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*Philip Raup*

*Room 513*

*Aug 31,  
1987*



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**Vth EUROPEAN CONGRESS OF AGRICULTURAL  
ECONOMISTS**

# RESOURCE ADJUSTMENT AND EUROPEAN AGRICULTURE

**BALATONSZÉPLAK, HUNGARY  
1987.**

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ADJUSTMENT CAPACITIES IN COOPERATIVE FARMING

by

Ferenc FEKETE and László SZÉNYAI<sup>†</sup>

In course of the two recent decades the question was frequently raised among Hungarian agricultural economists whether the enterprise and organization structure of Hungarian agriculture including also the decisive role of the farmers' cooperatives represents a particular Hungarian model or not and how much is it a provisional or a lasting formation of economic organization. The question is also justified since after their rapid growth the Hungarian farmers' cooperatives were put in a difficult situation by the lasting regressions of world economy. Certain experience as well as some macro- and micro-economic lessons of the operation generally in the enterprises and particularly in the adjustment processes of cooperative farms to the changed conditions of world economy and of Hungarian national economy were surveyed in this paper.

1. Periods in the general cooperative development and in that of the Hungarian farmers' cooperatives

Characterization of the growth and functioning of the Hungarian farmers' cooperatives can suitably be attempted in a way adjusting to international challenges and experience and taking the particular characteristics into consideration. The general world-wide tendencies exert an important effect upon the Hungarian agricultural development and the major features (also the so called crisis periods among them) can be identified in its historical contexts. But a new characteristic is generated in the economic adjustment of the farmers' cooperatives by the actual circumstances and by the inner national conditions of economic growth.

Neither the economists, nor the historians could come to a uniform statement in distinguishing the characteristic periods of the Hungarian cooperative development. Periodization becomes even more differentiated if legal standpoints

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and those narrower of farm industry management are also taken into consideration.

The authors of this paper are at the opinion that those three historical "crisis periods", in fact objective and subjective processes, periods pressing to adjustment behaviours and leading to adjusting tendencies which were observed in the global, international cooperative changes<sup>++</sup> may serve as starting point also for the periodization of the cooperative development of Hungarian agriculture.

The first period might be called the "crisis of confidence." The adjustment behaviour of searching a wayout from a critical situation like this as well as the relevant adjustment policies are also belonging here. Personal, group and social interests indicated already at that time the possibilities and necessities of cooperation but the cooperative idea did not find yet the way of the rapid and reasonable extension. The great mass of the small-scale, family farmers who are most directly interested cannot yet suitably utilize the opportunities for their own welfare and growth. One could escape from this "crisis period" in a way where the identification of interests and the cooperative idea are meeting.

In Hungary the occurring of the here treated period could well be experienced in cooperative trade activities between the two world wars. We could observe this period in the cooperative development from the years after World War II till the middle of the fifties. The governing political and social institutions interpreted at that time the cooperative opportunities resolutely - through in practice not quite well appreciated - but the majority of those who were interested joined only with hesitation and reservation. And this is comprehensible since those people who acquired land in course of the land reform implemented in 1945 considered the family landed property and the individual land use to represent the solid basis for relatively high economic status and safety. Later on, under political and economic stimulation the perception of connections existing between the social needs for cooperation and the personal interests of the farmers came into being. The agricultural cooperative movement and the gaining ground of the idea of cooperative business-type farming started to prevail. In course of this period the well-based and

<sup>+</sup>Mainly the periodizations of Ferenc Erdei as well as of Béla Fazekas and Ernő Csizmadia are well known in Hungary.

<sup>++</sup>Cf: A.F. Laidlow: A szövetkezetek 2000-ben /The cooperatives in 2000/ Szövetkezeti Kutató Intézet Közlemények No.181. Budapest, 1984. p. 35-37. /Hungarian translation/

sound development of the farmers' cooperatives was restrained by political pressure, by the absence of economic grounds and by the inflexible application of organization models. In the meantime a realization took shape at macro-economic and social level in Hungary which could create half a decade later favourable economic environment and bases for the up-to-date system of Hungarian cooperative farming.

The second period of development following the technical term used in the international cooperative literature may be called as the period of "managerial crisis". At that time the cooperatives prevailed already as generally accepted economic organizations /institutions/. Their competition, however, with the private /small-scale individual, family-type/ and public /state/ enterprises was accompanied for a long time with business failures mainly because of the lack of managerial and organizational adjustment. Although based on the interestedness of the members and the cooperative management principles corresponding to the autonomy requirements came into being nevertheless the team of managers experienced at a high standard did not arise mainly from among the members. Good managers were not yet attracted on the cooperative farms from the external sphere. As much the financial situation and the economic adjustment of the cooperatives improved as more suited and most frequently young managers were attracted to the cooperative farm sector. "The cooperatives became modern enterprises capable of progress and efficiently operating and an increasing number of experienced managers found a life-time career in them. In most countries half century after the start of cooperation there was no managerial crisis more".<sup>+</sup> This as an important achievement was also a starting point for one of the interest conflicts of the next period, of the clash first of all between the interests of managerial groups and of the members. The high cultural standard of management and organization, the advantages resulted by the experienced cooperative principles furthered also the adjustment to the markets characterized by excess demand.

The characteristic features and problems of the here treated second stage of the economic growth could be followed up also in the development of the farmers' cooperatives in this country. After the consolidation of the large-scale cooperative farms the new layer of managers came into being - mainly from young experts - as a rule within the process of the centralization, concentration and technological mo-

<sup>+</sup> A.F. Laidlow: op.cit. p. 36.

modernization of farm production. They direct with increasing resolution the independently farming cooperative enterprises and their production units. The experience shows that in this important stage of development of the Hungarian farmers' cooperatives to up-to-date large-scale enterprises the standard of management played a fundamental role in the achievement of the generally known results.

Surveys performed on the organizational and managerial situation of the farmers' cooperatives unambiguously referred to the cited facts: "Leaders of manager-type could be found large in number in the surveyed farmers' cooperatives and this represented a decisive aspect in the foregoing stage of development. It is comforting to know that in addition to the above mentioned No.1 managers also a layer of top and medium-level managers became selected who are performing their duties by seeking the novelty and assuming risks in a similar way and this provides a guarantee in the respect that the initiating, creative and entrepreneurial spirit will continue to prevail and renew in these farmers' cooperatives. The conclusion can be drawn that the modern principles of organization can most resultfully assert themselves through the hereto suited human factors."<sup>+</sup>

The above discussed second development period of the farmers' cooperatives lasted for about one and a half or two decades in Hungary and included the emergence of the independent decisions of the cooperative farms as business organisations, the growth of the enterprises activities and the vigorous advance of technological modernization. Instead of giving quantification in details we may mention that the number of the farmers' cooperatives reduced in course of this period to almost the one third, and their average acreage grew to round 4000 hectares whilst the growth rate of their production amount came /between 1965 and 1980/ near to the annual 10 percent and so that the number of their members and employees reduced to the half.

After all in course of the described phase a harmony was established within the structure of social, cooperative and personal interests which furthered the internationally also well known cooperative and agricultural progress in Hungary.

<sup>+</sup>The Commission for Agricultural Economics and Cooperative Theory of the Hungarian Academy of Sciences and the Ministry of Agriculture and Food: Discussion about the management and organization problems of the large-scale agricultural cooperatives. Budapest, 1978.



The fundamental social interests /the envisaged growth of food production, the consolidation of the socialist sector of agriculture, the assertion of general political and human requirements, etc./ could well prevail. In consequence of the slow or unsteady adjustment a relative lagging behind of the efficiency of the inputs could be observed in several fields of activities compared to the established conditions and capacities of large-scale farming groups.

Within the interest structure of the cooperatives as business organizations /enterprises/ those concordances of the interests were characteristic which assisted in flexible adjustment at the markets /the recognition of the autonomy and self-guidance of the enterprises in the system of economic control and regulation e.g./. But simultaneously such symptoms occurred also which interfere with the interests of the enterprises /the opening of the price scissors, the decrease of incomes, the increase in those burdens of the enterprises which do not depend on the performance/. A substantial change took place in course of this period which multifariously affected the interests of the enterprise and of the members, namely the decisive political and economic clarification of the close relationship between the household plots of the members and the large-scale cooperative farm. The social acceptance and rapid rate increase of the profitable non-agricultural i.e. of the so called supplementary activities of the farmers' cooperatives was also of great significance.

Mostly harmonies were characteristic for the cooperative interests within the enterprise itself in course of the surveyed period. Determinative was the general increase of the personal incomes of the members and employees. The interests of the members and of the managers which were diverse in several respects became concerted within the scope of cooperation. Under the effect of the continuous growth of the personal incomes, of the increasing of production size and of factors outside the farmers' cooperatives the proprietary and possessionary interests i.e. the interests of the members adhering to the cooperative estate were pushed into the background in the meanwhile. On the surface these latter were motivated already by the aggravated macro-economic environment and economic political restraints after 1978. But in respect with the deeper roots these represented already the new phase of the cooperative development.

The third long critical period as well as the herewith related symptoms which call forth adjustment are called in the international cooperative technical literature the "ideological crisis". The inner motive forces, the wayouts and the co-

operative theoretical, cooperative political solutions are sought. The public opinion of the specialists finds the main points of conflicts between the large-scale cooperative tasks and the cooperative autonomy principles on the one hand and the operation of the modern cooperative farming organization as a business undertaking on the other hand.

Most frequently two critical, "crisis" problems are raised within the European cooperative movement. According to the first one the role of the members to be masters of the cooperative may get lost in the business-like organization and operation of the cooperatives. The other problem states that in the rapidly changing world the cooperatives should apply the same means as the enterprises and business organizations do but in a way where their cooperative characters can be preserved and their social-political functions can be consolidated. The top officers of the international cooperative movement are working much for the exploration of the major cooperative, organizational, membership, managerial and operation interests problems. Though there are certain differences in the details of the moments of cooperative development in the socialist countries nevertheless the critical and problematical symptoms of the membership relations, of the up-to-date enterprise-like operation, of the interest-relations of the management and the members, of the dependency on the market forces and of the system of cooperative autonomy are fairly general.

The critical problems of the third period, and the marks of the evolving of the adjustment behaviour in getting over the difficulties could be well recognized also in the development processes of the Hungarian farmers' cooperatives. In course of the former periods the vigorous agricultural income increasing effect of economic policy could be observed. At present rather the contradictions reveal themselves increasingly. One may add to this that Hungarian policy does not accept clearly the occurring contradictions as "memento" signals and the respective resolutions of the Party and of the government mostly consider the difficulties of cooperative development to be provisional symptoms and envisage the way of progress as continuous changes based upon the earlier fundamentals. When making a delineation of the problematical situation the seeking warps and means for operational and organizational renewal facilitating the more flexible adjustment attitudes of the Hungarian farmers' cooperatives came into prominence in both the scientific and practical spheres. Obviously the capacities and tendencies of this renewal can be sought on the basis of the social and cooperative /group/ interests and of the views which express them through the assertion of the internationally accepted cooperative principles.

2. Successful adjustments as reflected by the advantageous changes

Earlier changes are serviceable in comprehending the present problems of the farming and organizational renewal of the Hungarian farmers' cooperatives. One can refer first of all to those among the progressive changes of the recent one and a half decade which indicate the economic self-sufficiency and the entrepreneurial behaviour of the farmers' cooperatives but also their adjustment capacities at the same time.

The /central/ economic policy of the government recognizes the farmers' cooperatives as socialist enterprises having equal rights with those owned by the state. Earlier, namely, the cooperatives were reckoned with as a provisional sector and their property relations were considered to be inferior to the propriety of the state. Obviously "the endowment of the farmers' cooperatives" with equal rights proved to be the forwarder and stimulator of self-reliance and of more flexible adjustment procedures. One of the starting points and a determinant of the adjustment capacities of the enterprises owned by the state and of the cooperative enterprises is in Hungary the system of economic control and of economic regulation therein /mainly the ratios of factor prices and produce prices, the balance of taxes and subsidizations/ which transmits the social interest to the enterprises. This latter together with the determinative legal rules represents a - sophisticated and external for the cooperatives - system of conditions and economic environment which orients and turns to a desired direction the entrepreneurial and other economic performances and processes. It may further or impede at the same time the prevalence of cooperative decision principles, particularities and of cooperative autonomy. Earlier the restrictions affecting these latter caused significant damages for both the cooperatives and the national economy. In course of the recent two and a half decade great changes took place within the system of economic management /control/ and regulation whereby regulation reckoning with the cooperative characteristics and special cooperative advantages and building better on the flexible behaviour and adjustment capacities of the cooperatives became enlarged and strengthened.

The political recognition and support of the progressive social aspects of the Hungarian farmers' cooperatives increased. The ideological and political bases for the increasing of the cooperative autonomy, of the self-sufficiency in the operation and of the democratic management were established.

After all a political and social public opinion was formed which accepted the cooperative sector of agriculture as a viable, flexible and irreplaceable constituent part of the organization of the socialist national economy. In a social environment like this could that process of development evolve which was able to warrant the hitherto achieved and from several aspects unusual and unexpected results by means of the elaboration of plans fixing the tasks of the enterprises and of the up-to-date methods of farm management. Simultaneously - as a material basis - the enlarging and modernization of technical, technological and orgware factors of the Hungarian agricultural production and of the cooperative undertaking vigorously progressed. In course of these changes the Hungarian farmers' cooperatives became in several respects large- and medium-scale business-type farms /enterprises/. There can, of course, still be found difficulties of ideological and political nature which do not affect advantageously the positioning of the cooperative farms within the firm /enterprise/ structure of national economy.

Government interventions different from the optimal which is in certain cases involuntarily is retardative for effective competitiveness, economic adjustment processes and flexibility also in this country. This is particularly disadvantageous for the farmers' cooperatives since it checks the commonly accepted principles of their operation and directly interfere with the interests of the members and of the managers. The overcentralized organization and the bureaucratic features of the centrally planned economy interfere also with the self-reliance of the enterprises and with the characteristic principles of cooperative democratic decisions. Certain farmers' cooperatives are confronting /administrative/ inequality of "non economic nature" on the way to real economic and market competition.

Although a principle of the International Association of the Cooperatives - concerning the cooperative utilization of surpluses and savings - advanced in Hungary nevertheless resulting from the lack of adequate money- and capital market and banking institutional system and of the purposeful mobilization of the savings of the members it could nor arrive to a good implementation.

The motive force improving management efficiency and minimizing the inputs and costs could not yet be well exploited in the cooperative autonomy and in the interestedness of the members. The reasons for this can be found in the system of economic control and regulation, in enterprise and labour or-

ganization, in general firm organizational framework and elsewhere but the majority of the causes can be attributed also to cooperative policy deficiencies.

The firm /farm/ planning system of the enterprises cannot fulfil everywhere its necessary role within the inner cooperative management. Frequently management and organization decisions do not follow adequately the technical and technological modernization. Therefore they are unable to implement the reasonable mobilization of the cooperative members for democratic decision making.

Neither the information system of the enterprises is adequate with the organization requirements of up-to-date farm management. The accounting and statistical systems are not enterprise /cooperative/ oriented but rather national economic control-centric and oversized at the same time.

Bureaucratic direct interventions frequently occur and hinder the cooperative farming and the restricting elements are often overwhelming while the clearly orienting ones are but very few. Several barriers are raised in front of the cooperative farming as a result of the restrictive character of personal income regulation and of the lack of its needed differentiation. The stimulation in the fields of cost economies and labour productivity and of the improvement of efficiency and of the increasing of incomes is not yet sufficiently strong and purposeful within the system of waging and bonuses and supplementary profit-sharings.

The further reform of the orgware system and the consolidation of the therewith related interestedness and incentives would exert obviously income-increasing effects also in the farmers' cooperatives. Anyway the more flexible concerting of the influence of purchasing power and of labour remuneration would bring several advantages about /through the careful introduction of the personal income tax e.g./. Direct wage level regulation aiming at the reduction of inflation would be unjustified in the farmers' cooperatives just for the reason that as a matter of course the earnings are determined thereby the output and efficiency performance as well as by enterprise profits.

In order to assert their realistic interests the farmers' cooperatives would be pressed to "circumvent" the rules of accounting by income /enterprise profit/ regulation based on balance informations. Therefore neither balance informations nor income statistics can serve as an adequate

basis of centrally controlled income regulation. The construction of an enterprise oriented information system as well as income-negotiation and tax-negotiation connected with the economic control reform changes would supply as a matter of course such income influencing principles where the concerting of cooperative /group/ and social /global/ interests as well as cooperative advantages and better adjustment capacities could be asserted.

3. Renewal and adjustment tendencies in the inner mechanism of the cooperative farms

Among the problems of the inner mechanism of the enterprises we are stressing those ones which are very important from the aspects of operation for the socialist firms and also those which may endanger the already achieved farm-management levels of the cooperatives which is to be raised.

The promoting of certain managerial and organization processes for up-to-date entrepreneurial behaviour started already earlier with a better orientation. The efficiency of the inner farm mechanism was increased by the consolidation of a more flexible and more experienced cooperative management. Progress was foreshadowed also by the consolidation of the self-reliance of the productive units and of the inner interests of the enterprises. Labour division and cooperation within the enterprise units grew also rapidly in the farmers' cooperatives.

Most of the weaknesses of the inner mechanism in the farmers' cooperatives can be attributed to the unfavourable effects of the macro-economic environment and of the centrally organized /"external"/ economic control mechanism. And smaller part of them represent the result of the non satisfactory organizational and managerial standard of the cooperative farms. The member groups and manager teams are not united within the cooperatives through such types of organization where the short and long term /strategical/ interests of the cooperative farm and its owner-members are always flexibly and harmonically asserted.

Experience gained in the best managed farmers' cooperatives indicate that it is expedient to study within the large farm the possible reduction of the diverse production controlling and managerial levels /"links of chain"/. Here belongs also the development of the fitting in and inner

enterprise "adjustments" of the plants, branches and activities as well as of the semi-independent small group units existing within the farmers' cooperatives /in compliance, of course, with the centrally planned system of economic control and regulation/.

At present many of the experts expect the efficient modernization of the inner mechanism from the propagation of the semi-independent organizations within the cooperatives. The "patterns" of "Baksa" and that of "Szentes"<sup>+</sup> are most frequently dealt with in the mass media. These are experiments /and besides there are existing many others like them/ where smaller-scale operational production units are functioning independently and under proper accounting and where the group interests are principally linked with the distribution of a fixed part of the surplus profit among the labourers. The farms which are taking part in experiments like these are favoured by central benefits /from the state/ in the sphere of economic regulation /mainly of personal and enterprise income regulation/.

The role of the semi-independent "accounting" systems is really of great significance in the improvement of the inner mechanism of the cooperative farms. Similar organizational accomplishments are manifested within the firms in each sector of the national economy throughout the world in order to more vigorously encourage the diverse worker groups and individuals. It can not less be doubted that the farmers' cooperatives gave a more rapid response in Hungary to such solutions and mainly with the mobilization of reserves for the increase of incomes and profits. The point is here, of course, something which shows far beyond the experiments in "Baksa" and in "Szentes".

At first: the real purposes of the organization of semi-independent units are tending mainly to ameliorate the situation which came into being in consequence of the centrally initiated restrictions set before the raising of the wage-level by the government.

Secondly: all the more only people asserting directly their interests and as a rule reasonably smaller labourer groups are able to operate resultfully at the optimum those factors of production which became modernized in consequence of "capital" concentration and of technical-technological

<sup>+</sup>The latter is linked with the name of a locality situated over the river Tisza and the former to that of a Transdanubian one /a village, respectively a town/.

progress. To adjust the "wearisome" organization of the huge firms and their enterprises to the external macroeconomic conditions is possible only through the application of smaller mercurial and clearly arranged inner operating organizations. Within the large-scale firms the decentralization of competences in interestedness, organization and management indicates the characteristic tendencies of the inner mechanism /in the form of business spheres, profit groups, independent departments, enterprises, etc. within the large firms/. In connection with the serious central restrictions imposed by the government income regulation /taxes/ the so called "working and self-accounting enterprise units of the business organizations" are the outward forms of this same process in this country. The "specialized groups" as organizations operating for a long time past in the farmers' cooperatives are also undertaking types of entrepreneurial and adjustment efforts within the cooperative sector. These all prove that here the point is the general development tendencies of the inner mechanism of the large-scale enterprises and not some kind of cooperative "particularity".

Thirdly: it is to be stressed that very manifold solutions of the decentralization of competences and interests are possible and viable. There is no good in copying the mention of anybody and no formula can be elaborated. It is not accidental that after the completion of the socialist farm organization /1961/ regional semi-independent units /independent farming units, districts/ existed already in the country. And in course of the amalgamation of the farmers' cooperatives /in the years of the 1960-es and 1970-es/ semi-independent principal branches /farm units/ and branches were organized /by making use of the experience gained in the state farms/ in many places. So one could give account here of an experience of several decades.

Fourthly: the decentralization of competences and interests may lead as a rule in this country - and throughout the world - to the creation and extension of democracy in the enterprises and in the worksites. It provides significantly greater opportunity for the reasonable interference and active entrepreneurial participation of the manual worker cooperative members than existed so far. This represents such a fundamental social political task and adjustment effects which can meet the general effort of the reform of the economic management and control both in the national economy and in the firms.

In course of the flexible adjustment to the external /world and national/ economic conditions and of the radical inner renewal /within the enterprises/ the owner cooperative



members may better become aware of the linkings between the interests of the large-scale cooperative farm and his own personal interests. He can not only interfere in the common affairs of the farmers' cooperative but he may further cooperative progress with his personal experience and opinion. In consequence of the increased size of the enterprises, of the changing requirements of labour division and of other reasons new self governing and autonomous organizations of the cooperative movement as well as new types of the enterprise /farm/ management systems are needed and this should be implemented simultaneously with the maintaining of the flexible capacities of the farmers' cooperatives in decision making and in many-sided adjusting actions.

4. On the western interpretation of the  
"Hungarian modell" of farm organization

A good great number of "distinguished" and high quality papers appeared in the West European and overseas economic literature about Hungarian agriculture which has mostly cooperative characteristics. Here we analyze the theoretical "adjustment" capability of one of these research publications. It was written by Kathleen Hartford /Massachusetts University, Boston/ and published in Great Britain.<sup>+</sup>

This paper surveys Hungarian agricultural economy as a model reflected by its economic, social and political performance as well as by its planning and organizational components and particularly its adaptability for transfer. Its analyses include the planning conception of the "new" economic mechanism, the "autonomous" agricultural cooperatives, the new structures of the diffusion of technologies and the integration of the home-plot farms in the market production. The economic changes - says the author - may "compel" other socialist countries to carry out social reforms somewhat similar to those in Hungary. She - in our opinion very correctly - does not consider wonder-like everything what happened in Hungarian agriculture in course of the past one and a half decade but in her own way she qualifies it to be unique in the socialist world.

Comprehensively the paper concentrates on the cooperatives when it speaks about the farm structure of Hungary.

In several fields the starting points of the author may remind us of those of Karl-Eugen Wädekin<sup>++</sup> who thinks that the

<sup>+</sup> Hungarian Agriculture. A model for the Socialist World? World Development. Vol.13. No.1. pp. 123-150., 1958.

<sup>++</sup> Seminar presented at Harvard University Russian Center, October 12, 1983.

performances of any country should mainly be measured as reflected by the priorities which they fix for themselves. Our author argues for the idea that the political and social performances of Hungary are equally important for the other socialist countries as the economic results are.

The admittance of western observers is almost surprising that the comparison of the agricultural performance of Hungary to the West is quite favourable. Compared to the same of the USA the per capita agricultural output in Hungary represented 81.4 percent in 1966-1970 and this grew to 93.1 percent for 1976-1979. In course of the 1970-es Hungarian grain crop yields increased at a higher rate than the average did throughout the world, or in the USA or in the greatest West-European agricultural producer countries. In the 1979-1981 years the yields of all cereals were two times as high in Hungary as the world average, by 10 percent higher than in Denmark, by 7 percent higher than in the neighbouring Austria and by 6 percent higher than in the USA.

The point is here not - and the authors shares K.Hartford's views in this - that Hungary already outpaced the West or should do so still later in the sphere of crop growing. The yields of the diverse crops are shaped under the effects of several factors to which belong the natural conditions as well as the price ratios prevailing between products and inputs and this all may exert a great influence on the national policy-making. The point is in fact that compared with any world widely used measure the productivity of Hungarian agriculture reached at a high standard and it grew at a distinctly rapid rate. Experience gained in Hungary shows - thinks K.Hartford who spent longer time in this country and first of all in the Research Institute for World Economy - that "agriculture in its socialist system can really solve those productivity tasks which were set by the national political guidance."

In the opinion of our author Hungarian researchers and politicians pointed out at first that there are also economic problems and difficulties present in the domestic food and agricultural sectors. Most significant of these are the growing costs of production, the time-lag of the expected rapid increase of the exports, the continuous dependence upon the import of the determinative agricultural inputs, and the problems related with recovering a balance between the stimulation of the economic decision units and the well-proportioned adjustment of incomes.

Kathleen Hartford attests also the adjustment capacities of the farmers' cooperatives when she admits that "socialism may pretend in Hungary to have achieved also political results in the countryside". This is manifested first of all in the general acceptance of the collective farm organization and several times also in the "happy co-existence" of collective /group/ and individual-personal endeavours. Here belongs in her judgement the successful replacement of the founder layer of farm managers and organizers who arrived to the retiring age.

The realising of the cooperative dream of autonomy and of democratic decision making /in which most of the Hungarian experts believe/ can be limited - perceives our author - the increasing size of the agricultural units /firms/ since the role played by experts striving after one-man decisions at the firm level is augmented. The changes which took place in course of 20 years before 1985 brought the peasantry and the agricultural labourers into a direct contact with the urban values and with those of the worker class, with modern technologies, with the national and moreover with international, global problems. The leading role of the MSZMP /Hungarian Socialist Workers' Party/ warrants the political guideline to be followed in this process.

There is a lot of studies which should be completed in particular research fields, as general conclusions could be pondered and should be considered as reflected by the economic, social and political problems and they cannot escape the attention of a well-intentioned foreign analyser expert. The respective conclusion of Kathleen Hartford may be formulated by our own words as the following: looking towards the further future we could not yet find in this country the more exactly outlined prospects and the way of an economic development and agricultural policy guide-line towards the flexible adjustments and shiftings of an agriculture which equally evaluates its performances and difficulties.