

SMALL FARMS MANAGED BY YOUNG FARMERS UNDER NEW „FARM-TO-FORK” STRATEGY



Edited by

Wawrzyniec Czubak, Karolina Pawlak, Pavel Kotyza

 CEDEWU



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the cooperative, 20% agree with this statement, while 11% of members are undecided (Kovács and Kis, 2017).

The assessment of the benefits provided by the cooperative and the extent, to which these benefits met members' expectations confirms our view of cooperatives that the cooperative was indeed able to deliver benefits to its members that resulted in the improvement of the members' position. This is supported by the fact that 97% of the TAR-TÓ 2000 Cooperative members agreed with the statement that membership of the cooperative has provided them with what they expected when joining the cooperative. Around 60% strongly agreed with the former statement, 37% agreed and 3% of members were undecided about meeting expectations (Kovács and Kis, 2017).

The cooperative and its operating model is unique in the country, there is no other producer cooperation that offers similar benefits to pig producers. In this respect, the existence and operation of the cooperative is unique in the Hungarian pig sector.

6.4. The role of social capital in shaping the integration processes of young farmers

Krisztián Kis, Sándor Nagy

At the turn of the 20th and 21st centuries, the concept of social capital has become more and more widespread in the social science literature, and with it the importance of this specific form of capital as a non-material resource influencing social and economic processes has been recognised. Social capital is seen as a resource rooted in culture.

Robert D. Putnam (2000), in his book "Bowling alone", considered Lyda Judson Hanifan as the first to write about social capital and its importance in the life of rural communities in his article "The Rural School Community Center", published in 1916. He used the term "capital" in a figurative and metaphorical sense. Hanifan used the term "social capital" to describe interactions, sympathies and attachments in the daily lives of people who form a social unit. He used it to express things that are important for social life such as goodwill,

friendship, belonging, mutuality, social relations, and cooperation. In his view, without these there is no friendship, no neighbourhood, no community, no morality, and as a result the society declines (Hanifan, 1916).

The concept of social capital emerged in the 1980s and, as a non-material resource in society, it is now a popular area of research in sociology, economics and political science. There are many definitions of social capital, but all of them have in common that social capital is understood in relation to networks. Networks are those separable elements, between which some kind of relationship exists. Accordingly, social capital is manifested in the set of relationships between the elements that make up the networks – actors in society and economy – and not in the actors themselves (such as human capital). It is therefore a resource that influences the social and economic processes of communities at different levels of social organisation (family, neighbourhood, municipality, suburb, country, etc.).

Social capital is a resource embedded in networks, 'hidden' in the relations between actors, which can only be created and exploited through networks. Social capital is a measure of the cohesion of a community or society, and as such it is an expression of the cohesion that exists in a community and society, which is manifested in the relationships, norms, trust, cooperation between people and between communities, in order to achieve common interests and benefits. Cooperation and social capital are inseparable. The basis of social capital is socio-economic cooperation, i.e. cooperation organised for the sake of some benefit or advantage. Social capital is a resource for communities and partnerships and an indicator of the relationships and cooperation that are established in society and the economy. According to Coleman (1988), social capital is a 'productive' resource that enables certain otherwise unattainable goals to be achieved. This form of capital is not to be found either in the actors or in the material means of production, since it is embodied in the structure of relations between actors.

Analysing the relationship between social networks and social capital, we can conclude that without social networks there can be no social capital, since social capital becomes a resource through the relations between the actors of society. Putnam pointed out that social capital has a positive influence on social life, as it lubricates social life, and has a positive effect on the efficiency of physical and human capital investments. In his view, social capital is a precondition for economic development, a fundamental factor, as confirmed

by a growing body of research worldwide, including rural development research (Putnam, 1993). However, for these effects to occur there must be ties, i.e. a network of relationships that provides a framework for mutually beneficial cooperation. This is why we believe that high levels of social capital with cooperativeness are cultural factors that are important determinants of the adaptability of businesses and communities.

According to Putnam (1993), social capital refers to the features of social organisation (such as networks, norms and trust) that facilitate coordination and cooperation for mutual benefit. As argued by Fukuyama (1999), social capital is an informal norm that facilitates cooperation between two or more individuals. However, social capital, a resource that can be used and expanded, can only be envisaged if the potential social norms (e.g. the norm of reciprocity) are brought to life and mobilised in a given social relationship for the purpose of mutually beneficial cooperation.

The definitions and interpretations of the concept show that social capital is a “cultural phenomenon”, i.e. the manifestation and expression of a community’s culture in the relationships and interactions between people. Accordingly, in the relationship between culture and social capital, culture can be understood as the breeding ground for social capital. Social capital is thus a resource of social networks characterised by different relations embedded in a fabric of values (e.g. trust) and norms (e.g. reciprocity), which has social and economic consequences (Kis, 2006). Components of culture such as values (principles) and norms (rules of behaviour) fundamentally determine people’s thinking (decisions) and behaviour (‘attitudes’), and thus play a central role in influencing and shaping social and economic processes. In this sense, culture becomes a significant differentiating factor between individual actors and their communities (Kis, 2019).

Networks are therefore of great importance for the production and use of social capital as a resource. But what are networks, we may ask. Any system can be understood as a network that consists of separate elements, and in which these elements are connected by weaker or stronger ties (Csermely, 2005). Systems can best be understood as networks (Kertész and Vicsek, 2006), i.e. by mapping the network of interactions between their components (Vicsek, 2003). According to Csermely (2005), the definition of networks applies to almost all systems inherent in or surrounding us. From this conceptualisation, what makes networks to become networks is that their

individual elements are interconnected. The various human communities, society, are therefore networks made up of people, institutions and organisations. Such networks are created when some level of relationships is established between individual actors (personal and corporate actors). Social networks are those networks that are embodied in the structure of the relationships between the actors that make up society.

Since the social system is a system of interactions between actors, the structure of the relationships between the actors involved in the interactive process essentially gives the structure of the social system. The social system is therefore a network of these relations. The participation of actors in interactive relations (activities, actions) is, in many ways, the most significant unit of the social system (Parsons, 1966).

Relationships between different actors (social relations) are the ties that exist in some form between elements of society. These ties can be of two basic types. There are different strengths of ties in society, which can be described as strong or weak. According to Mark Granovetter (1983), our acquaintances (weak or more extensive ties) are less socially connected than our close friends (strong ties). The networks formed by the actors in society are thus realised in ties or relationships of different strengths. Granovetter (1983) formulated this as follows: A group of individuals and their acquaintances form a low-density network (in which several possible links are absent), whereas the same individual and his/her close friends are closely linked (possible links are present). Loose ties (connections) allow a given community, a given social network, to expand on the one hand, and to develop links between different communities on the other hand, thus contributing to the growth of the social capital of the community(ies).

Robert D. Putnam (1993) begins his essay "The Prosperous Community: Social Capital and Public Life" with the following quote from David Hume, which is one of the clearest illustrations of the problem of trust, as Matravers (2006) states. "Your corn is ripe today mine will be so tomorrow. 'Tis profitable for us both, that I should labour with you today, and that you should aid me tomorrow. I have no kindness for you, and know you have as little for me. I will not, therefore, take any pains upon your account and should I labour with you upon my own account, in expectation of a return, I know I should be disappointed, and that I should in vain depend upon your gratitude. Here then I leave you to labour alone You treat me in the same manner. The seasons change and both of us lose our harvests for want of mutual confidence and

security”. Putnam noted that this short story illustrates the failure to work together for the common good, which does not necessarily mean ignorance, irrationality or malice. It is clear to all that the parties would be better off if they could work together. However, in the absence of coordination and mutual meaningful engagement, people tend to withdraw from cooperation, sadly but rationally reinforcing each other’s pessimistic attitudes. The author asks the question: How to overcome these obstacles to collective action? To diagnose and address the problem in a new way, he proposes to apply the principles of social capital. Accordingly, the existence of social capital allows Hume’s farmers to overcome their dilemma of collective action. It is easier to cooperate in a community with considerable social capital. The foundations of social capital, such as trust, norms and networks, generally tend towards self-reinforcement and accumulation. Successful collaboration on a particular issue builds relationships and trust, social assets that facilitate future collaboration on other tasks unrelated to the original (Putnam, 1993).

In Bourdieu’s (1986) conceptualisation, social capital comprises the efforts made by individuals to develop social networks. Social capital is private property, through which individuals can enhance their social status and even gain power. According to Bourdieu, the existence of a network of relations is neither natural nor a social ‘given’ that exists once and for all. The network of relations is the product of individual or collective investment strategies which, consciously or unconsciously, aim to establish and maintain social relations, which will eventually yield direct benefits. Relationships are essential for the reproduction of social capital, which reaffirms mutual recognition.

Social capital thus creates value for people or actors in relationships and cooperation, and sometimes even for those outside the relationships and cooperation (Putnam, 2000). The value-creating role of social capital can be enacted through a variety of mechanisms, based on social networks of relationships (Putnam, 2000; Orbán and Szántó, 2005):

- information flows (facilitates communication and the spread of innovation);
- reciprocity norm, mutual assistance norm;
- community development and competitiveness;
- collective action and social cooperation (community initiatives, producer cooperatives), or
- collective, community consciousness, trust and solidarity.

The defining characteristics of social capital are summarised below:

- It refers to the relationships and networks: the concept of social capital is first and foremost about human, social relationships and their networks. There are many definitions of social capital, but they all have in common that social capital is understood in relation to networks;
- It is a cultural phenomenon: social capital is based on a set of norms and values, such as trust, reciprocity, etc. It is the expression of a community's culture in the relationships and interactions between people. Social capital is the resource of social networks embedded in a fabric of values (e.g. trust) and norms (e.g. reciprocity);
- Social capital creates value (positive contribution, synergy, surplus, combined effect, efficiency) and has a multiplier effect on other resources. Social capital facilitates certain actions by actors and promotes cooperation. Social capital, like other forms of capital (money capital, physical capital, human capital), is productive, i.e. it enables certain otherwise unattainable goals to be achieved;
- It needs action, it does not come into being and will not last on its own (action!). It is necessary to mobilise individuals, citizens, to increase their participation, to create collective actions that create functioning networks, which in turn increases the social capital available to individuals and the community. By working together, it is possible to integrate social capital as a resource for action into economic processes, creating a new mix of resources that can contribute significantly to more efficient, effective and sustainable operations.

The concept of social capital therefore has a major impact on the successful operation and management of young farmers' businesses. Social capital and the networking of young farmers enable farmers to work more efficiently, make better decisions and establish mutually rewarding partnerships with their fellow farmers, other organisations and individuals. A good example in this respect is EIP-AGRI, which is one of five European Innovation Partnerships (EIPs) that focuses on agriculture and forestry. Based on the Greek example (Koutsou et al., 2014), the social capital of young farmers is limited, and the lack of participation in producer groups or trust in institutions is an exemplification. As indicated by Slijper et

al. (2022), this limits cooperation, which translates to limited access to innovation, resources, sources of support, more complete information, and new ideas. That does not stimulate young farmers to adopt or transform the small farms towards fulfilling the current farm-to-fork strategy. Similarly to Africa (Kolade et al., 2020), social capital is a vital resource for smallholder farmers, making them access and benefit from the value chain. Since the beginning, the EU policy has played a role in providing certain public goods, like many in the current European Green Deal (Fuest and Pisani-Ferry, 2019). Social capital is essential for maintaining and enhancing public goods whose value can be maintained only through cooperation and trust (Arnott et al., 2021).

The case studies of farmers and cooperatives carried out in the VISYFARM project provide a number of examples of young farmers interacting in different ways and forms (formal and informal) with one another and with other organisations, municipalities, institutions and participating in different social and economic organisations. Relevant examples include:

- use of social media platforms, FB groups, informal collaborations, specialist groups, general professional communities;
- participation in professional and advocacy organisations, holding positions (e.g. the Young Farmers Association);
- involvement in public affairs (e.g. municipal representative);
- community-supported agricultural formations (farmer-customer relations);
- involvement in local life, organisation, shaping the future; beyond productive activities, taking into account social and environmental aspects, e.g. involvement in environmental education of local school children;
- volunteering (e.g. volunteer fire brigade, civil guard);
- charity, such as donating food to the needy;
- they can also act as apprenticeships, working with schools, vocational training institutions;
- mutual cooperation and assistance between young farmers, e.g. lending tools, transferring and sharing information and knowledge on cultivation, crop protection, etc.