



INVESTICE DO ROZVOJE VZDĚLÁVÁNÍ

Seminář na téma: **Development of the rurality situation and role of rural households in regions in Norway**

Přednášející: **prof. Ragnar NILSEN**

(UiT The Arctic University of Norway, Department of Sociology, Political Science and Community Planning)

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RURAL HOUSEHOLDS UNDER TRANSFORMATION – SOME NORDIC EXAMPLES

Lecture at Dep. of Applied and Landscape
Ecology. Mendel University, Brno. 5/9 2013.

Ragnar Elias Nilsen. Ass. Professor
Tromsø University

The lecture:

- A short discussion of the role of the household as economic unit
- A brief presentation of elements of the household / peasant theory (Chayanov, Wolf, Shanin)
- Presentation of some Nordic examples of the role of rural households under transformation

A family unit

- The household consists of the members of the core family: Husband, wife, children and evt. some other family members
- The aim of the unit is to secure the maintenance of the household – by balancing work effort and care for family members. Versus company aim: Profit maximation
- Traditionally done through a combination of self-sufficiency and income from primary production
- Unit based on selfreliance and relative autonomy
- To-day: More wage income /self-employment in different trades – new forms of occ. combinations

A flexible unit

- Survival for the household demands balancing the work effort and care for the welfare of the family members
- The household will stop working when the welfare aim is reached. Meaning f.i. that it will work more with lower prices and less with higher prices for its products (One form of flexibility)
- Chayanov: This means a non- capitalistic form of economic behaviour
- The rural household is a not-specialized unit and will use different incomes and work possibilities to acheive its aim (Another form of flexibility)

The importance of household economic organisation

- It is claimed to be the predominant economic unit in farming and rural areas globally, i.e. in developed and developing nations (Nettle)
- It has almost total dominance in agriculture in western capitalistic countries: Mega-farms in US and EU as well as small farms in Norway are organised as household based family units
- Those farms that survive has showed extremely strong resilience and adapability to changing circumstances.
- Two examples: A)Very fast rationalisation in production and B)Multifuncional occupations – which is particularly important to maintain small farms

Danish transformation I

- The rural farm household played a vital role in the modernisation process in Denmark.
- The relatively small, self-reliant farm household produced the bulk of the national export: Around 70% of Danish export in 1900 were agricultural products (egg, bacon, butter)
- Danish farmers took over a large part of the British home market at the expense of British landlords and farmers. How?

Danish transformation II

- Well organised production co-operatives fronted the Danish agricultural export . The British farmers did not have these. (Hobsbawn)
- The export possibilities and the managers of the co-op slaughteries and dairies stimulated quality efforts and technical improvement even among small farmers
- The Danish agriculture export success stimulated the development of a decentralised production of agricultural equipment .The local blacksmiths turned out to be good producers and exporters in mechanical /engineering industries (Eks.: Westas – windmill producers based in a small town in East Jutland)

Norway: Rural industries

- A large part of the manufacturing industry in Norway is localised in small towns and rural villages
- Eksample: The furniture industry in the Sunnmøre region in Western Norway:
- From the 1920ies: Interplay between innovative local entrepreneurs in some villages and supportive workers recruited from small farms
- The industrial workers continued to stay on and run their small farms together with their families and thus could manage to work for small wages

Rural industries II

- The basic innovation from the furniture entrepreneurs in Sunnmøre (Names: P. I. Langlo and Jens Ekornes) :
- Introduction of serial based production in the furniture industry – Langlo had heard about Henry Ford.
- Their competitors in furniture production in the larger towns continued to produce more expensive handicraft furniture - and lost

Rural industries III

- The support from loyal workers satisfied with low wages and from local communities might have been as important as the innovations from local entrepreneurs
- Showing the importance of rural small farm households in the transformation process; being flexible when it comes to wage level and type of occupation
- Danish farming / mechanical industry and Norwegian furniture industry:
- How the rural household contributes to export and industrial based growth and transformation

Norwegian fisheries I

- Have shown how Danish farm households have contributed to export led economic growth
- The same goes partly for Norwegian fisheries: The Catching in the large fish stocks in Norwegian waters has been and is predominantly done by household units. More than 90% of the fish is exported
- Protected by law: You have to be an active fisherman to own a fishing boat in Norway. Exception:
- Background: A) Everybody should have the right to use common fish resources. B) The large fish stocks come close to the shore in seasons and can most efficiently be caught with little effort in boat and gear

Norwegian fisheries II

- But the Norwegian farmer-fishermen households did not contribute much to economic growth and transformation during the global downturn after 1920.
- Thus contrasting the rural furniture industry and the industry / farming households that gave their contribution to national transformation through growth based on import substitution
- More than 100.000 households along the coast decayed due to lack of income from export markets – result: Poverty and production primitivisation
- But the coastal dwellers behaved like peasant households when the prices went down: They did not stop fishing and they increased self-sufficiency production in attempts to keep up their aim:
- To maintain the household unit

Conclusion

- I have shown the varied role of the rural household in different periods and settings in two Nordic countries
- Demonstrated how the household type of unit has contributed to transformation processes and different form of economic organising of societies during growth periods and crises.
- A final conclusion might be: The analysis confirms that the household gives other contributions to societies than companies / individuals due to its particular way of organising economic activities