

A CONCEPTUAL COMPARISON OF PEASANT AND FAMILY FARM ECONOMY

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I . Introduction

Under the impact of industrialization, traditional agricultural sector has undergone severe changes, and the farm operators all over the world are in the vortex. There have been so many studies on the farm economies particularly after the World War II. Several key terms, however, sometimes have been used ambiguously among theorists studying those issues. 'Peasantry' and 'family farm' are two of those terms. Although they have been defined in numerous ways, clear and systematic explanations on their conceptual relationship with each other are still insufficient.

This paper, firstly, will be begun by introducing major theoretical concerns surrounding the concepts. It is crucial to understand the theoretical context within which those concepts have been used. Secondly, the investigation of the definitions of peasant and family farmers—with particular reference to the U.S. family farmers—in their economic senses will be followed, and finally, they will be compared with each other in some major respects. Through the definitional comparison, similarities and differences will be presented. That is, the similarities are related to their characteristics of household productions and the limited supply of non-family labor supply, whereas the differences arise

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from their network with outer power and authorities, and the degree of commercialization.

II. On the Theoretical Concerns

Although historical backgrounds are different, theoretical concerns on the peasantry and family farm have been increasing for the last several decades.

1. Peasant Economy

First, many classic theorists had predicted that peasants would disappear in the process of capitalist development. K. Marx predicted that the peasantry would be differentiated in the process of capitalist development into rural bourgeoisie and rural wage-labor class. Lenin, too, said, "the old peasantry is not only 'differentiating', it is being dissolved, it is ceasing to exist, it is being ousted by absolutely new types of rural inhabitants. . . the rural bourgeoisie. . . and the rural proletariat" (from Lehmann 1982, 135). Likewise, Karl Kautsky said that the peasant production was simply another petty commodity production which was doomed to disappear (Alavi 1987, 189).

From a different perspective, evolutionist theorists in the late nineteenth and early twentieth centuries contrasted the agricultural and industrial societies and assumed the decomposition and necessary disappearance of the peasants (Shanin 1987b, 468). Also, to liberal and neoclassical economists, the peasant family unit did not constitute a specific object of analysis as distinct from the agricultural enterprise (Schejtman 1992, 276).

However, the disappearance of the peasants has not proceeded as predicted in most cases, and the peasants still take a majority of population, especially in the Third World even under the impact of capitalism for many decades. As Thorner (1987, 67) says, "peasant economies . . . existed long before feudalism, alongside of feudalism, and long after it. They persist in our contemporary world."

On the persistence of the peasant economy, many theorists,

especially economic anthropologists, have proposed a 'theory of articulation'. Its main theme is that the simple commodity productions or pre-capitalist modes of productions are articulated with the dominant capitalist mode of production (Wölpe 1980). To A. V. Chayanov, the peasant economy itself is a distinctive type of economy which has different structure from the capitalism, and the proletarianization of peasants and creation of capitalist relation in the agricultural sector are only a possibility (Lehmann 1982, 145).

Anyway, the existence of peasant economies or simple commodity production prompted the resurgence of studies on them. As Mooney (1988, 3) says, "analyses that begin and end with the search for a single form (wage-labor) of capitalist penetration will fail to detect the historically complex interactions between simple commodity and capitalist production in agriculture." He goes on saying; "capital has penetrated much more severely and in a manner far more complex than that presumed by unilinear theories of capitalist development" (1988, 257).

Second, as Wolf (1969) said, the twentieth century has been the age of peasant wars. So many successful revolutions have emerged in which peasants played major roles—in Mexico, China, Cuba, Vietnam, and so on—and much more unsuccessful and unknown peasant revolts also took place. These frequent peasants-related movements made many theorists deeply consider the problem "why do peasants rebel?"

Third, as the development of the underdeveloped societies became a wide-spread issue in the post-war period, the peasants composing of a majority of the poor of the poorest in those countries have been the target of studies (Shanin 1987b, 469). Especially, as the modernization paradigm proved inadequate in explaining underdevelopment of the Third World, the dichotomous or dualist propositions were severely criticized. Since peasants are the largest group of population in almost all of the underdeveloped societies, and the improvement in their economic and social status has been an important key in national development, concerns for the peasants and peasant economy have been raised

to development sociologists and economists.

2. Family Farm Economy

The situations are similar with respect to the family farmers. First, the family farms had been competitively superior to the capitalist farms (Friedmann 1978), and as diverse conditions surrounding family farms changed, there emerged so-called the 'disappearing middle' trend, that is, the relative decrease of the middle-scale farms (Buttel and LaRamee 1991). Scholars call the phenomenon as 'the differentiation of producers' (Buttel 1983, 91) or the emergence of a 'dual farm structure' (Browne et al. 1992, 20). Rodefeld (1978, 217-235) points some factors which have resulted in such changes: adoption and development of new technologies, government programs and policies, economies of scale, tax policy, incentives for ownership by non-farmers, large corporations, and lack of knowledge on current changes or consequences of changes.

Proponents for family farm have referred to it as crisis, though the farm crisis in America is not a new phenomenon and came much earlier (Browne et al. 1992, 44). Such crisis, on the other hand, is the proof that the family farm is not immune to capitalist production (Mooney 1988, 4).

Second, the 'agrarianism' ideology has contributed to the maintenance of the concern on the family farm households. In contrast to the fact that the peasant had been viewed with negative images and treated as an anachronism (Shanin 1987b, 467), agrarian myth toward the U.S. family farm has been used as a political rhetoric by politicians and intellectual leaders, and celebrated as a value to be shared for maintaining democracy (Browne 1992, ch. 2; Buttel 1983, 88).

III. The Meanings of Peasant and Family Farmer

1. Ambiguities

Despite the nuance of the terms, peasant and family farmer, clear

distinction of one from the other has been left undone and been ambiguous. Chayanov, one of the first great theorists on peasant economy, is to some degree responsible for this. To him, 'family farm', 'labor farm', and '(peasant)family labor farm' all indicate a farm run by a family without hired labor, while 'farmer unit' means a farm that in part relies on its own family labor, but uses some hired wage labor and aims at making profit--that is, a half-labor, half-capitalist unit. Further, 'peasant farm' simultaneously means the 'peasant family labor farm' and the 'farmer unit' (Thorner et al. 1966, 273-274).

Besides the usage of terms, ambiguity has been emerged around their historical existence. To someone, 'peasant' simply means the tradition. Galeski (1987, 101), divides family farm into two categories, (traditional) peasant family farm and (modern) family farm, and says they are contrasted to latifundium (or plantation) and large-scale farm, respectively. He also points out the processes by which modern family farm emerges: transformation from traditional peasant farm or dissolution of latifundia by agrarian reform or dissolution of collective farm. He understands the peasant farm as the past forms of organization of production in that he says the transformation of modern family farm into peasant farm can occur nowhere (1987, 101-103).

More theorists think that 'peasant' is not confined to the past. Shanin (1987a, 7-8), alluding on the peasantry-related changes in the contemporary world, proposes the possibility of 'peasantization' or 'repeasantization' as well as the 'farmerization'. Chayanov maintains that the peasant economy is "specific type of economy", that is, it is "an economic system *sui generis*" (Kerblay 1987, 176). Therefore, the peasant economies, though always in a subordinate position, can be found in a wide range of modes of production including the capitalist mode of production, and is distinguished from other socialism (Thorner 1987, 62). Alavi (1987, 186-187), too, argues, the peasants were found in 'segmentary' self-sufficient communities of independent small peasants, in so-called Asiatic mode of production, and in the feudal mode of production.

2. Definitions

Both peasant economy and family farm economy are characterized by the household production. Lehmann's (1982, 134) definition is: "The peasantry is characterized by household production for both subsistence and market."

Shanin's (1987a, 3) definition is more suggestive; the peasants are "small agricultural producers, who, with the help of simple equipment and the labor of their families, produce mostly for their own consumption, direct or indirect, and for the fulfillment of obligations to holders of political and economic power." The peasants, according to him, have the following four facets: peasant family farming as the basic, multi-dimensional unit of social organization, land husbandry as the main means of livelihood, specific cultural patterns linked to the way of life of a small rural community, and the 'underdog' position--the domination of peasantry by outsiders (1987, 3-4).

His conception includes four points. First, in the production side, the scale of production is small or simple. Second, labor is supplied by their own family members who are composed of the basic organizational unit, the household. Third, their social relation with outsiders is a subordinated one. Last, they have specific cultural ways of life which are bound with the community where they live.

Wolf (1966, 3; 1969, xv) distinguishes the characteristics of the peasant from those of the primitive and the farmer. His definition of peasant emphasizes the following points: existential involvement in cultivation, autonomy in decisions regarding cultivation processes, subsistence production and continuity on land as the major aim, and disinvolvement in the market which may threaten his source of livelihood.

On the other hand, for Wolf (1969, xv), 'farmer' or 'agricultural entrepreneur' is contrasted to the peasant; s/he enters the market fully, subjects her/his hand and labor to open competition, explores alternative use for the factors of production in the search for maximal returns, and favors the more profitable product over

the one entailing the smaller risk.

Buttel's definition is directed narrowly to the 'medium-sized and full-time family farms'. They are "farms owned, managed, and operated primarily by family members and capable of sustaining the reproduction of the farm business and farm family with agricultural income" (Buttel 1983, 97). Headlee (1991, 2) defines family farm as, "a family-owned farm with enough land to support the family and no more land than could be farmed by the labor force to supplement their income." To her, land size relative to the labor forces provided by family members who reside on the farm is the key criterion to distinguish it from both 'family plot' or 'holding' and 'capitalist farm' or 'business farm' (2, 46-47).

Strange (1988, ch. 4), criticizing the official range of 'medium farms'—between 40,000 dollars and 250,000 dollars—, argues that the group within range of 20,000 dollars and 100,000 dollars is distinguished from the rest, so that they construct the 'small commercial farm' which can be aptly called as family farm.

In sum, both peasant and family farmer are operators of household production, but I think they can be defined differently in the following points. Family farmers are likely to be not the lowest group in the agricultural sector at least in sale-size, while peasants tend to be. Also, family farmers are more actively and purposely involved in the market than are the peasants. The existence of outsiders who put the farm operator in a subordinate position is at least superficially more salient to peasant than to family farmers. Finally, in general, the 'family farmer' is more commonly used to indicate a part of the farm operator or primary unit of the rural society in the 'western' world (Cepede 1975, 2).

IV. Comparison of Major Characteristics

In this part, major characteristics of peasant economy and family farm economy are described in respect to their production, labor supply, social relation of production, and commercialization.

1. Household Production and the Unity of Production and Consumption

'Family economy' which involves both the peasant economy and family farm economy is characterized by household production. The meaning of household production is that the unit of peasant economy is the household which grows crops primarily by the physical efforts of the members of the family (Thorner 1987, 64). Also, Lehmann (1982, 134) explains the meaning of household production as "the organization of production at least partially through intra-household or kinship relationships of power and authority and the absence of any impersonal or bureaucratic organization of production." Thus, it involves in its meaning the smallness of the production scale enough for the labor by family members to cover most of the production processes.

Also, in the family economy, the workplace where production is implemented is the same as the residing place where consumption activities occur. That is, the production unit--household or family--is the same as the unit of consumption (Alavi 1987, 185; Schejtman 1992, 279). To Wolf (1966, 17), however, that the peasants holding is both an economic unit and a home means a dilemma for their 'replacement fund' and 'ceremonial fund' conflict with the 'fund for rents'. Thus, to solve the dilemma, they should either increase production which means the cut of ceremonial fund and weak ties with the community, or curtail the consumption.

Chayanov takes the 'consumption need' as one of the two major composing factors in production balance of peasant economy (Thorner et al. 1966). Production activities discontinue or become meaningless once the balance between marginal increase in degree of labor-drudgery and consumption needs is reached.

Friedmann (1978, 562) says, theoretically, the household production has competitive advantage over capitalist production, considering the reproduction conditions. While the capitalist production should ensure wage and profit parts from the returns,

household production does not require for such parts, for personal consumption and the net product are structurally identical. All the producer should do is to allocate subjectively the amount of consumption. If competition requires expansion or s/he is under pressure of relative prices and costs, then s/he can tighten her/his belt and reduce the personal consumption within the limit of level which is sufficient to renew the household as a kin-related group of laborers.

2. Labor Supply

Schejtman (1992, 287) emphasizes that the decision in peasant economy on production "seems to be guided by the criterion of maximizing labor power per unit of product generated and/or minimizing purchased or hired inputs and means of production." Therefore, the mobilization of family labor for production is important. However, labor supply from within the household is quantitatively inflexible for demographic reasons (Friedmann 1978, 561-562). Also, as Cepede (1975, 14) says, the labor force in the family economy may include the 'disguised unemployment'.

Friedmann (1978, 562) says that, labor deficit caused by a demographic limit could be evaded with the combination of means of production and the available household labor. In short, farm labor supply by family members is, according to Friedmann (1987, 250), a powerful means of the survival of family farms.

For Chayanov, the worker/non-worker ratio in household is an important concept. Through the household cycle--marriage, births of children, their growing-up as the household-workers, and their marriage-offs, family undergoes different family size stages, which then determine the distribution of farms by production size (Lehmann 1982, 135). The labor is expended until the point where the subjective evaluation of marginal increase of labor drudgery becomes equal to the marginal increase of consumption satisfaction.

The labor forces supplied by family members are used according to a set of rules--the division of labor. In the family, division of labor is effected on the basis of differences of sex

and age (Schejtman 1992, 280), that is, labor is allocated according to the abilities of each family member. Buttel and Gillespie (1984) analyze the sexual interdependence of labor inputs in the context of farm size and use of hired labor. They maintain that, the smaller the farm size is, the more frequently do men participate in off-farm labor market, and the more pronounced is the interdependency of men's and women's on-farm labor inputs, and hired workers tend to substitute for the women's on-farm labor input in large farm (Buttel and Gillespie 1984, 204-205). Also, 'the marginal labor', which would not be in a position to create value in other production contexts, for example, the labor force of children or old people, is made use of (Schejtman 1992, 285-286) in the family economy.

Clearly, labor hiring is one of the most basic criteria to distinguish capitalist economy from family economy. In Lenin's view, "the decisive step toward capitalism came when laborers had to be hired" (Thorner et al. 1966, xx).

The amount of hired labor in both peasant economy and family farm economy, is zero or, if any, negligible, so that it would never make influences on the family labor supplies. Thorner (1987, 64) says, peasant economy normally employs no hired wage labor and depends solely on the work of their own family members, or, if any, the total contribution to the production by the hired labor is much less meaningful than the family labor. Headlee (1991, 46) defines that family farm does not have more lands than can be cultivated by residential family laborers with the exception of harvest time.

For the family farm, however, labor hiring criterion is more flexible: "a family farm is one which, run by the farmer and his family members, does not employ more than one and one-half years of hired labor per annum" (Cepede 1975, 8).

3. Social Relation of Production

Wolf (1966, 50-59) classifies the types of domain of peasant surpluses by outsiders into patrimonial, prebendal, mercantile, and administrative domain. Patrimonial domain is exercised by feudal

landlords who inherit the right to the domain and to receive tribute from the inhabitants. In prebendal domain, the rights which are not heritable are granted to officials who draw tribute from the peasantry in their capacity as servants of the state. Thus, it assumes the presence of strongly centralized bureaucratic states. Under mercantile domain, land becomes private property of the landowner which can be bought and sold for profit as a commodity. The tribute is rent. Administrative domain has appeared in the twentieth century mainly in the Soviet Union and Soviet China where the state claims ultimate sovereignty over the land to affect agricultural production. Here, the third type--mercantile domain--is the one into which family farms may be classified.

Thorner (1987, 63) emphasizes the existence of a state power and a ruling hierarchy as one of the criteria which determine the peasant economy. According to him, kinship or clan order becomes weakened, if not disappeared, in the peasant economy, and 'territorial state' takes the place. Also, with the emergence of urban towns, "peasants are held to be a less or 'subject' order, existing to be exploited by all concerned." Alavi (1987, 190), in a similar vein, says about the capitalist penetration into the peasant economy. It has been transformed by and incorporated to the structure of capitalism, and become a part of it. So, "capital dominates and exploits peasants as it does industrial workers".

In the case of family farmer, Cepede (1975, 8-9) argues that the fact of whether management decisions on the farming is independent or not is an important criterion in defining family farm. Thus, "whether the holder be owner or tenant does not matter so long as the management decisions are taken by an independent operator, whose family provides the work units."

It is likely that for peasants, both relations with the superior within the village—e.g. landlords, submaster—and with the outsiders—e.g. cities, state, capital—are important, while for family farmers, only the latter are those concerned.

V. Commercialization

Lenin thought, in the 'natural economy' in which the peasants were situated, the production was not done for the market but for consumption by producers' family (Lehmann 1982, 136-138). However, peasants could not exist without at least partial involvement in the market, not only because they did not supply every necessity for themselves, but the concept of peasant implies the existence of external superior power whether it is city, urban elites or industrial sector. In other words, peasant economy cannot exist as a 'subsistence economy' which is totally separated from the market, although the degree of involvement would vary according to differing conditions.

Thorner's (1987, 65) argument is unique. He divides peasant economy into two types: pure type and impure type. In pure type, peasant consumes everything he produces. In impure type, peasant produces for a market as well as for needs. The latter type is more common since peasant economies are usually linked with towns or the state with subordinate positions.

But what makes the peasants different from commercially oriented farmers is that they are partially market-oriented, or they are involved only contingently, that is, in the case of the peasants, "the decision concerning what to produce is not based on the marketability of the product" (Schejtman 1992, 284).

On the other hand, as cited earlier (Wolf 1969), family farmers actively participate in the market and produce for sale. According to Strange (1988, 73-74), the small commercial farms (family farm) live mostly on the income earned from on-farm work. They participate in the open market at equal advantage (Strange 1988, 34).

Because both family economies are involved in the market—contingently or actively—, there come about some returns. However, contrary to capitalist production, to family farm, the profit is subjective and not determined by objective calculation, since "it cannot be structurally distinguished from other

components of the total return to the enterprise" (Friedmann 1978, 248). Mooney (1988, 257-266) calls such a lack of objective calculation, using Max Weber's conception, 'subjective rationality', and argues that it has been an 'impediment factor to capitalist penetration.'

To Chayanov, a peasant farm (family labor farm), as a result of its year's labor, receives a single labor income (Lehmann 1982, 141). Because Chayanov rejects the application of the capitalist categories to the peasant economy, "in no sense can the peasant farm be understood therefore in terms of profit... No concept of wages, no concept of profit" (Lehmann 1982, 142). That is, the annual product minus their outlays is a single return to family activity, and it is an indivisible or undifferentiable total family income (Thorner et al. 1966, xiv). Thus, possible is the argument that "an evaluation of the economic results achieved by peasant units over one or more cycles, using conventional 'factor cost' concepts, will show in the vast majority of cases that these units systematically incur losses" (Schejtman 1992, 278-279).

VI. Summary and Conclusion

Let me summarize some points described above on the peasant and family farm economies. First, both are distinguished from the capitalist farming in that they are household productions—the productions are small in scale, and production and consumption are united in them. Second, production activities are limited by the amount of family labor supply, for to them hiring wage-labor is contingent, if any. Third, peasant economy is involved in both kinds of the powers—the power from within and without village, while family farmers are formally controlled by the external power from without village. Last, for peasants, contacts with markets are contingent and production for profits is not the major aim, while for family farmers, commercialization is the premise of production and provides the material bases of reproduction of the unit.

Much more conceptual problems, however, will be there beyond the comparisons described here, for example, the problems

of technology, land tenure, ecosystem, and so on. In order to make the meaning of the terms clearer, the conceptual scopes of the two terms should be narrowed.

The issue of relationship between the two concepts is another crucial thing to be further examined in the future. This paper does not argue for/against any causality and the possibility of coexistence of the two forms of family production, and it just introduces theoretical positions regarding the issues, instead. Future researches need to more focus upon the empirical studies of the historical processes beyond conceptual comparison.

Also, what is to be kept in mind is that, the internal socioeconomic structures of each country vary greatly. Therefore, the family economies are not homogeneous in scale, though they are characteristically common in that they are family economy. Many of the reasons are due to their considerable regional differences among them which reflect their diverse histories (Shanin 1987a, 6). To take an example, in the case of the Korean peasant society, marriages of the grown-up children do not mean the decrease of feasible work forces, because, when the would-be successor—mostly the first son—is married, the new family lives together with his parents. Even non-successors, whether married or not, could add to the work force for a considerable time while preparing migration or departure for urban jobs according to the job market situation. Thus, the patterns of family cycle, which largely determine the labor supply to family economy by family members, should be examined case by case (Sorensen 1984).

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