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SOCIAL TRANSFORMATION OF RURAL AREAS DURING AGRARIAN INTEGRATION OF EU COUNTRIES

M.A. Voronina (a)*
*Corresponding author

(a) Far Eastern Federal Universit, 11 Korolenko St., apt. 51, Ussuriysk, Russia. Tel.: +7-908-982-22-08, voronina2003@mail.ru

Abstract

The paper analyzes changes of social and demographic pattern of rural areas within the countries of the European Union caused by the Common Agricultural Policy. In the conditions of agrarian integration the proportion of people engaged in agriculture was reduced alongside with the age of the European farming towards its 'aging' thus leading to the outflow of younger generation from rural areas; the gender pattern of farming remains prevailing for male population and 'gender inequality' of female farmers is still acute; the number of farms is reduced with the increase in their average size; the issue of part-time employment of farmers causing the need for economic diversification of EU agricultural producers becomes ever more relevant. All changes are first of all manifested in the EU member states. The processes leading to social transformation of rural areas are adjustable due to the common social and agricultural policy.

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Keywords: European Union, common agricultural policy, farming. .

1. Introduction

The countries of the European Union have been implementing the Common Agricultural Policy (CAP) for more than half a century. Launched in 1962, these days the policy is the first and one of the most developed and expensive industrial policies of the EU. As a result of its multiple reforming, the EU agriculture budget was cut down from more than 70% in the 1970s to nearly 40% at present ("The EU ...", 2017, p. 7). Besides market and structural shifts in the agrarian sector of economy, the joint efforts of EU countries aimed to create and protect the regional agricultural market and solve other tasks of agrarian integration led to transformation of social and demographic pattern of rural areas. The paper analyzes the above mentioned changes.

2. Problem Statement

The task of the present research is to identify the changes that have occurred in the sociodemographic structure of the countryside in the European Union countries over the period of realisation of general agrarian policy under conditions of the EU membership increase and development of agrarian integration "in scope" and "in depth".

3. Research Questions

The present research answers the following questions: what is the essence of the EU joint social policy in the agrarian sector of economy and what documents regulate it; what is the dynamics of population employment in agricultural production taking into account inter-country differences; what are the changes in the sex-age structure of European farming and what are the measures of supporting its most vulnerable categories? how specific problems of agro-food producers (e.g., part-time employment of a farmer) arising as a result of implementing CAP are being solved in the EU.

4. Purpose of the Study

The purpose of the research comes down to analysis of the main directions of transformation of the sociodemographic structure of the countryside in the European Union countries participating in realisation of the joint common policy and supporting single agricultural market with joint efforts.

5. Research Methods

Analysis of statistical data published annually by EUROSTAT on the official EU website underlies the research. To interpret sociodemographic indicators, elements of stage-by-stage multicriteria analysis of a data set of the national statistics and the EU statistics were used in accordance with the chronology of the EU membership increase. National Statistical Institutes or Ministries of Agriculture collect data and calculate national EAA in accordance with the rules established in EU. Eurostat is responsible for the EU aggregations.

6. Findings

6.1. Major tendencies of EU social policy in agriculture

Besides the common agricultural policy, a joint social policy is implemented in the region, which separate components are present almost in all spheres and programs of the European Union. The regulatory and legal framework of social policy is reflected in some major documents governing the EU activity. The corresponding section – Social Policy, Articles 151-161 – contains the Treaty on European Union (Treaty ..., 2010). The European social charter (1961) and the Community Charter of the Fundamental Social Rights of Workers adopted in 1989 guarantee the social rights of European citizens. These documents define the EU tasks within the social aspect: improvement of living and working conditions of citizens; social protection of workers; solution of the employment issue; equal opportunities for men and women; fight against social marginalization and stigma, etc. ("Social ...", 1996, p.74.) Similar to other EU actions, the policy is continuously adjusted in relation to changing conditions. Thus, according to M. Ricceri (2016, p.19), the Treaty of Lisbon, which overcame the so-called 'open method of coordination' in social policy, causes the need to develop new social indicators defining future development of the society.

Social aspects were also reflected in the Common Agricultural Policy of the EU. One of its priority tasks was to improve living conditions and economy, balance the level of income and welfare of agricultural producers.

The famous Mansholt Plan, which initiated agrarian integration, greatly influenced the conditions of social agricultural sector of economy. The latter one is widely discussed in scientific literature (Nazarenko, 2004; Frumkin, 2009; Burrell, 2009; Lyon, 2010; Voronina, 2010). According to this plan, the modernization of agriculture in Western Europe implied optimization of its structure. The future of this industry was bound to the prevalence of large-scale profitable and 'viable' industries. 'Non-viable' industries should cease to exist and their owners had to leave agriculture. Special measures within the structural policy of the CAP stipulated financial aid to farmers that decided to leave economic activity voluntarily.

The growth of EU agricultural production, the high degree of self-sufficiency with basic types of agricultural products caused overproduction and surplus thus leading to the need for universal reduction of agricultural areas, decrease in production rates and volumes. The liquidation of unprofitable farms again became relevant, however the measures aimed to achieve this were dramatically reduced. The package of measures on material security of farmers that voluntarily ceased their agricultural activity is still ongoing.

Currently, the second (social and structural) 'support' of CAP ensures implementation of the social policy within the agricultural sector. It is aimed to solve the issues of complex development of rural territories, increase the living standards of rural citizens, gradually level the farm return in various EU regions, ensure professional education and training of farmers, provide information and consulting services, improve ecological conditions of rural landscapes and protect their cultural heritage, promote nonagricultural activity, develop agricultural tourism, etc. ("European ...", 2011, p. 300).

6.2. Change of social and demographic pattern of rural areas

What changes did social and demographic pattern of rural areas suffer in the conditions of common agricultural policy? First, this includes the reduction of people employed in agriculture. This process

affected all EU countries, but especially came into sharp focus of EU member states¹. To some extent, this fact illustrates negative consequences of the Mansholt Plan for small- and medium-sized producers. As Table 01 shows, during the first four decades of CAP implementation the population engaged in agriculture has reduced in the EU-6 by 5.4 times, including: in France by 5.5 times, in Germany – by 5.3, in the Netherlands – by 3.8, in Belgium - by 4, in Luxembourg – by 7.4, in Italy – by more than 6 times. It means that in France, for instance, about 100 thousand producers ceased their agricultural production annually. The reduction of people employed in agriculture happened, first, due to hired workers. However, with industrialization and modernization of the industry and taking into account EU social actions, the employment also decreased due to the reduction of farm owners and members of their families.

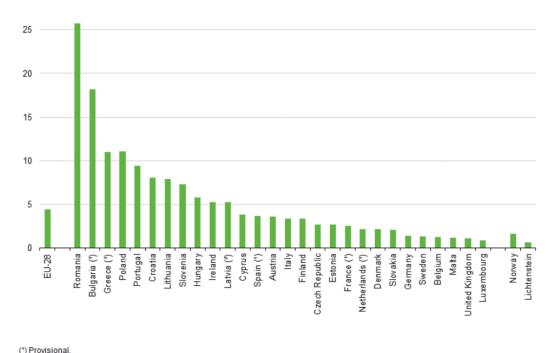
Table 01. Change of people employed in agriculture in the EU member states in 1960 and 2000

Country	1960		2000	2000			
Country	1 000	%		1 000			
Germany	3 623	13.9	Germany	3 623			
France	4 189	22.4	France	4 189			
Italy	6 567	32.8	Italy	6 567			
Netherlands	465	11.4	Netherlands	465			
Belgium	264	7.6	Belgium	264			
Luxembourg	22	16.4	Luxembourg	22			
EU-6	15 130	17.4	EU-6	15 130			

Calculated according to: The agricultural situation in Western Europe. 1961-1962. – Washington: USDA, 1963; Statistisches Jahrbuch uber Ernahrung, Landwirtschaft und Forsten. 2002. – Landwirtschaftsverlag. – Munster-Hiltrup, 2003.

The expansion of the European Union due to accession of the Central Eastern Europe countries caused considerable employment changes of its population. The increased specific weight of population engaged in agriculture is typical for the above-mentioned countries. Today, such countries include the European leaders regarding this indicator. Romania (25.8%), Bulgaria (18.2%) and Poland (11.0%) had the highest rates. Germany (1.4%), Sweden (1.3%), Belgium (1.2%), Malta (1.2%), the United Kingdom (1.1%) and Luxembourg (0.8%) were marked by the lowest values (Figure 01). In total, according to EUROSTAT, about 10 million people were employed in agriculture of the EU-28 in 2015, which corresponded to 4.4% of overall employment ("Eurostat ...", 2017, p.27).

¹ Initially the EU member states were Germany, France, Italy, Belgium, the Netherlands, Luxembourg. In 1973 Great Britain, Ireland, Denmark (EU-9) joined the EU. In 1981 Greece (EU-10). In 1986 Spain, Portugal (EU-12). In 1995 Austria, Finland, Sweden (EU-15) joined the



(²) 2014 data instead of 2015.

Figure 01. Employment in agriculture, 2015

Source: http://ec.europa.eu/eurostat/statistics explained/index.php?title=File:Employment in agriculture, 2015 (National Accounts).png)

Some changes were also observed regarding the age pattern of the European farming during CAP implementation. This was primarily caused by its 'aging'. Already for the EU-15, the average age of a farmer fell within the range of '55-64 years old' and 'above 65 years old'. 54.8% of its total population belonged to these categories. Only 7.6% of farmers were under 35 years old. In Portugal, Italy and Greece one third of the population employed in agriculture was above 65 years old.

Nearly two decades later the situation remained the same. In 2013, more than half of farmers (54.9%) was above 55 years old. The proportion of young generation reduced to 5.9%. Portugal remains the country with the oldest farmer population; almost ¾ of its farmers belong to the senior age group. The situation is similar in Cyprus, 70.0% of its agricultural producers are above 55 years old. The highest proportion of farmers under 35 years old is in Poland and Austria (more than 10% in each), which almost twice exceeds the EU average value. Austria also differs by the smallest number of elderly farmers in the EU - 28.2%, which is approximately twice less than the similar indicator for the entire EU (Table 02). The analysis of the European age pattern particularly focuses on the age group 'above 65 years old'. In 2016, this group included 9.0% of EU-28 farmers. The highest proportion is in Portugal - 41.6%. Spain (1.8%), Poland (3.2%) and the Czech Republic (3.5%) have the lowest indicators ("Eurostat ...", 2017, p.28).

Table 02. EU population employed in agriculture by age groups, 2013

Country	Age of agricu	-	ducers (% of	Country	Age of agricultural producers (% of the total number)				
v	under 35			1	under 35 35-54 ab		above 55		
Belgium	4.0	48.0	48.0	Luxembourg	8.7	49.5	41.8		
Bulgaria	6.4	31.7	61.9	Hungary	6.1	34.3	59.5		
Czech Republic	4.6	38.6	56.8	Malta	3.8	37.7	58.5		
Denmark	2.5	45.9	51.6	Netherlands	3.1	49.1	47.9		
Germany	6.8	56.9	36.3	Austria	10.9	60.9	28.2		
Estonia	7.5	40.3	52.2	Poland	12.1	53.9	33.9		
Ireland	6.3	41.8	51.9	Portugal	2.5	23.9	73.7		
Greece	5.2	38.6	56.2	Romania	4.7	30.8	64.4		
Spain	3.7	37.8	58.5	Slovenia	4.8	40.8	54.4		
France	8.8	51.8	39.4	Slovakia	8.1	40.3	51.6		
Italy	4.5	32.5	63.0	Finland	8.5	52.2	39.3		
Cyprus	1.7	28.3	70.0	Sweden	4.4	37.6	58.0		
Latvia	5.0	40.8	54.2	United Kingdom	3.9	37.6	58.5		
Lithuania	5.6	39.5	54.9	EU-27	5.9	37.7	54.9		

Source: https://ec.europa.eu/agriculture/cap-indicators/context/2015/c23_en.pdf

The European Union addresses the 'aging' of farmers as one of the urgent problems. The EU budget covers subsidies to young farmers having the corresponding professional qualification and occupying leadership positions in the company. These and other measures are aimed to prevent massive rural exodus. Early termination of agricultural activity by elderly farmers is also encouraged. However, the situation has not yet changed dramatically.

With regard to the European farming, it is also noteworthy to mention the gender pattern, namely the issue of women living in rural areas and engaged in agriculture. This category includes women engaged in agriculture and being owners, co-owners of farms or spouses of farmers employed full- or part-time. According to recent agricultural census of 2010, the ratio of men and women within the European farming for the EU-27 made 58:42 with noticeable differences between countries (Figure 02)

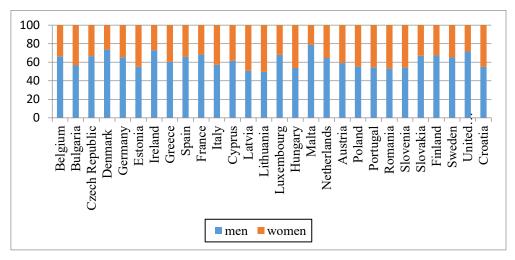


Figure 02. Ratio of men and women within the European farming, 2010

 $(Compiled\ according\ to:\ https://ec.europa.eu/agriculture/sites/agriculture/files/rural-area-economics/briefs/pdf/08_en.pdf)$

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The analysis of Figure 03 allows identifying at least two groups of countries: in the first, the share of female farmers is higher than on average in the EU. This mainly includes countries of the Central Eastern Europe with various structural and industrial problems in agriculture - Bulgaria, Latvia, Hungary, Poland, Romania, Slovenia, Croatia, as well as Italy and Portugal. Lithuania is the leader in this group with its women even prevailing by a slender majority (50.4%).

The second group includes countries where the share of female farmers is lower than on average for the EU. Agriculture in the majority of these countries, which mainly includes Denmark, France, and Great Britain, prevails with highly specialized high-value enterprises. Besides, this group includes countries where the proportion of women in agriculture is generally small (Malta, Ireland). In general, the second group covers the majority of EU countries.

All problems of the present European farming (lower income, employment, limited access to 'blessings of civilization') are typical for its women either in full or sometimes to a bigger extent. Women of rural areas are more affected by unemployment than men. As a rule they are engaged in common labor and their income is lower than that of men. They also devote less time to training. As for their professional training, the problem does not only concern the limited access to educational services ensuring the corresponding qualification. Women are offered a narrow option of educational programs, which restricts their accessibility to many professions. Even when EU countries try to solve this problem, professional education is organized in the city centers where specialists have poor understanding of features, specifics and needs of rural areas.

It must be admitted that the EU tries to tackle these problems. Even the Treaty of Rome signed in 1957 (Article 119) defines the EU stance on equal opportunities for men and women. However, this process has been dragged for decades, and the problem still remains relevant both for urban and rural areas. The EU officials believe that it may be solved through economic diversification in rural areas. Women can and shall play a key role in the development of local crafts, agricultural tourism, preservation of cultural landscapes and other matters. The EU promotes the ideas of rural women uniting in organizations or working groups with a view to creating the European association, to exchanging experience and information, and ensuring more successful participation in modernization of rural areas.

Other changes in the social pattern of EU agriculture is the reduction of farms and increase in their average size caused by the concentration of agricultural production and expansion of its specialization. During CAP implementation, this feature was typical for all EU countries, but mainly for its member states. During 1960-2010, the number of farms in the EU-6 has decreased more than 3 times. The reduction of the number of farms, as well as the decrease in population engaged in agriculture is a tendency typical for all developed countries across the globe to a greater or lesser extent. However, in the conditions of agricultural integration this process was rather rapid. It is quite difficult to estimate the degree of its impact. However, if to compare the period of the Mansholt Plan (liquidation of low-income farms) and time of the maximum reduction of their total number it is easy to conclude that these dates almost coincide: they cover the period of 1960-1975 when the EU member states lost more than 2 million farms. With EU expansion, the tendency remained the same (Table 03).

Table 03. Change in the number and average size of farms in EU countries in 1960-2010

	Number of farms (1 000)					Average area of farms (hectares)						
Germany	1960	1970	1980	1990	2000	2010	1960	1970	1980	1990	2000	2010
France	1617.7	1083.2	849.9	653.6	472.0	229.1	7.9	11.7	14.4	26.1	36.3	55.8
Italy	1604.3	1421.0	1255.3	923.6	663.8	516.1	20.0	21.0	23.3	30.5	42.0	53.9
Netherlands	4293.9	2832.6	2823.6	2664.6	2152.2	1620.9	6.2	8.3	7.8	5.6	6.1	7.9
Belgium	205.8	164.6	148.7	124.8	101.6	72.3	11.2	13.0	13.7	16.1	20.0	25.9
Luxembourg	195.1	130.5	115.1	85.0	61.7	42.9	8.3	11.6	12.3	15.8	22.6	31.7
Denmark	9.5	6.9	5.2	4.0	2.8	2.2	14.5	19.6	25.0	31.7	45.4	59.6
United			122.7	81.3	57.7	42.1	-		23.8	34.2	45.8	62.9
Kingdom												
Ireland		•	268.6	243.1	233.3	186.8			63.7	67.9	67.7	90.4
Greece		•	223.5	170.6	141.5	139.9	•		22.6	26.0	31.4	35.7
Spain		•	•	850.2	813.5	723.0				4.3	4.4	4.8
Portugal				1593.6	1266.8	989.8				15.4	20.6	24.0
Austria				598.7	416.0	305.3				6.7	9.3	12.0
Finland					197.3	150.2					17.2	19.2
Sweden		•			81.1	63.9					27.4	35.9
Hungary		•	•	•	81.4	71.1				•	37.8	43.1
Cyprus						576.8						8.1
Latvia						38.9						3.0
Lithuania						84.3						21.5
Malta						199.9						13.7
Poland						12.5						0.9
Slovakia						1506.6						9.6
Slovenia						24.5						77.5
Czech						74.7						6.5
Republic												
Estonia						22.9						152.4
Bulgaria						19.6						48.0
Romania						370.5						12.1
EU-6						3859.0						3.4
EU-9	7926.3	5638.8	5197.8	4455.6	3454.1	2483.5	11.3	14.2	16.1	21.0	28.7	39.1
EU-12			5812.6	4950.6	3886.6	2852.3			23.0	28.2	35.2	47.1
EU-15				7993.1	6382.9	4870.4				23.3	29.3	38.7
EU-27					6742.7	5155.6					28.9	37.5
Germany						11945.8						34.0
France	1960	1970	1980	1990	2000	2010	1960	1970	1980	1990	2000	2010
Italy	1617.7	1083.2	849.9	653.6	472.0	229.1	7.9	11.7	14.4	26.1	36.3	55.8

According to: Statistisches Jahrbuch uber Ernahrung, Landwirtschaft und Forsten. 1991, 2001, 2003. – Landwirtschaftsverlag. – Munster-Hiltrup; http://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Distribution_of_holdings_by_size_class_(utilised_agricultural_area),_2005_and_2010.png

At the same time, the decrease in the number of farms followed their average size growth. If in 1960 the average size of a farm in the EU was 11.3 hectares, in 1990 it equaled 23.3 hectares, then by 2010 it reached 39.1 hectares. Especially considerable growth of farms was typical for Germany, Luxembourg and Belgium. During 1960-2010 the average size of farms in these countries increased by 4.7, 4.1 and 3.8 times respectively. The consolidation of farms was followed by the expansion of their specialization often focusing on the production of one or two types of agricultural products.

The reduction in the number of farms and increase in their average size were accompanied by changes in the ratio between groups of farms of various sizes and agricultural areas. The EU policy to

support large-scale profitable businesses intensified the reduction of small- and medium-sized farms and the increase in the number of holdings of 50 hectares and more in area. Today, the number of the latter ones makes only 9% of the total number of farms, however they account for more than 85% of agriculturally used areas. It is particularly remarkable that out of all types of businesses this group underwent the most considerable changes.

When characterizing the growing tendency of the average EU farm by agricultural area it should be noted that contrary to popular opinion this indicator is less used as the 'benchmark' of production concentration in agriculture. Generally, it is typical for crop-producing farms and is not fair with regard to livestock production being the main branch of agriculture in the majority of EU countries. In the latter case, cost (farm incomes) will be perceived as a more accurate criterion, and in rare cases – the average size of a livestock herd in corresponding farms.

All of the aforesaid is reasonable for the 'previous' EU structure. The accession to the European Union of the Central Eastern Europe countries changed the situation that has been developed for at least four decades. In the EU-27 (contrary to EU-15) the number of farms rose sharply from 5155.6 thousand to 11945.8 thousand, primarily due to Poland and Romania (the latter one is the EU leader in terms of their quantity - 3859.0 thousand).

Family farms remain the main producer of agricultural goods in the EU. It is considered relatively stable since it covers production facilities, including land, management and labor expenses. Kola J. (1998) believes that the advantages of a family farm are flexibility, stability, 'survivability' enabling its owner to be responsive to ecological, ethical, social requirements and demands. The EU family farms do not only represent economically feasible high-value farms, but also small farm holdings often not providing its owner with full employment or serving his resting place.

Part-time employment of the farmer is one of the specific problems the EU tackles these days. Almost every country has areas where agriculture fails to ensure the required income, and rural citizens are engaged in non-agricultural activity during some part of a working week or a working day.

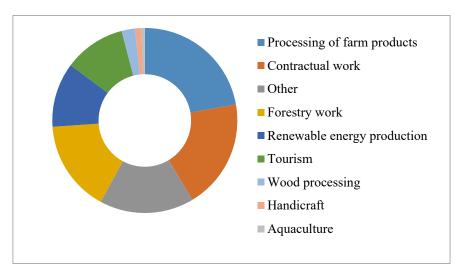


Figure 03. Distribution of 'other gainful activities' in the EU-28, 2013, % (According to: http://ec.europa.eu/eurostat/statistics-explained/index.php/Main_Page)

According to the 2013 Farm Structure Survey, only 16.4% of them worked on a farm full time. At the same time, there are drastic differences between countries. The proportion varied from slightly over 50% in the Czech Republic, France, Luxembourg and Belgium to less than 10% in Malta, Austria and Cyprus. Romania had the lowest proportion, with only 1.5% of people engaged in agricultural work full-time. The European farmer may be engaged in a variety of non-agricultural activity (Figure 03). One of the popular types of alternative activity is agricultural tourism and strong partnership with tour operators that invite foreign tourists (Voronina, 2016).

7. Conclusion

Thus, the social and demographic pattern of rural areas in the conditions of the EU Common Agricultural Policy underwent considerable changes, including the following:

- reduction of the proportion of people employed in agriculture, which is typical for the entire region, but mainly for the EU member states;
- 'aging' of the European farming and generally low efficiency of measures to attract younger generation to agriculture;
- prevalence of male population within the farming gender pattern and lack of gender 'equality' concerning women;
- reduction of the number of farms followed by the increase in their average size;
- part-time employment of farmers, which causes the need for economic diversification of EU agricultural producers.

All processes within the agricultural sector of economy and rural areas of the European Union countries may be controlled to a certain degree mainly due to regular common agricultural and social policy

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