

# INDUSTRIALIZATION AND ORGANIZATION IN HUNGARIAN AGRICULTURE

by

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The present paper surveys the new phenomena occurred in course of the last one-and-a-half decades within the development of Hungarian agriculture concerning the following aspects<sup>+</sup>:

1. The social and enterprise structure of agriculture;
2. Industrialization of the material forces of production in the scientific-technical revolution of agriculture;
3. The industrialization of agricultural labour and the human productive forces;
4. Labour division and the new types of labour organization;
5. Topical problems in the progress of production relations.

Emphasis is put in the paper upon the analysis of problems related with the above subjects as far as the largest sector of Hungarian agriculture i.e. the Farmers' Cooperatives are concerned.

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<sup>+</sup>These problems are treated in details by the following publications: F.Fekete, Earl O.Heady, Bob R.Holdren: Economics of Co-operative Farming /Sijthoff, Leyden; Akadémiai Kiadó, Budapest, 1976. pp.183/; F.Fekete, K.Sebestyén: A termelőerők és a termelési viszonyok fejlődésének új vonásai a mezőgazdasági termelőszövetkezetekben Magyarországon. /New features of the development of the productive forces and of production relations in the Farmers' Cooperatives in Hungary./ 1976. pp.39.Manuscript.

# 1. Social and enterprise structure of agriculture

Types and number of the producing-farming units active in Hungarian agriculture as well as concentration which took place in the last one-and-a-half decade are demonstrated by the data of the following table:

Table 1: Enterprise structure and the number of the farming units in Hungarian agriculture /at the end of the respective years/

	1960	1967	1975
State farms <sup>1</sup>	333	210	150
Farmers' cooperatives	4507	3033	1598
Homeplot farms of the cooperative members /in thousands/	843	915	800
Cooperative associations	..	142	266
Specialized agricultural cooperatives <sup>2</sup>	196	399	144
Cooperatives for Fishery	21	22	19
Auxiliary farms with more than 0,6 ha acreage and other small agricultural producers /in thousands/	471	95	120

<sup>1</sup>The number of producing farms and other agricultural economic organizations.

<sup>2</sup>According to the classification in 1960 and 1967: farmers' cooperative groups and simpler cooperatives.

Source: Mezőgazdasági Statisztikai Zsebkönyv /Statistical Pocket Book of Agriculture/ 1972. 4.p.; 1945-1975. 8.p.; 1976. 14.p.

Both the organization - enterprise structure and the social - economic sectors of Hungarian agriculture are outlined in Table 1. as well. Enterprise structure is characterized by

the diverse formation, i.e. types of the farming-economic units. Some of these types of enterprises require further explanation. The simpler economic cooperations as well as the joint ventures with own legal personality and the intercooperative collective enterprises are equally classified as cooperative associations. The number and share of associations acting as independent legal persons somewhat decreased in the 1970-es. The number of the so-called simpler associations and cooperations, however, where some 1200 agricultural farming units took part in 1974, at the same time increased. A great number of farms taking part in the associations were simultaneously the members of several associations. At the beginning, the majority of the simpler associations was established for the performance of building and construction activities. At present, however, the activities of these associations are multifarious and manifold. About 58 per cent of the associations perform either agricultural production or processing and marketing directly linked with it. According to the Hungarian legal practice, also the industry-type agricultural production systems with which more detailedly will be dealt in the following chapter, may also be so-called simpler economic associations, more exactly economic associations non acting as legal persons. The classification of the agricultural associations and of those closely linked with agricultural activities according to the principal line of their production is demonstrated in Table 2.

The small gardens and hobby parcels of workers and employees active in the socialist state sector as well as the relative small number of individual peasant farms are ranked into the group of auxiliary farms and other small producers, including also farming units in private ownership. Totalled with the household plots of the cooperative members, this group of farming includes some 1,7-1,9 million small units.

**Table 2:** The number and pattern of cooperative associations according the principal line of their production

Principal line of production	Number of the associations in		Per cent share	
	1970	1975	1970	1975
Agricultural	99	72	32,9	27,1
Industrial	52	41	17,3	15,4
Building industrial	114	91	37,9	34,2
Others	36	62	11,9	23,3
Total	301	266	100,0	100,0

Source: Mezőgazdasági Statisztikai Zsebkönyv /Statistical Pocket Book of Agriculture/ 1976. 14.p.

The group of auxiliary and other small producer farms covers 13 per cent of the total cultivated acreage and delivers still at present about one-third of total agricultural production, multifariously supported of course by the large-scale socialist farms and by the state. Half of these farms are smaller than 0,6 ha and the number of small producer individual farms with an acreage larger than 3 hectares amounts only to 12-13 thousand.

Among the types of agricultural producer farming units also the most recent formations i.e. the combinates are to be mentioned although they do not figure in Table 1. The oldest Hungarian large-scale farm, the State Farm at Bábolna which was established in 1789, has been transformed in 1973 to an Agricultural Combine. The Combine consists of some concentrated activities /corn, broiler and egg production as well as pig, sheep and horse-breeding/ and also certain units performing industrial and foreign trade activities. More than 4000 people

are working in the Combine. The activities of the Combine include also the export of its own products and import of the means of its production; the value of exports amounted in 1975 to 15 686 000 \$ and to 4 337 000 Rubel and the same of the imports was 1 164 000 \$ and 210 000 Rubel.

Within the Agricultural Combine of Bábolna some 50 self-accounting units are operating like egg-laying and hatching plants, horse-breeding farms, specifically industrial plants just as fodder preparing, pig breeding, egg marketing, building, etc. units. This Combine is one of the most rapidly developing farms in Hungarian agriculture. There were 15 experts of academic qualification employed in the Combine in 1960 and already 172 in 1975; the number of exports with secondary school qualification amounted to 25 in 1960 while to 314 in 1975. The number of skilled workers employed in the Farm of Bábolna increased to more than tenfold i.e. from 237 to 2860 heads in course of the last one-and-a-half decade.

The Vine Combine at Tokajhegyalja was established in 1971 from several State Farms organized for the production of grapes and wine. In fact this farm represents an Agro-Industrial Combine having the principal task to directly promote the development of the historical vine-region by means of applying the most recent scientific results and the newest technological procedures. There are 18 self-accounting production units operated on the 1500 ha acreage of the Combine. The export tasks of outstanding importance are considerably better performed by the farm organized to Combine than have been so far. In average of the years 1971-1975, the export of bottled wines increased two-and-a-half times as high as it was in 1970.

Among the state farms of the largest sale and of the most complex production, approximately half a dozen were transformed in the years 1976-1977 - on the basis of special permission - to combines.

Farm scales and mainly the indices of the average scale of state farms as well as of the farmers' cooperatives constitute the starting point for the drawing of important economic conclusions. The average state farm is significantly larger than the average farmers' cooperative. Also the share of the material means of production and of the labour force are considerably different in the two sectors of socialist agriculture. It is to be remarked here that the oversized scale of the farm is a more frequent symptom in Hungarian socialist agriculture at present than its contrary. Compared to the objective and even more the subjective conditions of up-to-date production /to the degree of supply with experts, to management capacities, to the extent at which labourers can be mobilized for performance and decisions/ the scale of a number of farms, mainly in respect with their acreage, is exaggerated. Usually the dozens of production activities as well as the fields and agricultural earners of 5-8 or even more villages are united in these farms. Under conditions like these, it is a very difficult - and not always realizable - task to adequately inform the labourers and to draw them into the diverse processes of farming.

The most characteristic data of the average state-farm and of the average farmers' cooperative are described in Table 3.

In course of the last one-and-a-half decade, the average acreage of the farmers' cooperatives increased to the 5,7-fold, a typical cooperative farm cultivated 765 hectares in 1960 and already 2839 hectares in 1975. According to data of 1974, 14 per cent of the farmers' cooperatives had an acreage larger than 4000 hectares and these cooperative farms cultivated more than 51 per cent of the total cooperative acreage. At the same time, 23,6 per cent of the state farms operated on more than 8000 hectares each and they produced on more than 45,2 per cent of the total acreage of this sector.

**Table 3:** The average size of the state farms  
and farmers' cooperatives

	State farms			Farmers' cooperatives		
	1960	1967	1975	1960	1967	1975
Agricultural acreage, hectares	2597	4287	5671	765	1463	2839
The value of the fixed assets, in million Ft	48	119	266	2	15	61
The number of labourers employed	518	794	968	212	239	411
Gross production value, in million Ft	27	46	114	6	11	38
The net value of production, in million Ft	10	6	29	3	4	12

Source: Mezőgazdasági Statisztikai Zsebkönyv /Statistical Pocket Book of Agriculture/ 1969/6, 220, 227 pp.; 1945-1975/16, 48, 174 pp.; 1976/147, 155 pp.

From the data of Table 4. we may draw certain conclusions in respect with the structure of Hungarian agricultural relations and of the share of the social sectors.

**Table 4:** The percentage structure of the acreage  
according to the type of property

	1968	1971	1975
State property	47,4	39,1	33,3
Cooperative property	0,1	19,0	26,9
Individual and other properties <sup>+</sup>	52,5	41,9	39,8
Total	100,0	100,0	100,0

<sup>+</sup>Personal property of the cooperative members delivered for collective utilization as well as the landed property of the auxiliary and individual farms.

Source: Data of the K.S.H. /Central Bureau of Statistics/

Data of this Table correctly demonstrate the major tendencies of development and the continuous transformation of the small scale landed property of personal /individual/ type of the cooperative members to collective /social/ landed property of the cooperative farms.

The operation sphere of the agricultural productive forces in respect with the diverse social sectors is demonstrated in the following Table.

Table 5: The sectoral percentage distribution of agricultural earners and of the fixed assets in 1975

	State farms	Farmers' cooperatives	Auxiliary and other farms	Total
Earners	15,5	74,6	9,9	100,0
The pool of fixed assets	22,7	66,0	11,3	100,0

Source: Mezőgazdasági Statisztikai Zsebkönyv /Statistical Pocket Book of Agriculture/ 1976. 13, 32 and 51 pp.

Agricultural farmers' cooperatives make use of 63,8 per cent of the total acreage and the property relations of these lands are considerably sophisticated; 46,0 per cent formed the property of the cooperative as a farming unit, 49,8 per cent was owned by the members and 4,2 per cent of the acreage of the large-scale farm represented the property of the state in 1975.

## 2. Industrialization of the material means of production within the scientific-technical revolution of agriculture

Initially the vigorous technical progress in Hungarian agriculture was linked with the establishment of the state farms and later on - through the amalgamation of small peasant farms in large-scale cooperative enterprises - with the gradual consolidation of these socialist agricultural enterprises.

An up-to-date technical basis evolved only in certain production activities in the years from 1948 to 1956 and mainly in the state farms which occupied about 10 per cent of the cultivated acreages. In the period between 1957 and 1961, large-scale agriculture could already make use of considerably more modern machines, equipment and chemicals but the substitution of the traditional technics with machine systems extensively began only after 1961. The organization of the production techniques similar to the industrial ones into new, scientifically elaborated technical systems was rendered possible only since the consolidation of the new socialist large-scale farms. This process massively started in the middle of the 1960-es and mainly after the introduction of the reform of economic management in 1968 and progressed more rapidly in the 1970-es.

Hungarian large-scale agriculture as well as the development and structural transformation of the productive forces of the cooperative farms may be characterized by the following indices:

- the quantity of production means and work subjects of industrial origin consumed in agriculture increased by 87 per cent from 1960 to 1967 and by 355 per cent to 1975;
- the number of people employed per unit agricultural acreage /100 hectares/ of course decreased: it represented 25 heads in 1960, 21 in 1967 and 16 in 1975.

The revolutionary transformation of the technology of agricultural production became manifested in the replacement of human and animal productive force elements with machines and with production means produced by the industry:

- the tractor pool of agriculture rapidly increased; traction power per 1 agricultural labourer was 0,39 HP in 1960, 0,92 HP in 1967 and 1,18 HP in 1975;
- the percental ratio of mechanical and animal traction power - expressed in round figures - was 50:50 in 1960, 78:22 in 1967 and 99:1 in 1975.

An important characteristic of the development of the agricultural productive forces is the accelerated utilization of chemicals:

- the annual quantity of fertilizers used per 1 ha acreage /arable fieldland, gardens, orchards and vine-lands/ - expressed in active ingredients - increased from 29 kg in 1960 to 91 kg in 1967 and to 276 kg in 1975 in Hungarian agriculture /respective data in the farmers' cooperatives were: 35,1, 96 and 322 kg/;
- plant protecting chemicals were used on 0,9 million hectares in 1960, 3,3 million hectares in 1967 and 4,6 million hectares in 1975.

As the former indices show, the technical-scientific revolution penetrated only after 1961 into Hungarian agriculture when the socialist production relations became general. In certain production lines, mainly in broiler, egg and wheat production of the best large-scale farms, technical progress evolved already very rapidly in the first half of the 1960-es but the technical-scientific revolution of our age gains really dynamically ground within Hungarian agriculture in the 1970-es

through the introduction of industrial production techniques. The state farms marched in front of this development which equally extended to the technical, organizational and management spheres, but also the best farmers' cooperatives closed up relatively soon the ranks.

The changes which took place within the material production forces of the Hungarian large-scale agricultural enterprises are obviously characterized also by their extended external relations /transgressing the limits of the enterprise framework/ which form again determined systems and are very similar to the labour division existing among the industrial enterprises. Mechanization as well as the technology based upon it extend to every labour process and constitute a pre-planned or even already tested system. At present we may be the witnesses of the phenomenon that Hungarian large-scale agriculture passes over the so-called manufactural phase of the productive forces and of production preceding mechanized large-scale industry and in course of a technical development similar to the same in industry accepts the machine system. The extension and characteristics whereof were already described by Marx 110 years ago in the I. Volume of "The Capital". But not only mechanization is characteristic for the system-like development. It is going on in close interrelation with the development of the other elements of the material productive forces, of the expertise of labourers and production managers and of the organization techniques of production. The traditional production techniques, solving mostly inherited from father by the child are replaced with modern techniques similar to those in industry. The changes of the productive force elements of mechanical, chemical and biological character are mutually interrelated and form a system. The evolving scientific-technical revolution does

not leave untouched even the man in work as the most important element of the productive forces and the bearer of the social-production relations neither.

### 3. The industrialization of agricultural labour and the human forces of production

An important condition for the industrialization of agricultural production is the further increase of the weight of large-scale industry also in the present intensive phase of development. In course of this process, the proportion of people employed in agriculture within the earning population decreases and even their number can reduce. The percental share of agricultural earners in Hungary was 37,7 per cent in 1960, 24,8 per cent in 1967 and 20,4 per cent in 1975.

Simultaneously with the above described progress of the technical-scientific revolution - in a way similar to other branches of the national economy - also food production becomes broader and broader engaged into the processes of social labour division; it becomes a chain-link of horizontal as well as of vertical specialization and cooperation of the activities and also regionally. A recent characteristic trend is represented by the penetration of related industrial activities within the framework of the agricultural enterprises. In the practice of the large-scale agricultural enterprises therefore we can speak always less and less about agricultural activity in the traditional sense. Agricultural labour becomes gradually similar to industrial activity.

Information concerning mainly the quantitative characteristics of labour force as an element of the productive forces

or more exactly the number and age structure of the cooperative members is presented in Table 6.

**Table 6:** The number and age structure of members  
in the farmers' cooperatives

Age /years/	1960		1967		1974	
	heads	percental share	heads	percental share	heads	percental share
Younger than 21 years	29 929	3,4	22 942	2,3	29 970	3,1
21-39	211 158	24,3	188 415	18,5	201 742	21,1
40-49	149 921	17,2	164 366	16,1	141 802	14,9
50-59	199 226	22,9	193 658	19,0	142 199	15,0
60-64	91 722	10,6	119 626	11,7	99 764	10,5
Older than 65 years	187 387	21,6	331 420	32,4	336 668	35,0
Total	869 343	100,0	1020 427	100,0	952 145	100,0

**Source:** *Mezőgazdasági Statisztikai Zsebkönyv /Statistical Pocket Book for Agriculture/* 1976, 137 p.;  
1945-1975, 175-176 pp.

The particular structure of agricultural cooperative farming renders necessary the separation of the cooperative labour capacity i.e. the quantity of human labour used /utilizable/ in the farmers' cooperative as in an economic unit according to the fact whether it is performed in the collective large-scale farm or in the small-scale household plots of the members. According to representative data collected, at present 25-30 per cent of the full worktime of the cooperative members is used for labour in the household plots.

For the time being, among the about 721 thousand people working in the farmers' cooperatives, the number of skilled workers exceeds the 140 thousand and the number of trained workers approaches to the 240 thousand. More than one third /35,4 per cent/ of the skilled workers perform explicitly industrial labour. We may add to these facts that 80 thousand non-physical labourers, managers, are working in technical and administrative jobs and almost one-third of the people of active age employed are younger than 30 years. Thus the majority of the labour force in agriculture requires already industrial labour conditions and they are virtually not at all linked with the traditions of peasant labour.

The share of skilled workers within the entire labour force in Hungarian industry was 39,6 per cent in 1960 and 44,6 per cent in 1975; the same ratio in the farmers' cooperatives was 25,8 per cent in 1975.

Of this comparison it seems obvious that a great step is yet to be made in order to render activities performed in agriculture capable to become a type of industrial skilled labour. The qualification level of skilled labour performed in the large-scale state industry and in the agricultural state sector stand nearer to each other; the ratio of skilled workers in the state farms was 15,0 per cent in 1967 and 32,4 per cent in 1975.

The scientific-technical revolution and the industrial changes of food production activities are marked also in the farmers' cooperatives through the labour of always more and more highly qualified experts. The role of professional education and high-school qualification most rapidly increased in the top management jobs and in the leading bodies of the large-scale farms.

In Hungary, at the time being, the average age of the presidents of the 1598 farmers' cooperatives is of 47 years and 40,6 of them are disposing of academic or high school and 35,8 per cent of secondary school qualification. The average age of life of the chief agronomists who play a leading role of the organization and technical-economic management of the production is of 39 years; each second of them is younger than 35 years of age and 83,6 per cent dispose of academic qualification. Under national economic aspect it is very unfavourable that only 12 per cent of the chief accountants /financial managers/ are of highest qualification. Thereby serious troubles are caused in the accounting, financial and administrative activities of a great number of farmers' cooperatives.

Table 7: Qualification of the top managers in the socialist large-scale farms of Hungary

Qualification of managers	1968		1974		Index /1968=100 per cent/
	heads	percental structure	heads	percental structure	
In the state farms					
University	2334	29,5	3270	35,2	140,1
Academy	851	10,7	1083	11,7	121,3
Secondary school	2381	30,1	3118	33,5	130,9
Elementary qualifi- cation	1542	19,5	1236	13,3	80,2
Without qualifica- tion	815	10,2	589	6,3	72,3
Total	7923	100,0	9296	100,0	117,3
In the farmers' cooperatives					
University	4245	13,4	8550	21,9	201,6
Academy	3523	11,2	4185	10,7	118,8
Secondary school	7715	24,4	12088	30,9	156,7
Elementary qualifi- cation	6708	21,2	6349	16,3	94,6
Without qualifica- tion	9395	29,8	7887	20,2	89,9
Total	31586	100,0	39059	100,0	123,7

Source: Mezőgazdasági Adatok /Agricultural Data/ 1968/1, 1971/1, 1976/1.

In a way similar to the transformation of the material elements of the productive forces, also the qualitative changes taken place within agricultural labour force are the proofs of the industrialization of food production and of the approachive technical and technological character of agricultural and industrial labour.

#### 4. Labour division and the new types of labour organization

The concentration of the industrialized material productive forces and of the agricultural labourers performing activities more and more similar to industrial labour in the production which is based upon for reaching labour division and organized cooperation within the economic /enterprise/ units and between the enterprises, are called in Hungary industrial production systems by both the practice of economic management and of the enterprises as well as the economic theory. In the following part of this paper those technical-economic and social-economic relations of labour division and cooperation will be surveyed which are embodied in the industrial production systems.<sup>+</sup>

The industrial production systems - as it is indicated also by their denomination - emphatically realize the principles of system-approach. The biological, chemical, mechanical-technical and human factors as well as the system organization

<sup>+</sup>Many times the Hungarian economic literature as well as the practice of economic and enterprise management speak simply about production systems disregarding the "industrial" or "industrialized" attributes. Even in these cases, however, those production systems are concerned which were recently established and can be qualified as industrial ones.

solutions are concerted within an exactly planned and strictly implemented technological framework aiming at greater efficiency. One of the important characteristics of the industrial production systems is their close interrelation with scientific research and the stream of informations embracing scientific principles and results.

Within the industrial production systems, labour division comes into prominence also in the inter-enterprise relations. In Hungarian practice, the production systems for the diverse activities are usually organized and managed by a state farm or by a farmers' cooperative acting as a Center, and with a responsibility fixed in a contract in the form of a joint venture based upon mutual advantages and upon the voluntary principle.

The first industrial production systems gained ground in those activities where production is most mechanizable and controllable i.e. it can be organized independently from the climate-conditions, from the weather, from the natural productivity of the soil, etc. Chicken-meat and egg production proved to be such activities the industrial production system whereof was established and propagated by the State Farm in Bábolna at the beginning of the 1960-es. Recently began the elaboration of the industrial system of porc production - in a way similar to farms abroad - in the Hungarian state farms and large-scale cooperative farms. By applying and making use of the experience gained in the production of cereals and in technically most advanced livestock-breeding activities, that was the large-scale corn production where, among crop growing activities, the industrial production systems could comprehensively and definitively gain ground. Industrial production systems embracing each element of the productive forces as well as the

most important spheres of technical labour-division and certain fields of the social-production relations to be investigated in the forthcoming appeared also in the activities of sugar-beet-, potato-, rice-, soybean-, alfalfa- and sunflower growing as well as in the production of certain horticultural crops. Certain marks and outlines of the establishment of industrial production systems may also be observed in cattle-breeding activities, mainly in the fattening of cattle.

At the end of 1975, altogether 54 industrial production systems were registered in Hungarian agriculture.

The new production systems require, as a rule, the investment of costful fixed assets and the passing through a certain "learning period" from the large-scale agricultural enterprises. It is almost inevitable that the introduction of the industrial production methods should be accompanied by great financial sacrifices or even by explicit losses.

The development achieved so far, future perspectives and topical economic problems of the industrial production systems may most markedly be experienced by surveying the example of large-scale corn production. Industrial production systems embraced in 1975 more than four-fifth of the sown acreage of corn in the state farms and almost the half of the large-scale cornfields of the farmers' cooperatives. Industrial corn production represented in 1972 only 12,5 per cent of the sown acreage of the large-scale farms but in 1975 already to 35,9 per cent of total and to 55,7 per cent of the large-scale sown acreage of corn were cultivated by farms belonging to the industrial production systems.

Four alternatives of the industrial corn production systems came into being in Hungary. These systems differed from each other mainly in respect with the machine-types used. The

center of one of the systems, of the KITE /Union for Corn and Industrial Plants' Production/ is the Farmers' Cooperative "Vörös Csillag" /Red Star/ at Nádudvar. Under legal aspect, this production system represents a simpler economic cooperation and its members are cooperative farms. The activities of the system-center involve specialized advisory services as well as the delivery and control of the conditions needed for the attainment of a production level determined in the contract. The corn production system organized and managed by the State Farm in Bábolna /IKR = Industrial Corn Production System/ gives the loan of machines to the so-called partner farms which joined the system. Rents are paid by the member farms in corn of export quality.

Purposeful, planned collaboration and well organized labour division come into existence between the system-centers and the partner-farms within the industrial production methods. Simultaneously the large-scale agricultural enterprises and mainly the system-centers establish horizontal and vertical systems of relations also with the diverse enterprises the activities whereof consists of supplying agriculture with means of production, or processing and marketing raw materials of agricultural origin. These new organization types of labour division and cooperation highly promote the qualitative development of the material productive forces and of the labour force /skills, production experience, etc./. The system-centers perform regular control investigations and constantly organize the education and postgraduate training of the experts of the partner-farms. The introduction of the new production systems is preceded in case of each farm by a previous professional information process.

Naturally, the development of labour division is accepted and stimulated by the social-economic relation systems of large-scale agriculture.

## 5. Topical development problems of the social relations

Problems of the planned development of agrarian relations are manifested at present mainly in respect with the farmers' cooperatives. The complex system-theoretical conception of the farmers' cooperatives is of an exceptional importance for the theoretical economists.

Farmers' cooperatives have in Hungary a distinct twofold character: this cooperative is a social organization on the one hand and an economic organization, mainly an enterprise /undertaking/ on the other. The farmers' cooperative as a social organization is the association of the members and in certain sense of their families.<sup>+</sup> The political sciences consider the cooperatives as particular social organizations being at the same time also economic organizations.

Among Hungarian agricultural economists was Ferenc Erdei the first one who stressed that the complex character of the agricultural farmers' cooperative can be understood and the problems of the cooperative farms can correctly be perceived only in the case if we consider the farmers' cooperatives as economic organizations, or even better also as enterprises.

The cooperative farms consist of two component parts: of the collective large-scale farm and of the small household plots of the members. Theoretically the large-scale collective farm is an enterprise organization. In consequence of the collective cooperative type of property, the large-scale collective farm is a particular enterprise which acts in correspond-

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<sup>+</sup> Household as a /micro-economic/ unit of consumption, labour supply and income consuming is the economic projection of the family.

ence with the collective decisions /self-government/ of the labourers who are also associated co-proprietors. The household-plot of the cooperative members is also an economic organization partly and potentially of enterprise type.

The figure printed on the next page draftly schedules the twofold character of the farmers' cooperatives as well as the two-directional relations existing between the large-scale collective farm, the household plots and the cooperative households /families/.

When surveying the situation and the perspectival development of the production relations in the farmers' cooperatives, Hungarian agricultural economists are to reckon with the fact that the productive forces, the technological and labour relations significantly changed in the agricultural production in course of the last decade. They are to deal with the changes of agricultural labour under the aspect of the new phenomena occurred in the relation of town and village. They are to evaluate the human, labour organizational, labour remunerational, managerial, organizational and planning as well as the controlling aspects, motives and consequences of the industrialization of cooperative agriculture. Labour division which embodies technical super- and subordination as well as human and social relations must be also surveyed by them with exceptional case. It is also very important that the large-scale agricultural enterprises should organically fit into the system of centrally planned economic management. But the other side of the problem namely that advantageous experience gained in respect with agriculture or with the cooperatives could also be utilized in the development at the system of economic management, is also very interesting.

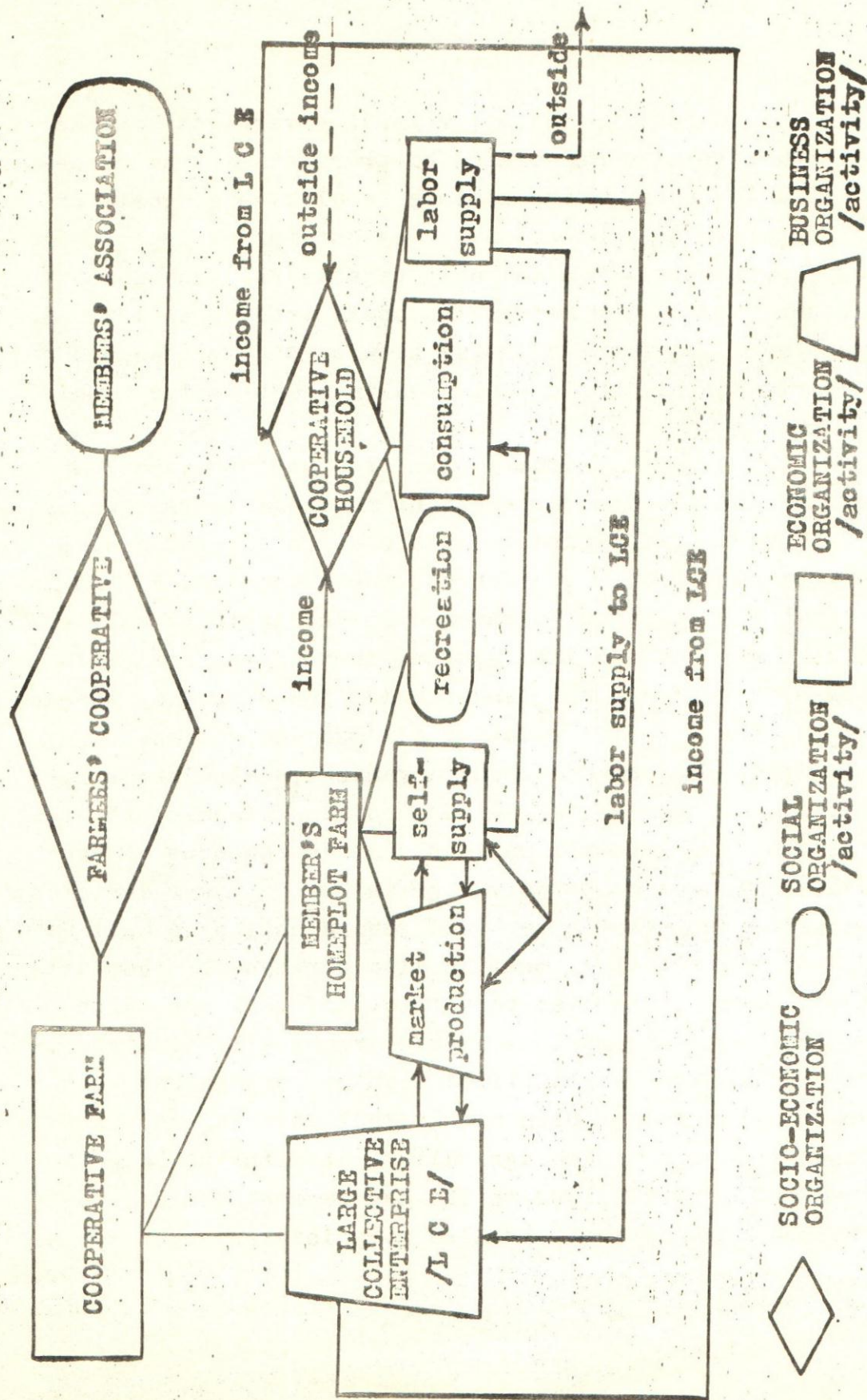


Fig. 1. Dual character and structure of a farmers' cooperative.



