakia. This "mixed" cooperative farm was evidence that the original village community had "accepted" the new settlers from Czechoslovakia with their higher agricultural standards, while those from Rumania with lower agricultural standards could only adapt themselves with difficulty and remained outside the cooperative.

The underlying reason, therefore, for the original "separation" at Aparhant was economic, as similar divisions also occurred in other villages. It frequently happened that the former farm-hands of a village joined one cooperative, and the former smallholders another. Even at a later date, during the great upswing of the cooperative movement, it was observable that in certain industrial regions those peasants who also worked in industry, set up a separate cooperative for themselves. As the economic, or rather the agricultural, differences were gradually levelled out as the cooperatives developed and found their feet, the previous antagonism also faded. At Aparhant, this adjustment took place as those with less agricultural expertise caught up with the others after a few difficult years. By 1959, when the entire village became one cooperative farm, all this was behind them.

Work in common, the efforts made together, brought them closer to one another. The leaders of the cooperatives realized the importance of this r a p p r o c h e m e n t, and made every effort to further it by their methods of organization. They took steps to see that the smaller collectives were formed of members of the different nationalities, and that members of each group were appointed to key positions in these farms.

The young people played a particularly important part in this r a p p r o c h e m e n t. Irrespective of their origins they worked together, enjoyed themselves together, made friends, inter-married. Family ties proved stronger than the old ties of nationality, and all the newer generation

knew of the original hardships of a period when farming was burdened with these economic and social problems, from the stories of the old people.

That this particular cooperative village has been selected to be presented to the reader is a mere chance. In the course of his work the author spent some time in this village, and while studying its methods of farming he also came to know the people. It may seem unfortunate to present an "untypical" case, for there are not many villages in Hungary which have had nationality problems in the course of the last twenty years. We nonetheless believe that even if nationality conflicts are not typical, controversy among the inhabitants of a village is typical, as is the fact that its underlying reason is economic.

The methods of cooperative farming at Aparhant are a bit more advanced than in most Hungarian cooperative farms. Eight hundred out of the about 3,500 cooperative farms in Hungary may be regarded as good, some 1,200 as weak, and the balance fair to middling. The one we are about to discuss belongs to the last of these groups.

What is a Cooperative Farm?

A cooperative farm is partly a social organization, and partly an economic enterprise. The cooperative as a social organization means that it is a society consisting of members with equal rights who elect, supervise, remove or confirm their representatives in a democratic manner, all the votes of the members being equal. The members decide on the admission of new members, or, in justified cases, on their expulsion.

The cooperative as a farm is an economic enterprise for the purpose of production or consumer service. In it the members have circumscribed fields of activity and accordingly occupy superior and subordinate positions.

The present study deals mainly with the economic activities of the cooperative and then with the household

plots of the individual members as illustrated by the Aparhant cooperative farm.

Collective Farming

a/ The labour force

One hundred and four members of 48 families joined the two cooperative farms of Aparhant which were formed in 1952. Up to 1959, when the full collectivization of the village took place, the figure rose to 259 families, that is, to some 350 members, and has not essentially changed since that time.

In 1960 the two cooperatives were merged. Not every member of this cooperative farm actually works. Seventy of its members, now on pension, work very little or not at all, nor do from 20 to 30 other members, who have family or other commitments. Two hundred members, however, and eight employees are engaged in regular work on the farm. /As will be seen, the cooperative also hires employees who are not members./

One-fifth of the families have incomes from non-agricultural sources as well. In these families mostly the women who are the members of the cooperative /roughly a third of the members are women/, and the men work in neighbouring mines.

The ratio of age-groups in the cooperative is relatively satisfactory, and so is the ratio between working and non-working /pensioned/ members.

At Aparhant, however, as in nearly all the cooperative farms of Hungary, the members are aging, and this is a problem which has assumed considerable proportions. It is a circumstance which deserves special attention, partly because those retiring cannot always be adequately replaced /because there are not enough young people available or because of the lack of skilled workers to meet the requirements of increasing mechanization/, partly because the maintenance of an unproductive population increases the burden on both the

cooperative farm and the state. The exodus of the young is, of course, a phenomenon by no means confined to Hungary, or one especially connected with the creation of cooperative farms. It is happening generally in all countries with developed or developing industries. Nor indeed should the positive aspect of this state of affairs be forgotten -i.e. its economic necessity; for agriculture has always been, and will for some time continue to be, the source of manpower for expanding industry; or regarded from another point of view, it is only industry which will be able to absorb the manpower surplus of a fully mechanized agriculture. The planned character of this process in the Hungarian economy is of especial importance to us, because centrally planned economy is in a position to determine the best rate of investment in mechanization and the use of chemicals to solve the labour problems raised by the exodus of the young from the land and by their replacement.

The "Cornflower" Cooperative Farm at Aparhant is somewhat larger than the average medium-sized farm. An approximate division of the area into common lands, worked in common, and household plots is as follows:

Total area	2,000 hectares
C o l l e c t i v e a c r e a g e	1,870 hectares
a/ plough-land	1,550 hectares
b/ vineyards and orchards	15 hectares
c/ meadows and pastures	190 hectares
d/ fishponds	40 hectares
e/ non-agricultural land	75 hectares
H o u s e h o l d p l o t s	130 hectares
a/ plough-land	80 hectares
b/ vineyards and orchards	50 hectares

The fertility of this agricultural area is one third higher than the national average. The regional climate is suitable for farming. The annual rainfall over 50 years averaged 706 mm, and the annual temperature averaged 10,3 centigrades. The rainfall, however, varies from year to year, and the summer droughts produce serious problems. The local farmers are resorting to irrigation in an attempt to solve them. According to their limited financial means, they are increasing the irrigated area year by year. In 1964 the irrigated area amounted to 75 hectares. The hilly character of the region provides additional difficulties, particularly in view of growing mechanization, and measures against erosion have to be taken.

Average livestock figures over several years are as follows:

	Total	Females
Cattle	450	130
Pigs	750	80
Sheep	450	300
Horses	70	30

Taking the livestock in relation to the area of the cooperative, the density considerably exceeds the national average. This gives point to the fact that this part of the country specializes in livestock and cattle-breeding. And this natural division of labour was already evident in pre-liberation days, before 1945.

Figures for capital investment in the Aparhant cooperative are as follows, together with the national average:

	Aparhant	National average
Investment per plough-land unit of 1 hectare ^x	7,500 Ft.	4,200 Ft.
Plough-land unit served by 1 tractor unit /15 hp/	100 hectares	100 hectares

The higher capital investment of the Aparhant cooperative is mainly due to the higher investments needed for live-stock. As to the figure for tractors, it must be remembered that the state tractor-stations, from which tractors can be hired by any farm in the district, provide additional machines to serve cooperative needs. If these are added as well, the national average will fall to 1 tractor unit per 60 hectares of land. This is still a considerable area of land per tractor unit, but the figure is nonetheless many times smaller than it was before liberation or a few years after.

The agricultural cooperative at Aparhant owns two lorries and three harvesters in addition to the tractors but it owns no combines. According to the farm managers, it is more economic for them to hire the necessary harvesters from the tractor-station than to buy them.

b/ The organization of the cooperative farm

The supreme governing body of the cooperative farm is the general assembly, which decides on all matters affecting the farm. All members have an equal non-transferable right of vote at the General Assembly. A two-thirds majority is needed to decide questions of importance such as amendment to the statutes, fusion with other cooperatives, the removal of an elected officer, etc., but in other cases a mere majority is enough.

^x A plough-land unit results from reducing all branches of production to a common denominator.

Resolutions adopted at the general assembly are binding on all members, and the elected management is responsible for seeing that the resolutions are implemented.

A meeting of the General Assembly may be called by the management at any time, but in certain cases 10 percent of the membership can also call for a meeting. The administrative board of the cooperatives /with a membership of from 5 to 15; at Aparhant the figure is 12/ is elected by the general assembly from those members of the cooperative with qualities of leadership. It is responsible for the realization of the decrees of the General Assembly and is the main directing organ /concerning all activity fields of co-operative/ in the period between two general assemblies. It is a general custom, also observed at Aparhant, that the administrative board holds a meeting every two weeks, at which technical experts employed by the cooperative are also present in an advisory capacity.

Various committees are elected by the General Assembly from among the membership. The Control Committee is a body that watches over the purity and the order of cooperative life, and reviews and controls the economic activities of the cooperative farm. The Disciplinary Committee, upon the request of the general assembly or the administrative board, conducts enquiries into irregular behaviour and if need be puts forward proposals for disciplinary action, to be enforced by the general assembly or the administrative board. The Social Committee is concerned with social conditions affecting the members, and the position of the various social institutions of the cooperative.

These organizations all represent different forms of collective action. The cooperative farm, however, as an economic enterprise, also needs managers invested with individual responsibility in given spheres of activity, directly responsible for directing economic activities and managing the enterprise. But since their functions differ in certain respects from those of the managers of industrial enterprises,

a slight degression on this point, describing their special characteristics, may be worth while.

The head of the cooperative farm, entrusted with individual responsibilities, is the chairman, who is its legal representative and manages the farm on behalf of the administrative board. His responsibilities, however, differ from those of the manager of an industrial enterprise in that the latter, while taking the opinions of his co-workers into account, takes all decisions on matters affecting the enterprise himself. The main task of a cooperative farm chairman is to prepare, and enforce, the resolutions of the general assembly. This fact does not, of course, diminish his general responsibilities as the leader of the enterprise. Indeed, if we consider that the functions of a cooperative farm chairman, in addition to the management of his "enterprise", also extend to responsibility in social matters, it is clear that the occupant of this position needs marked qualities of leadership.

The chairman of the cooperative farm of Aparhant until 1965 was a trained agriculturist with a university degree. His qualities as a leader were considerable; it was largely due to his efforts that the nationality problem was successfully solved; at the same time the standards of cooperative democracy reached a high level under his guidance. His successor is a young expert, formerly the chief agronomist of the cooperative.

The deputy chairman at Aparhant is responsible for all the subsidiary services which have no independent manager /the tractor-drivers' brigade, the repair-workshops, etc./.

The agronomist is the professional responsible for the entire production of the cooperative farm. If there are more than one as is the case at Aparhant the chief agronomist has overall responsibility and his assistants are in charge production in their individual branches.

The chief accountant is responsible for all purely administrative questions, the accounts, and questions of finance and credits.

The brigade chiefs at Aparhant in charge of the brigades which are the organizational work units of the cooperative farm are skilled workers. Their duties are comparable with those of factory foremen. They are responsible for the execution of the work, for assessing work points which serve as a basis for calculating wages. Work group leaders are in charge of the teams making up a work brigade, but they work as other brigade members.

A chart of the organizational hierarchy of the Aparhant cooperative farm may well prove useful here. /See page 13/

On the basis of this chart, the various branches of production can be easily identified:

Agricultural crops. Three brigades are directed by a trained agronomist with a university degree.

Horticulture. This consists of a work group responsible for horticultural work, fruit-growing and the vineyards, headed by a qualified horticulturist.

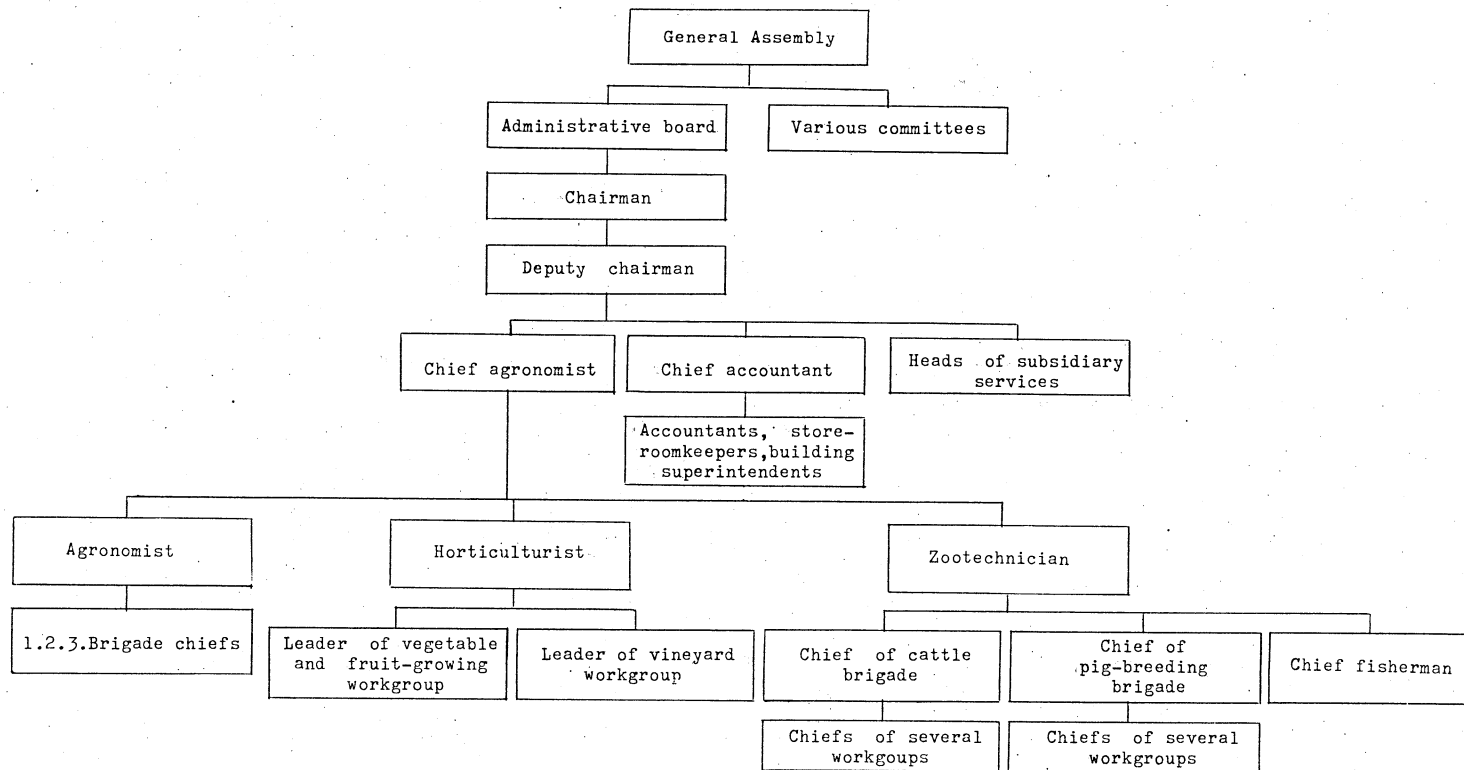
Livestock. This department is headed by a qualified veterinary or stockbreeding expert in charge of three work brigades. The brigades are divided into separate work groups.

Subsidiary services. These are the repair workshops and other auxiliary services.

This organization of production generally corresponds to that of cooperative farms of similar size. The organization of smaller cooperatives is simpler, and larger ones /there are cooperative farms in Hungary of up to 5,000 hectares/ are correspondingly more complex.

c/ The place and the activities of the agricultural cooperative in the socialist economic system

The position of a cooperative farm in our national economy is defined by the fact that it is an enterprise which is collectively owned, as well as by the socialist framework within which the enterprise is operated. We have already referred to the specific features characterizing collective



Schema of the Structure of a Cooperative Farm

ownership, but we shall return to them later on. The external relations of the cooperative can be divided into two; between the state and the cooperative, and relations between the cooperative and other non-governmental enterprises and persons. The latter are comparatively unimportant as compared with the relations between the state and the cooperative, so that we shall not touch on them here. The relationship between the state and the cooperative is of particular importance in terms of the national economy. The fulfilment of the tasks laid down by the national economic organs devolves to a great extent on the cooperatives. It is the state which determines the division of these tasks and the general rules which govern them. /Situation in 1965./

Unlike state-owned enterprises, cooperative farms are the collective property of their members. And since this is the case, it may well be asked how the state can influence their economic activities? In the first place, by economic incentives. Among the various methods employed by the state are price, credit, taxation and interest policies, bonuses and discounts, contract production, and technical advice.

The system of contract production is especially important from the point of view of the state, because this is the most direct way of coordinating the production of the agricultural cooperatives with the national economic plan. The system of contract production is at the same time a form of permanent connection between the cooperative farms and the state administrative organs and it enables both to make a useful assessment of demand and supply. In the final analysis, this system acts as a market in which the balance between supply and demand considered expedient might be achieved only through sound price conditions, but this market is controlled and directed by the state.

About three-quarters of the farm products are sold to state or consumer cooperative organs on a national basis. The proportion at Aparhant is even larger, because the village has no local market in the vicinity, i.e., large consuming units

like hospitals, where it could sell part of its products, such as vegetables or fruit. It is, therefore, of particular importance to the Aparhant cooperative that state and cooperative trade assure guaranteed markets on the basis of previous contracts.

Price relations in contract production are worth special mention. These prices are previously fixed in accordance with free market prices. Part of these prices are fixed for a shorter or longer period; to the basic prices on occasion quality or quantity bonuses, or regional price differences, may be added.

The income derived from the sale of products constitutes the most important source of income of the cooperative farm; it finances the development of the cooperative and the wages of the members. At Aparhant some 85 percent of the total receipts come from the sale of products, viz.:

- 25 percent from agricultural crops
- 6 percent from horticultural production
- 45 percent from livestock
- 9 percent from other activities.

The balance of 15 per cent is provided by state subsidies and credits. The expenditure of the cooperative farm can be divided as follows:

Cost of materials	20 percent
Cost of services	1 "
Insurance	2 "
Taxes	7 "
Repayment of credit, interest payments	4 "
Wages of members	47 "
Sundries	19 "
Total	100 percent

Developments are financed less from the cooperative's profits on the sales of its produce and livestock than from state credits. In 1963 total investment in Aparhant amounted to some 2 million forints, of which 70 percent was provided through credits.

State credits paid through the Investment Bank /Budapest/ from government funds are an important state method of influencing the work of the cooperatives. When applications for credit are made, the Bank experts investigate the claims of the cooperative for financial aid, and in so doing exert a practical influence on the direction of their development. The state similarly influences investment by its cancellation of certain credit liabilities. In 1962 and 1963, for example, the cancellation of debts to the state at Aparhant was double the amount of the credit actually repaid. At the present time, however, the total state credits placed at the disposal of the cooperatives is, as a rule, smaller than the credits actually requested.

About half of the concessions given by the state take the form of the cancellation of debts. Other concessions or facilities granted by the state take the form of marketing subsidies, buying machinery, etc.

The national policy on interest charges, as applied to the agricultural cooperatives, is closely linked with the system of credit. The rate of interest depends on the nature of the various credits. The credits may be operational or investment credits, the former being short-term, the latter middle- or long-term credits. Short-term credits generally expire in a year, and the rate of interest is 3 percent; middle-term credits expire in 2 to 8 years, and the annual interest paid is 1 percent; liabilities still outstanding after the date of expiry carry an interest rate of 5 percent.

Investment credits must be repaid over periods ranging from 2 to 35 years. The annual rate of interest is 1 percent and 5 percent in case of default. Assistance in the repayment of investment credits is provided in the form of numerous

concessions, and cancellations, of debt. On a national basis the cancellation of repayments due to the state match the investments made by the cooperative from its own funds.

Cooperative farms present an annual report on their economic activities. It opens with a full financial account for the year. It gives an account of the state of its assets, of the fulfilment of the previous year's plan, and of the general agricultural and farming situation, and contains plans on the utilization of its income.

d/ The personal income of cooperative members from collective farming

The income of the cooperative is in fact derived from three sources, listed in order of importance.

1. The cooperative farm.
2. The household plot.
3. Employment outside the cooperative farm.

In this article we are confining ourselves to the personal income deriving from the cooperative farm, which can again be further divided into wages earned according to the amount of work done, and bonuses paid according to the quality of the work or after more than a certain number of work points have been reached. Cooperative members also receive an annual proportionate rent for land contributed to the cooperative when joining it.

The system of wage-payments on cooperative farms in Hungary takes various forms. Cooperative farms have long appreciated that a wage structure designed for the purpose is one of the most effective means of encouraging production.

The wage system is twofold. One is the work-unit system originating in the Soviet *k o l h o z e s* and applied for almost ten years on all Hungarian cooperative farms. This is essentially a method of measuring and expressing different kinds of productive activity in a single formula serving as basis for distributing the annual income of the farm. The other

wage system gradually taking the place of the first is that of guaranteed regular cash wages. The basic difference between the two is that, while under the work-unit system members learn the amount of their income only at the end of the economic year, cash wages enable them to know the sums that are due them for different productive activities and of which a guaranteed portion generally 80 percent is paid them monthly or fortnightly, the remainder at the end of the economic year. The fact that farm members thus receive the equivalent of their work regularly and regardless of the momentary solvency of the farm makes it inevitable that this system must entirely replace the work-unit system as the farms achieve economic consolidation and the system of goods and money relations grows in importance. It is of historic significance that the former economic uncertainty that dominated the life of the peasantry is thus disappearing, gradually giving way to a secure livelihood.

These two wage-systems are supplemented by various methods of awarding bonuses and innumerable local variations of sharing production profits. It should be mentioned that most of these supplementary methods are not the result of scientific research but were developed by those directly involved in order to strengthen their sense of responsibility as well as to raise the quality of their work. In the best, economically strongest cooperative farms as well as in the case of those members holding key jobs in cooperative farming the cash wage system has already been adopted. It is due to these incentives and to the transformation of the wage system that agricultural output has grown even in the naturally difficult period of mass collectivization.

The bonus system gives the workers a material incentive in their work, and since it is paid in the form of produce or kind it has become one of the important methods of allotting fodder for the individually-owned livestock of the members. Members of the Aparhant cooperative farm receive bonuses for work on agricultural crops /e.g., maize, sugar-beet, potatoes/

if the plan is surpassed. The bonus consists of from 30 to 50 percent of the surplus crops.

The amount of land rent paid to members depends on the acreage and quality of the lands contributed when joining the cooperative. It also depends on the decisions of the cooperative general assembly, but in general amounts to the equivalent of 75-100 kgs of wheat per hectare. A widespread debate has developed among Hungarian economists on the subject of land rent. Many consider it as a relic of the times of private ownership and therefore undesirable; they point to other socialist countries, mainly the Soviet Union /where all land is owned by the state/, and demand the discontinuance of the system. The majority of our economists, however, regard the payment of rent as a form of amortization for work earlier invested in the land contributed to the cooperative.

From the sum set aside for wages from the cooperative income from 1962 to 1964 in Aparhant, each member earned approximately 13,000 forints per annum /about 25-30 percent higher than the national average/, assessed on work points amassed which made up about 90 percent of his total personal income. The percentage of the bonus received, paid out of the total income of the cooperative, is growing quickly; in 1963 cooperative members received 5 percent, in 1964 10 percent of their personal income in bonuses. The figure and proportion of land rent paid remains essentially unchanged: it is about 700 forints per annum for each working member. This corresponds, on the whole, to the national average.

Pensions for aged members who have worked for at least 10 years on a collective farm are paid by the National Pensions Office and amount to a yearly minimum of 6,000 forints. Those members of pension-age who have not had 10 years' membership receive an old-age allowance of 3,400-3,800 forints yearly.

Retired members may, in so far as their strength allows, take on certain work on the cooperative farm, which may also allot them household plots.

In the introductory section we pointed out that the differences which used to exist among peasants in former times, based on wealth or the ownership of land, have now given way to differentiation according to the amount and type of work performed by the individual members and the differences in the wages received.

The incomes of working members and families of the collective farm are divided as follows in percentages:

	Members	Families
Under 6,000 forints	32 ^x	25 ^x
6,000 to 10,000	15	16
10,000 to 15,000	15	18
15,000 to 20,000	16	11
Over 25,000	22	30
Total	100	100

The wage-differences, therefore, are considerable; the reasons may be found in an analysis of incomes according to type of employment.

The basis of the great difference in incomes according to type of employment is partly that more highly qualified workers are better paid, and partly because agriculture is a seasonal occupation and therefore the incomes of those permanently employed throughout the year are much higher. Members, for instance, working with livestock are better paid because they work all through the year. Those engaged in crop production, however, quite naturally tend to see only the unfavourable aspect.

x

The figures marked with an asterisk include the cooperative members on pension.

Income of all members for work on the
cooperative farm /1963/:

Income	In thousand forints	Percent
Per capita average	13,2	100
Skilled workers /tractor-drivers, mechanics, smiths, carpenters, bricklayers, etc./ working in the subsidiary services	30,5	230
Administrative workers	26,5	200
Workers in the livestock	18,4	138
Workers in the crop production	8,7	66
Others /mainly pensioned, night-guards, charwomen, etc./	6,4	49

As long as there are no major differences between the incomes of workers with identical qualifications, skills and capacity, there are, as a rule, no major conflicts among them. Trouble begins when several members apply for a job carrying a higher income. Many more cooperative members, for instance, would like to work livestock than are needed in that department.

At Aparhant there is a reasonably good balance between labour supply and demand. The majority of the members are employed in crop production—partly because it largely employs women who do not want to undertake a round-the-year job and men who for reasons of health or lack of qualifications do not or cannot easily find work elsewhere.

In order, however, to counterbalance the difference between the income of those engaged in crop production and those permanently employed on the farm throughout the year, a bonus and work-point system providing higher wages for workers, engaged in crop production has been introduced. The daily wages of these workers is often double and if at the

end of the year bonus is satisfactory even three times as much as the daily average of other cooperative members with comparative skills and applying the same physical effort.

The correct adjustment of incomes is one of the most important and delicate task of the cooperative management. A false or wrongly calculated adjustment one that provides no incentives or gives rise to discontent will only lead to a decrease in production.

It is for this reason that in Hungary the utmost attention is paid to the whole question of the wage-structure on the cooperative farms, and that the state permits, in fact encourages, the individual effort of each cooperative to discover better solutions to this question, according to their own individual situation and needs.

e/ Agricultural production

The value of crop and livestock production per hectare on the cooperative farm of Aparhant was about 8,200 forints in 1963. /This is above the national average of 6,400 forints./ At Aparhant, 58 percent of this came from agricultural and horticultural products /68 percent of the national average/, the balance going animal products. Aparhant, of course, specializes in animal farming. Looking more closely at the production structure, the percentages of total production can be broken down as follows:

Cereals	16
Grain for fodder	17
Industrial crops	9
Vegetables, potatoes	7
Grapes, fruit	1
Green fodder	8
Cattle	23
Pigs	15
Fish	3
Sundry agricultural and animal product	1

Total 100

We give below a division of the 1,550 hectares of plough-land according main crops and their yields, together with the national averages in 1962-63.

	Crops/percentages		Average yields /q/ha/ ^x	
	Aparhant	National averages	Aparhant	National averages
Cereals	32	28	22	16
Barley	15	13	26	19
Maize	16	15	30	26
Alfalfa	8	8	30	27
Sugar-beet	4	3	260	250
Potatoes	4	3	105	90
Sundry produce	21	30	-	-
Total	100	100	-	-

Agricultural yields regardless of whether we are considering the yields in the Aparhant cooperative or the national average lag considerably behind the level of advanced agricultural countries. This backwardness is due to a number of reasons, in addition to the legacy of smallholding farming and the general level of development inherited from the past, a level which has taken and will still take time to raise.

In the first place there is the question of chemical fertilizers. In 1963 collective farms used 55 kg^{xx} of mixed fertilizers per agricultural hectare. Although this is double the amount used five or six years ago, yet it is still less than the amount used in the more advanced countries. The difference, of course, shows itself in the yield. Consequently, if we can increase our production of artificial fertilizer to the quantities required, we shall speedily be in a position to

^x Quintals per hectare.

^{xx} active ingredients.

improve our agricultural yields. The spread of cultivation under irrigation also gives promise of a considerable increase in agricultural production. The full increase, however, can only be achieved together with the use of chemical fertilizers.

As to livestock, the average milk yield at Aparhant is 2,500 litres for each cow. In the last few years the pig-breeding figures were approximately the same as the national average, while their fishpond operations yielded 5 to 6 quintals per hectare, a fair enough figure if it is remembered that the Aparhant cooperative only started fishpond operations a few years ago.

The Household Plot

a/ Household plots in general

The household plots are small tracts of land primarily designed to meet the personal needs of cooperative members. These plots of land are connected with the collective farm, but in part produce for private sale, and are cultivated in the member's spare time and with the member's tools and means of production, which are generally his own private property.

These household plots are either situated in the vicinity of the members' homes, or on the fringes of the settlement. Household plots are not the prerogative of those members who contributed land to the cooperative when joining; every member of the cooperative is entitled to one.

The maximum acreage of the household plot is fixed by law. It is 0,57 hectares in land, and a cow and a sow, with their litters, are allowed. Other animals are not limited in number.

Widely opposing opinions on the role of the household plots of cooperative farm members have been voiced by agrarian politicians and economists. Not only in Hungary, but also in other socialist countries views have spread that both political and economic considerations make it desirable to discourage

household farming, in fact to abolish it entirely. In certain countries these views have, indeed, led to the liquidation of the system of household plots. The adverse effect of these measures, however, soon became evident. No steps have ever been taken towards the abolition of household plots in Hungary; and in recent times opinion has veered in favour of them appreciating the advantages of their reasonable exploitation, the constructive role they play, and the need to retain them. They are considered now as organic parts of the socialist agricultural structure.

b/ The cultivation of household plots

These household plots are mainly but not exclusively used to support cattle. Only part of the necessary fodder can be assured by the owners themselves. Most of the fodder needed is grown on the collective farm, which also supplies the use of draught-animals, provides seeds, and the animals themselves.

The principal *r a i s o n d' e t r e* of the household plots is to satisfy the needs of the families, but they also sell some of their product and livestock. In the years between 1960 and 1963 an average of about 40 percent of the net production of the household plots was produced for sale. Even though this proportion shows a tendency to decrease it is still substantial by any reckoning. In 1963, for example, 51 percent of the national purchase of eggs, 31 percent of the milk, 28 percent of cattle for slaughter, 17 percent of the fruit, 16 percent of the wine and 11 percent of the pigs came from household plots. To sum up: 7 percent of the crop production and 23 percent of the livestock, i.e., 16 percent of the value of all agricultural products in 1963 bought by the state purchasing organization came from household plots.

The household plots of the cooperative members at Aparhant are more intensively cultivated than the national average. It is the policy of the heads of the cooperative

farms to give them every assistance. Quite correctly and logically they reason that the products of household plots is mainly for the personal use of the members, that it releases produce needed elsewhere, or, if production exceeds personal use, the surplus is meeting a social demand.

The size of the household plot at Aparhant, if the working head of the family is a cooperative member, is 0,57 hectares; if he works elsewhere but his wife is a member of the cooperative, it is 0,285 hectares, that is half.

Maize is the main crop cultivated on the Aparhant household plots, and it is worked into the crop rotation system of the collective farm.

The cash income derived from household plots is mainly derived from cows, which also represent that part of the household livestock that is most commonly for sale. There is a cow on nearly every household plot; on every second or third household plot a cow is yearly fattened for the market and sold. Pigs are mainly kept for the needs of the family, though a considerable number of hogs are also sold. The keeping of poultry supplies cooperative families with eggs and poultry, which are also sold in substantial quantities. It is very largely due to the system of household plots that Hungary takes third place in the world in poultry consumption /10 kg. per head/.

There are no administrative accounts kept for household plots, as they are exempt from taxation and have no delivery commitments or other obligations. At a rough calculation, the net income of a cooperative family in Aparhant from its household plot the difference between the gross value of the produce and costs is about 10,000 to 13,000 forints per year.

This is a very rough description of the economic structure, mechanism and functioning of a cooperative farm. From an economic point of view it is merely a rudimentary

outline; but anything more exact would have demanded the inclusion of considerably more statistical data.

The most important consequence of the cooperative movement in Hungary so far has been the creation of socialist large-scale farming. There are many and complicated problems still to be faced, such as methods to improve the material and technical basis of production, to increase the interest of the workers in production, and to raise still further the level of the cooperative farm management. The economic advantages of largescale farming will be greatly increased once these problems have been mastered.

