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EUROPEAN AGRICULTURE IN AN INTEGRATING ECONOMY

LAND OWNERSHIP AND FARM UNIT

CONTRADICTIONS AND CONFLICTS

by

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More than one farmer in two has been eliminated in France since the end of World War II, and there is close to one active person in farming instead of three. The farming area was reduced at a much slower rate, about 10 to 15 %, through abandonment of marginal land rather than urbanization. The uncultivated area is estimated at 2.2 million hectares, most of it of poor quality.

Many other European countries have experienced similar transformations, which are the structural angle of what certain authors have called the second agricultural revolution. From the production side, this revolution consists essentially in a very rapid growth of the use of productive inputs, mostly purchased from the industrial sectors, which rise significantly faster than agricultural production which itself increases at a high rate.

This cannot go on indefinitely (1) and ultimately implies that the development model which prevailed during the last decades be questioned, particularly since the price of purchased inputs of industrial origin is linked to that of energy which is bound to increase in the long term.

This very global statement leads us to beware of the lack of imagination which would consist in deriving the future from an extrapolation of recent trends. When examining the aspects of agricultural change concerning land we must therefore attempt to identify the contradictions

(1) Let y_0 be agricultural production and x_0 non factor inputs at period t_0 . a is the rate of growth of y and $b > a$ the rate of growth of x . t_1 is the time when $y - x$ stops growing and t_2 the time when y catches up with x .

If $y_0/x_0 = 5$ $b = 10\%$ $a = 5\%$ then (hypothesis 1) $t_1 = 20$ years and $t_2 = 35$ years.

If $y_0/x_0 = 5$ $b = 6\%$ $a = 5\%$ then (hypothesis 2) $t_1 = 153$ years and $t_2 = 167$ years.

Thus even though $y - x$ may grow over a long period (t_2 is then large), the difference between t_2 and t_1 is, in both cases, close to 15 years which is relatively short.

and conflicts which this change implies rather than describe partial adjustments taking place within rules of the game which would be assumed as set from the start.

Indeed, our objective in this paper is to raise questions concerning tenure conditions. They are the rules of the game which prevailed before the recent period of rapid change, when the rates of out-migration and modernization of the productive set-up were much smaller. The problem is to study how tenure institutions simultaneously influenced the pattern of development forms and conversely have themselves changed or are in the process of changing. In other words, we would like to characterize the tensions which appeared over the past 30 years and are at work now with regard to ownership and use of agricultural land. More accurately, the aim is to put the emphasis on the relationships between an institutional framework concerning agricultural land ownership - the foundations of which date back to the breaking up of feudalism - and recent changes in agriculture's productive system and structures.

Before attempting to bring forth a few elements, however sketchy, to explain those tensions, it seems useful to underline a few characteristics common to western economies concerning land and its evolution. These common traits underline the fact that the changes experienced are general and that the various land policies adopted have but a relative impact.

- The rise in land prices is general throughout Western Europe as well as a fall in the ratio of rents to land prices (see Scully, 1977 and tables 1 and 2).

- The increase in the size of farms (in area) is regular. The shift in farm numbers towards size classes above 20 ha follows roughly the same pattern in the various EEC countries (see tables 3 and 4).

- The share of part-time farms tends to increase or to remain stable but never to decrease (see OECD, 1978 and table 5).

- In the various countries, restrictions have been placed on the rights of owners renting their land and tenants have benefited from increased protection.

- Purchase of land by tenants has been encouraged by convenient loans.

- In most countries, the burden of land ownership by farmers has increased as they were compelled to enlarge their farms through land purchases at increasing prices thus jeopardizing productive investments.

- There is growing concern about unfavoured areas where agriculture is withering while remaining inhabitants only obtain relatively declining incomes.

This list could be extended but the convergence in the evolutions observed leads us to believe that the part played by national policies should not be overemphasized and thus to attempt to find general explanations.

The following analysis will however mainly concern the French case. A broader study would require a detailed knowledge of the history and current agricultural, economic and legal situation of the various countries which I cannot claim. Since the various national evolutions run roughly parallel and also on account of the fact that French regions vary greatly with regard to tenure situations one may hope that the French example may have a general value. France is not however some kind of average case ; on the contrary it is rather extreme on two important and linked counts : the low population density ; the prevalence of individual and absolute land ownership which operates under more liberal conditions than in most countries of Western Europe. Its study may thus appear somewhat like a caricature, particularly since it has to be presented in a few pages and thence in very simplified form.

The French case will be studied in three stages : the institutional base concerning legal rights on land, its origin and relative stability until World War II will be briefly recalled ; the different government interventions since the War will then be examined as indicators of tensions which arose concerning ownership and use of land; we will then endeavour to draw out the main features of the contradictions revealed by this analysis insisting on the ambiguous role of small landownership.

I - LIBERTY, EQUALITY, PROPERTY - A CONDITION THEN AN IMPEDIMENT TO ECONOMIC DEVELOPMENT

For legal experts, the right of ownership of land is called a real right (jura in re). According to Gauvain (1890) : "The essential characteristic of a real right is that it is absolute, complete in itself and opposable to all" (The converse is a personal right). This legal reality progressively gained strength over the course of history. In France, through the Civil Code of 1804, the law maker did not create property, he gave it recognition, he codified and radicalized it.

Private ownership of land in the individual and absolute form existing in France since the Revolution is far from universal. From a historical and geographical angle this land individualism appears nearly like an accident (Pisani 1977). It is a particular stage which corresponds to the period of industrial development of modern countries over the past two centuries or slightly more.

Previous regimes were related to a technical and social mode of operation of agricultural activities which had a much more collective nature and where each member of the community depended very strongly on the others. He could use his property and dispose of it only after submitting himself to collective rules which were paramount to his own rights of ownership. This type of situation reflected a certain state of agricultural techniques and a certain social organization which corresponded to them. Those rules were necessary for the survival of the community. At the same time, a large share of the production was levied by the feudal aristocracy.

Then, this intricate network of rights and right holders, though well grounded technically and socially and which varied according to places and climates, became a burden preventing the development of new agricultural techniques which could allow significant production gains, provided they were accompanied by changes in the type of crops grown, in the crop sequence, in the feeding of animals and in the management of herds (abandonment of fallow, sowing of forage crops, use of techniques returning humus to the soil). Those technical innovations called for innovations in organization and, at the same time, were the precondition for processes of urbanization and industrialization. (Bairoch, 1963).

The main organizational innovation was individual, exclusive and absolute property right and it progressively prevailed. The overthrowing of the feudal order in France during the revolutionary period was marked by many varied events and alliances. The owning and trading bourgeoisie was the main beneficiary of this change though it had to accept a consolidation of peasant ownership of land in areas like the South and East where it had developed. Thus France which, as Marc Bloch (1931) had said, was a country of small and large landownership, became very roughly divided between regions where tenancy was dominant (Center, North, West) and regions where peasant ownership, though not exclusive, prevailed largely (South and East).

Land ownership was favourable to the development of mixed farming ("polyculture-élevage") in farms which progressively attained independance from their neighbours in decision making. Many of the commons, belonging to "communes" or to parts of these, were divided up, even if they still now account for more than three million hectares, mostly in forests. Productivity gains, though not great, were regular but reduced by an almost permanent protectionism. Therefore, in spite of a general movement of outmigration after the first third of the 19 th. century, the farm structure changes slowly. In 1929, there are still nearly three million farms, a decrease of less than 10 % from 1862.

Until World War II, thus, France remains a country of numerous peasants ; owner operators on half the farm land ; tenant farmers and share tenants ("metayers"), on the other half, are fewer and thus less cramped.

During this long period many economists have shown how ownership hampers economic development. Land rent is recognised as being not only differential but the result of a monopoly confirmed by the rules of the Civil Code. This rent appears as a levy on production in favour of the land owning class which sterilizes, at least in part, the flows of value it receives and which also is responsible for the high level of farm prices and for the protection which supports them. All these elements slow down industrial development as well as agricultural modernization.

In a land where owner operations are the majority, it is probably true to say that landlords renting out their land use the mass of small owner operators to obtain high and protected prices and to radicalize the property rights

(Augé-Laribé, 1950). It may however also be stated that the few periods of free trade and of resulting depressed prices and, more generally, the agricultural depressions, hit primarily the mass of owner operators rather than they endanger the landlord class. However, the power of the latter class declines, not because their rights are questioned (the courts lean towards them, rents are free, protection remains the rule until World War II) but because profits outside of agriculture are notable and attractive. Rent becomes a declining source of income even though the ratio of rents to land values increases on account of a fall in land prices. Fortune is not attained any more by the cultivation of land but by industrial endeavours reached through the stock exchange.

Summing up, it appears that, in France, the tenure system based on the Civil Code, including its annex providing for equal subdivision of estates between heirs, remained relatively stable over a period of 150 years. Rural out-migration, urbanization and industrialization developed at slow rates, or at least not fast enough to justify that the tenure system or the spatial organization be questioned.

The main objective of government interventions specifically concerned with land is to reduce the combined effects of rural out-migration and of equalitarian inheritance. They consist mainly in preserving estates undivided and in carrying out regrouping of scattered parcels ("remembrement").

All this remains sketchy but shows clearly the importance of the changes which took place during the period which began after World War II. Then the whole farm production structures had to be transformed first to rebuild the production set up, then to fit the needs of an unprecedented economic growth which later was inserted into an European framework with the creation of the EEC. Was all this change possible within the framework of a legislation concerning land which was very close to that of the Civil Code of 1804 ?

II - ORDER AND DISORDER IN THE LAND POLICY OF THE FIFTH REPUBLIC

In contrast with previous periods, when agricultural debates concentrated on prices and when property rights remained largely untouched, agricultural land policy was very active in the post-war period. Well before the setting up of the Fifth Republic in 1958, it started off with a land policy measure of great importance : the tenancy legislation of 1946. This follows numerous previous abortive attempts (see Boinon, 1971) and, until now, provides the basic framework for contractual relationships between owners and tenants. The tenant is protected and granted stability (the cases where the owner is entitled to evict his tenant are more and more limited as additional laws are passed). He also is protected against rent increases as they are stabilized at their pre-war level - with, however, indexation on the basis of farm prices. This legislation is the mark both of a weakening of the class of large landowners and of the desire of government to give full impetus to production in this period of post-war reconstruction. On account of their geographical situation and of the structure of their farms, tenants are best suited to rapidly obtaining large productivity increases (Gervais, 1972).

In 1960-62, the need for deep changes in the production structures is strongly felt and a period of active farmland policy starts. All its ups and downs cannot be explained here - we will however endeavour to present the main features.

Even if this division seems schematic, I will distinguish with Sebillotte (1978) two sub-period with 1970-73 more or less as a turning point when perceptions are sharpened and when new types of concerns like regional planning, spatial equilibrium of activities, protection and development of natural resources are added to the previous goals of economic efficiency and social order.

A. THE REQUIREMENTS OF PRODUCTIVITY

During the first sub-period, the policy seems simple and coherent and its declared objectives are clear : to facilitate inevitable changes involving a drastic reduction in farm numbers. This implies that farmers who cannot modernize be helped in their reconversion (the so called professional mutation measures) or pensionned off, eventually earlier than normal, by the

granting of the "indemnité viagère de départ" (IVD), a lifelong pension, provided their land is taken over by farms with good future prospects (exceeding a certain minimum size called "surface minimum d'installation" - SMI). However, a priority should be given to existing farmers who are in greatest need of enlargement and care should be taken to prevent both excessive amalgamation of farms and taking over of the land by external (i.e. non agricultural) capital. This will be taken care of by the law on farm amalgamations ("cumuls") and by the right of preemption given to the SAFERS (Sociétés d'Aménagement Foncier et d'Etablissement Rural = Land transfer regulation and farm creation agencies).

This whole set of policy options and the instruments set up for their implementation are striking innovations. At first they raised strong oppositions both from those best endowed - whether operating farmers or land owners - and from the weakest farmers. Both strongly favoured the full preservation of property rights and considered these measures (particularly the right of preemption of the SAFERS) as a potential interference of industrial society and bureaucratic State in their own businesses and estates. There was also at that time the painful awareness that farmers would have to engage in very stiff competition if they wished to keep their farms and that many of them would have to give up and make room for those who were in a better position.

This competition did not, however, originate in the agricultural act ("loi d'orientation agricole") of 1960 or in the creation of the SAFERS. These institutions did help organize this competition in favour of those medium farmers who were able to buy equipment, to adopt innovations and thence to further specialize. But competition was already keen as shown by the rapid rise in land prices from 1950 onwards. This was probably primarily the effect of the 1946 law regulating tenancy which, through the control of rents funnelled the competition due to various forms of technical progress and, particularly, to mechanization, towards the land market.

The large land owners, seriously weakened by the control of rents were not in a position to oppose a policy which gave predominance to the farm unit as opposed to property, except by obtaining that the courts interpret the law in their favour in cases opposing them to their tenants (Durassie, 1970)

Farmers liable to modernize were the beneficiaries of this policy and they were able to apply for the help of the Farm Credit.

Farmers which did not reach adequate calibre were compelled, often painfully, either to retire or to look for additional sources of income. The social cost of this was alleviated by supplements to retirement pensions and by reconversion grants. The number of IVDs granted increased until 1969-70 and reached a rate of 70 000 new pensions per year allowing younger farmers (above a minimum size) to gain control over 1.3 million hectares per year.

The conflicts took place at the borders of those three groups.

First between landowners and farmers in the process of modernizing (in addition to disputes between tenants and landlords). This led to strife between modernizing farmers and so called land grabbers ("cumulards") as well as buyers coming from outside or engaged in pursuits other than farming.

On the other hand, there are complaints by farmers who are close to the thresholds for help from the SAFERS or Farm Credit loans. They question those limits and their implementation by these agencies.

For other farmers, competition on the land market plays a part in the elimination process. The rise in farmland prices continued and was particularly rapid in areas where productivity gains were high and farm units large (Champagne, Paris area, Centre, Upper Normandy) (Greiner, 1971). Tenants are led to buying the land they farm whenever the owners offer it for sale. These owners cannot get hold of all the economic rent ; they progressively withdraw. A tenant's rent arises and it is sold on a broadening market in spite of the law which forbids its. (Cavailhès, 1971).

In areas where small farms, mostly under owner-operation, predominate, particularly in hill and mountain areas and close to cities, the land policies just described are not very effective. Farmers are not sensitive to the inducements offered, they resist remembrement, do not apply for IVD ; the land market remains very narrow. Small plots are reafforested or left idle in a disorderly way. While encouragments to private reafforestation exist, regulations aiming at directing it arrive too late or are too weak. Other regulations concerning idle lands are ineffective.

On the whole, however, it may be stated that the farm land policy was clearly understood and was implemented with a fair degree of efficiency in order to promote modern family farm. Incidentally foreigners, particularly in the Community, seemed interested in it.

This policy, however, and the evolution in farm structures which it accompanied and organized, hid or at least did not solve two sets of serious problems which, during the next sub-period, came to the forefront, particularly since they were intensified by the acceleration of inflation and the rise in energy prices.

B. THE MULTIPLICATION OF OBJECTIVES

Land policy became progressively more complex. Numerous interventions were added to those examined in the previous section. They can schematically be regrouped under two headings : measures aimed ^{at} rebuilding a new class of renting land owners which would replace the old one while easing the burden of costs relating to land for farmers engaged in growth processes ; measures furthering the maintenance of rural population and farming activities in areas threatened by abandonment or irreversible depopulation.

The quest for new landlords

The majority elements of the farmer's organizations are the mouth piece of those farmers who are engaged in a process of growth and who benefit from the modernization policies. These farmers would like to farm the lands liberated by those who have moved out of farming or put up for sale by landlords who give up. They would however wish to purchase only the right to farm, not the other rights embodied in full and complete ownership. Since such a purchase of a right to farm is not possible, they would be willing to rent provided they were well protected from any eviction or change in land use imposed from outside. Thence they are looking for landlords whose sole right would be to collect rent - exclusive of any capital gains from devoting the land to non-farm uses. Those persons who traditionally assumed this role are progressively opting out by selling their rights which lose some value if leases are renewed.

Farmers, competing among themselves, are thus compelled to buy land at high market prices and to "invest" individually in real estate except if they find some weird person, having several million francs on hand, and willing to buy instead of them. The total amount of those purchases by farmers is not a productive investment from a global sector point of view ; it gives rise to a flow of funds from farmers to the sellers of the land.

Some authors believe in the old idea that the retreating landlords can be replaced by some sort of corporate land ownership system collecting popular savings. Most authors, however, agree that such a system requires that property rights be deprived of the right to sell freely and thus of the right to cash in on capital gains linked to changes in land use. This implies in fact that landowners be in a way deprived of the difference between market price of land and some "agricultural price of land" which would have to be lower in order that the shares of the land corporations provide a competitive yield. Taxation and law could progressively cause a move in that direction, putting pressure upon the price of farm land until it reached an agricultural price. The obstacles to and potential conflicts implied in such a move can be easily imagined. Non operating land owners and, more generally, all those for whom land is not an indispensable work tool, would protest. But also owner operator farmers. They may benefit from the control in land prices and from the restrictions to property rights but this is more or less compensated by losses with regard to their wealth. To the extent that they ran into debt for previous land purchases they are, just like persons who buy davelings, inflation winners and, thence, less inclined to fight economic policies which feed it. In all, there is no doubt that farmers in favour of strict controls over the land are a minority, particularly among those who have small farms.

Stagnation or reductions in land prices do not appeal to the Farm Credit System since land is the main security of its loans and also on account of the fact that land prices determine in part the total volume of its loans and the subsidies from the State.

The State could benefit from lower land prices since, if the farmer's land burden were lighter, it would spend less on subsidizing the interest rates on land purchase loans. On the other hand, full and complete property rights feed the flow of savings going from agriculture to the other sectors

of the economy through the land market and through compensation in cash payed to coheirs by the one who takes over the farm. These transfers are considered as favourable to accumulation in the industrial sectors.

Some authors wonder, on the other hand, if "the purchase of land by the farmer is not the best source of productivity (in agriculture)" (Eraud, 1976) (1). This would be a powerful factor slowing down any change in the tenure system.

In spite of the fact that they have strong supporters among commercial farmers (of the Centre National des Jeunes Agriculteurs) (CNJA), the young farmers association) and among economists (Bergmann, 1977) this quest for new landlords, who would respect the integrity and durability of the farm unit, has, under these conditions, remained timid and limited as far as political decisions are concerned.

Various proposals for creating corporations, converting real estate ownership into ownership of shares with greater liquidity, and which could attract investors, have successively failed. The last project was called "Sociétés Agricoles d'Investissement Foncier" (SAIF) and all parliamentary groups agreed when the bill concerning it was withdrawn from the National Assembly in 1970.

Under the law of 1970 concerning "Groupements Fonciers Agricoles" (GFA) a form of corporate ownership did however develop, but within narrow bounds. Their rules are strict and they are not allowed to advertise to attract external saving. This has restricted them to being family affairs helping intergenerational transfers. In July 1977, it was estimated that 1500 GFAs out of a total of 1600 were of this kind and one cannot say that there exists a real market for GFA shares. The new owners are thus more or less captive inside these corporations as sale of shares is neither easy nor profitable.

A new law of 1975 concerning long term leases is also aimed at finding new landlords. Owners granting 18 or 25 year leases may claim rents significantly (at present 10 to 15 %) above usual levels. In addition the tenant cannot claim some of the protection granted by the normal tenancy laws ;

(1) By inducing captive factors to produce in spite of low returns.

the landlord need not justify his claim to recuperate his land at the end of the lease. The new law is thus less favourable to tenants and aimed at finding new landlords. There are not accurate data on the application of this law - which probably means that it is still limited.

A combination of long term leases and corporate landownership of the GFA type may, according to certain persons, have potential for growth in spite of the moderation of the policies reducing the powers of landlords. An example of this potential may be the recent (January 1978) creation of an association called "Nouvelles structures foncières". It aims at furthering the development of corporate ownership of farm - without transgressing the rule prohibiting advertising to the general public. Offers to buy and sell shares would be centralized and computerized in order, according to the promoters of the association, to obtain the required share mobility.

One may note in this respect that investors seem to have adopted new behaviours in the past years. From 1970 onwards, the rate of savings increased parallel to the rate of inflation - a reversal of past trends. (1) This may justify the opinion that savings will be directed towards GFAs if their shares are sufficiently mobile and closely indexed to the cost of living.

Managing marginal agricultural areas

The second set of interventions concerning farm land ownership regroups measures aimed at obtaining a better equilibrium of activities over the national territory. More concrete objectives : prevent irresistible depopulation and under-utilization of certain zones ; preserve landscapes and a farm population in depressed areas. A far cry from the proposals of the Vedel report or the Mansholt plan which proposed freezing millions of hectares to control farm prices and farmer's incomes.

The fact is that the consequences of the changes under way - which were accompanied by the structural policy measures rather than caused by

(1) This was the conclusion drawn by Yves Laulan, chief economist of the Société Générale - a major bank - at a round table on savings it recently organized (see La Croix, 14 Avril 1978).

them - are better appraised. They often involve a kind of decay in many regions poorly suited to take advantage of recent technical changes. Slope, poor drainage, fragmentation of land ownership, isolation, low density of permanent population, affect a notable share of the country. In many of the regions concerned, various processes have evolved which impede spatial reorganization leading to stable settlement as well as to the development of extensive farming systems on large units - even though such systems are considered desirable at the national level.

The development of tourism in agricultural areas, the continued inflation, dissatisfaction or tension of persons having left agriculture when they are faced with urban living conditions, the unfavourable state of the labour market, all converge to induce owners to cling to their land. Thence prices rise and, finally, the land owning segments, however divided, exert a major pressure on the farming segments. The farmers may attempt to get control over additional land but they have to do this through high priced purchases or by renting from relatives, or, more and more frequently, through forms of renting like annual contracts for purchase of grass or non written leases which are not subject to the tenancy laws and thus unsecure. In areas where tourism is highly developed, a very exceptional but significant situation has been reported upon : a farmer gets paid by a landlord, often the owner of a second home, to take care of his land usually by mowing it or having it pastured. Thus the landlord retains control over the long-term destination of the land. At the same time owners reafforest in a disorderly way their plots or sometimes whole areas, idle fallow and anarchic building spread. Thus the control of the farming elements of the community over their land is reduced.

Here again, thus, the logic of ownership and wealth clashes with the logic of the modern farm unit. Many groups, and not only the ordinary landowners, behave predominantly under the influence of this ownership and wealth logic : farmer farmers who have moved out, small farmers close to retirement, younger farmers with other sources of income, landlords who used to rent their land but have become more interested in other activities like tourism, forestry and hunting.

In order to cope with these types of situations, several policy measures have been implemented which directly or indirectly affect ownership rights. On the whole, their general objective is to overcome the obstacles linked to "misuses" of the right of ownership which prevent the creation or

development of farm units which fit the conventional model or of efficient forest blocks. One significant instrument, created in 1970, is the "opérations groupées d'aménagement foncier" (OGAF), joint land improvement operations which, through appropriate inducements, aim at overcoming the obstacles linked to the fact that the numerous and dispersed landowners in an area are dominated by the logic of ownership and wealth.

Measures which result, one way or other, in zoning of farmland fall into the same category - and create new conflicts. The "plans d'occupation des sols" (POS) are the main instrument and concern an increasing number of rural communes often included in rural planning areas (plans d'aménagement rural) which, in 1977, covered one third of the national area. Reafforestation was also regulated, timidly in 1961, with more strength and diversity with the 1971 legislation on the "périmètres d'action forestière". The law on associations of grazing land owners may compel owners who refuse development projects to sell their land. However, these interferences with ownership rights are always cautious. (An example of this caution is given by the 1977 bill on recuperation of idle lands by farmers ; it has been practically made ineffective). Landowners oppose significant resistance to any reduction of their rights. In many regions, particularly in mountains, the conventional model of efficient farms is in a minority position and is held at bay by small farmers, often part-time operators, who have no hope of entering into the logic of development plans - and may even not wish to do so - and whose behaviour is similar to that of small landowners. The inducements of the OGAFs are inadequate, the POSs are often empty shells because they are not really binding.

At the same time, it is recognized, among the leading circles of agricultural policy making, that small farms and small property bring elements of demographic and production potential which, particularly in mountain areas, cannot be ignored. In terms of population balance, of regional physical planning ("aménagement") and of full utilisation of productive resources, it would probably be a mistake to sacrifice these small units in favour of an agriculture of modern family farms fitting the criteria of the EEC directive on development plans.

The policy on mountain agriculture set up since 1972 bears the mark of a certain questionning of the conventional model of efficient farms. Aid is granted to mountain farmers even if their farm does not have the potential

to attain "comparable incomes" levels. Even if part-time farmers are still not well accepted by farmer's unions and agricultural policy, there is no doubt that they are being reappraised and that attempt are made to give them better status and to make them eligible for certain aids. Thus certain categories, which run counter to the dominant current of farm land policy get supported.

In order, however, to support varies types of agriculture operating under different and even opposing strategies, particularly with regard to tenure, the policy maker must operate on the basis of very refined analyses and with a much greater decentralisation than allowed by traditional institutions in the elaboration of the policy framework and in the decisions concerning trade-offs. This implies also that conflicts, instead of being more or less hidden, be brought to light and become subjet to negociation.

A whole complex set of coordination, consultation and decision instruments exists - at least on paper. The problem is to find out who can mobilize those tools, for what purpose, and for the benefit of whom ?

III - THE IMPORTANCE AND AMBIGUOUS STATUS OF SMALL LAND OWNERSHIP

At the outset of this paper we raised a question concerning the legal framework of land property which existed - very close to the Civil Code of 1804 - after World War II : could it resist the deep changes underway ? After having studied the evolutions in situations and policies can a conclusion be drawn and an answer given ?

Several interpretations are possible. Edgar Pisani who as minister of Agriculture, from 1961 to 1966, was directly responsible for recent changes, insists in his recent book : "Land Utopia", that there is both need to submit land ownership to a discipline expressing the requirements of the community and to recognise that the great majority of the people is irresistibly in favour of upholding real property rights. This contradiction explains why his proposals can only be utopic ! Does this mean that the situation is frozen and that one should either wait or prepare a revolution ? "France is the revolutionary country par excellence because France is, par excellence, the conservative country".

After studying recent decades, R. Eraud sees a slow evolution culminating in the birth of a new modern land right expressing a kind of progressive degradation of property rights. This degradation would fulfil the needs both of capitalism and of farm and urban workers because it would give priority to work and enterprise as opposed to property which is contrary to entrepreneurs and workers.

D. Barthelemy and A. Barthez note the diversification of objectives : "The productive function of agriculture goes well beyond the production of food goods ; a protection of nature function is added or even substituted to it; which may lead to multiple job holding". They do not express themselves on the evolution of land right but do underline two correlated aspects : the breaking up of problems within areas (including zoning) and needed regionalization (in order that interventions be coherent the tools, including legal instruments, must be coordinated at the regional level).

While following this last analysis, I wish to insist upon the special part played by small land ownership because it seems central in our subject matter.

The regulation of tenancy, during a period when land prices greatly increased, implies a weakening of large landownership. It is certainly in the process of moving out. When it subsists, it is in a dominated position. Only if one of the members of the owning family farms himself (which happens fairly often) can it retain the right of selling (without loss) - except in the case of long term leases, which in fact imply that the problem is pushed forward to a later date. The question which may then arise is that of the definition of a "farmer". Is there not a development of forms of farming where the work is done by contractors of various kinds or other types of service units - which means that the theoretical "farmer" can devote most of his time to other endeavours ? A type of part-time farming which raises many questions.

At the same time, small landownership develops. There are in France on the average several landowners (roughly four) per farm unit. In 1970, 40 000 farms reported renting land from more than 10 landlords. (1)

(1) From 1956 to 1976 the number of tax payers on the communal tax rolls for unbuilt property decreased by 15 % while the numbers of farms was cut by half. Particularly because it includes forest land, this is not a good indicator of the numbers of agricultural landowners.

This small landownership is not sufficient to be the basis of full-time farms under owner-operation. It is, for a large part, the result of several combined factors : out-migration ; division through inheritance ; rise in land prices which discourages selling. Although it does feed to a large extent the land market, it appears as a permanent and fairly solid status, not only a transitory stage in the evolution of wealth. Small landownership may thus appear as responsible for the lack of mobility of land and for a certain spatial disorganization. In certain mountain areas it may weaken the solid farm units and threaten their survival. It is a negative factor in plans for orderly land use as it does not react much to inducements applied to it. It is also heterogeneous since it includes both unviable small farms and part-time units.

Thus, everything occurs as if society, after having subdued large landownership, had now encountered another form of property which stands in the way of rational management of the modern farm unit and of control of rural space. It is true that the set of land policy tools, built up in France, particularly since 1970, tends to weaken or eliminate it. These tools, aimed at bringing about a kind of priority for modern farm units, are however implemented at the level of smaller agricultural regions. At that level, small landownership may be sufficiently well represented and supported to retain the power of preventing their own elimination. This is the case essentially in those regions where being a small landowner still carries a certain use value, even a symbolic one. Elsewhere, small landowners still has at least the power to sell to the highest bidder thus enabling the entry of new landowners whose projects may not necessarily fit local goals.

Thus this small landownership which exists in reality - even if it is difficult to define and analyze - can play very different and even fully opposed roles. In the Vosges, for instance, it seems able to occupy the land and to practice forms of husbandry which everyone appreciates, to the extent that some industrial or touristic municipalities subsidize it. (INRA-ENSSAA, 1977). Elsewhere, it may appear like the path through which outside capital penetrates and may thus disrupt lively and even economically solid local communities (this is the case on Causse Mejan, see Brun et al., 1978). It is thus difficult to cast a general judgment ; each local situation has its own specific set of forces.

The social strata which we designated here under the name of "small landownership" must be analyzed and subdivided more finely, distinguishing particularly the purely speculative behaviour of owners (based on the market value of land) and their attitude based on attachement to the land based more or less explicitly on the (actual or potential) use value of the property for the family who owns it.

Small landownership, with its full rights, appears thus, except in special cases, as an obstacle to the logic of the modern farm firm which is supported by the dominant current of farmland policy. At the same time, defenders of corporate ownership of land, and particularly the farmers' unions, are, in the name of the same rationality, looking for a type of small landownership which would be more or less deprived of its right to capital gains in land and of its right to sell and would thence only be the recipient of rents eventually revalorized.

In both cases landownership would have to submit to the requirements of modernized firms, i.e. to the farming strata best endowed with factors of production.

On the one hand, diffidently as we saw, attempts are made to turn the ownership of real estate into an ownership of subdivided shares deprived of their right to cash in on capital gains in land. This form of ownership would prevent the conquering farmers from having to purchase on the land market and may, under conditions which need clarification, muster small savings of people used to seeing their investments shrunk by inflation.

On the other hand there are attempts, particularly through all forms of zoning, at restricting the rights of landowners, particularly those who are not fettered by the tenancy regulation, whether operating farmers or not, by regulating, there also with hesitation and with a great diversity of means, their right to sell their land.

On account, however, of the political risks, particularly in times of elections, and also of the diversity of situations linked to those evolutions in property rights, those tendencies appear mostly as suggestions for the setting up of regional or even local policies. At least theoretically, there is thus an attempt to settle land conflicts in a decentralized way. Which is a

way for the national political power to find lines of lesser resistance in this psychological stronghold which constitutes, in France, land ownership.

Finally, I would like to insist on the fact that any reasoning on the basis of well defined categories like landowner, landuser, farm income, brings about a toning down of reality. Land rights, which had been recombed and unified in past centuries, are in the process of being broken up and there is, justifiably, reference to multiple land use which more or less implies this process of breaking up. Within farm families, multiple job holding and diversification of income sources are increasing. This weakens greatly any scaffolding built from these simple categories. This uncomfortable situation has to be accepted as a starting point for new syntheses.

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Table 1 → Evolution of farmland price in the EEC, 1963, 1970, 1973-1975 by Countries.

Etat membre	STATE	Price of land in pounds per hectare					Annual rate of change			
		1963	1970	1973	1974	1975	1965/70	1970/73	1973/74	1974/75
Allemagne		1.279	1.884	2.169	2.020	2.059	+ 5,7	+ 4,8	:	+ 1,9
France										
- terres de culture	arable	351	642	854	986	1.121	+ 9,0	+ 9,9	+15,5	+13,7
- herbages	grassland	399	606	766	862	978	+ 6,2	+ 8,1	+12,5	+13,5
Italie										
- herbages	grassland	370	513	689	881	1.027	+ 4,8	+10,3	+28,0	+16,5
Pays-Bas										
- terres de culture	arable	769	1.061	1.149	1.416	1.637	+ 4,7	+ 2,7	+ 8,9	+15,6
- herbages	grassland	644	916	1.054	1.374	1.642	+ 5,2	+ 0,1	+14,8	+19,5
Belgique										
- terres de culture	arable	1.706	2.467	2.362	2.570	2.726	+ 5,4	- 1,5	+ 8,8	+ 6,0
- herbages	grassland	1.022	1.910	1.995	2.146	2.370	+ 9,3	+ 1,4	+ 7,6	+10,4
Luxembourg										
- terres de culture	arable	775	}: :	1.152	1.994	: :	: :	: :	(+73,1)	: :
- herbages	grassland	859								
Royaume-Uni										
- Angleterre et Pays de Galles		289	526	1.161	1.574	1.290	+ 8,9	+31,0	+35,5	-18,0
- Ecosse		:	244	663	780	:	:	+38,0	+17,7	:
- Irlande du Nord		:	434	835	971	:	:	+24,4	+16,3	:
Irlande		:	491	1.261	:	:	:	+36,9	:	:
Danemark		379	717	1.058	1.379	1.651	+ 9,5	+13,8	+30,3	+19,8

Source : SCULLY 1977, based on national statistics.

Table 2 - Evolution of farmland rents in certain EEC countries. 1963, 1970, 1973-1975.

Etat membre	Rent per hectare in pounds					Annual rate of change				Rent in percentage of land price				
	1963	1970	1973	1974	1975	'63/70	'70/73	'73/74	'74/75	1963	1970	1973	1974	1975
Allemagne	:	:	27,0	28,1	29,1	:	:	+ 4,1	+ 3,5	:	:	1,3	1,4	1,4
France - terres de culture	12,0	14,3	17,6	18,7	20,9	+ 2,5	+ 7,2	+ 6,0	+11,6	3,4	2,2	2,1	1,9	1,9
Italie - terres de culture	:	31,5	33,0	:	:	:	+ 1,6	:	:	:	6,1	4,8	:	:
Pays-Bas - terres de culture	15,1	24,4	27,4	29,3	32,2	+ 7,1	+ 3,7	+ 8,0	+ 9,7	2,0	2,3	2,4	2,1	2,0
	15,3	20,4	25,1	25,7	28,5	+ 4,2	+ 7,1	+10,2	+11,0	2,4	2,2	2,4	1,9	1,7
Belgique - terres de culture	24,2	29,1	30,5	31,2	32,3	+ 2,7	+ 1,6	+ 2,3	+ 3,4	1,4	1,2	1,1	1,2	1,2
- herbages	25,4	30,0	31,1	31,9	32,7	+ 2,4	+ 1,3	+ 2,6	+ 2,5	2,5	1,6	1,5	1,5	1,4
Angleterre et Pays de Galles	:	13,6	17,3	19,5	23,7	:	+ 8,5	+12,5	+21,4	:	2,6	1,5	1,2	1,8

Source : SCULLY 1977, based on national statistics

Table 3 - Annual percentage rate of change in numbers of farms by size groups. EEC by countries. 1960-1970.

Etat membre	Size groups (hectares)					All farms
	1 - < 5	5 - < 10	10 - < 20	20 - < 50	50 +	
Allemagne	- 4,1	- 3,8	- 0,7	+ 2,6	+ 1,7	- 2,4
France	- 3,5	- 4,0	- 2,8	+ 0,2	+ 2,1	- 2,2
Italie	- 2,3	- 3,0	- 2,3	- 0,9	+ 1,1	- 2,3
Pays-Bas	- 7,0	- 4,5	- 0,3	+ 1,3	+ 2,1	- 3,3
Belgique	- 7,5	- 4,6	- 0,5	+ 3,3	+ 1,8	- 4,1
Luxembourg	- 7,6	- 6,3	- 5,5	+ 1,4	+ 5,0	- 3,9
EUR-6	- 3,0	- 3,6	- 1,9	+ 0,7	+ 1,8	- 2,4
Royaume-Uni	- 7,8	- 3,8	- 3,7	- 2,1	+ 0,3	- 3,4
Irlande	- 0,4	- 1,5	- 0,2	+ 0,3	+ 0,1	- 0,4
Danemark	- 7,1	- 5,7	- 2,1	+ 0,1	+ 3,2	- 3,0
EUR-9	- 3,1	- 3,6	- 1,9	+ 0,3	+ 1,3	- 2,4

Source : SCULLY, 1977 based on national statistics.

Table 4 - Annual percentage rate of change in numbers of farms by size groups. EEC by countries. 1970-1975.

Etat membre	Size groups (hectares)					All farms
	1 - < 5	5 - < 10	10 - < 20	20 - < 50	50 +	
Allemagne	- 5,4	- 5,1	- 4,4	+ 3,0	+ 6,1	- 3,5
France	- 4,8	- 6,6	- 5,0	- 0,2	+ 3,1	- 2,9
Italie	-	-	-	-	-	-
Pays-Bas	- 3,5	- 4,9	- 3,1	+ 1,8	+ 4,4	- 2,6
Belgique	- 7,2	- 6,6	- 2,9	+ 2,4	+ 5,1	- 4,1
Luxembourg	- 6,3	- 7,7	- 7,9	- 1,5	+11,5	- 4,2
EUR-6	-	-	-	-	-	-
Royaume-Uni	- 6,2	- 3,1	- 2,9	- 2,2	- 0,4	- 2,6
Irlande	-	-	-	-	-	-
Danemark	- 1,1	- 3,7	- 3,3	- 0,3	+ 3,2	- 2,2
EUR-9	-	-	-	-	-	-

Sources : SCULLY 1977, based on national statistics.

TABLE 5 : Relative importance of farms where non agricultural activities predominate

A. A few recent evolutions

	Austria	Germany	Norway	Switzerland	Japan	USA
1959			38,3			29,9
1960	(37,2)*				32,0	
1964						32,1
1965		33,4		38,1		
1969			46,2	40,7		40,0
1970	39,6	35,3			50,7	
1972			44,1			
1973	43,7					
1975		39,5		42,3	62,1	

* Estimated in terms of family labour

B. A few recent estimates

BELGIQUE : 34,2 (1970)
CANADA : 19,9 (1970)
FINLANDE : 16,8 (1969)
FRANCE : 16,8 (1970)
ITALIE : 32,6 (1970)
PAYS BAS : 18,4 (1975)