“I do not understand how I became a farmer”: The small-peasant path to family farm enterprise in post-socialist rural Hungary

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Family farm enterprises emerged in the transition to capitalism following the reprivatization and decollectivization of agriculture in Hungary. This paper explores the generative processes of capital accumulation. It focuses on the intergenerational transfer as well as the life time generation of material and immaterial resources that were mobilized for the creation of the family farm enterprise. The life stories of six family members belonging to three generations of a successful enterprise of low peasant origin were selected from fieldwork conducted between 2000 and 2007 exploring the specificities of the genesis of farms with small peasant roots. Immaterial capital assets were the most important for the expanded reproduction of the farm, while reprivatized land had mostly symbolic importance. The farm relied on traditional peasant cultural heritage, such as striving for autonomy, self-sacrificing work mentality and traditional forms of bonding social capital, in the form of kin and local community reciprocal work relations. Meanwhile, the farm needed nontraditional cultural capital, such as entrepreneurial mentality and bridging social capital to find suitable markets for the products. These later emerged through education, by learning from experience, establishing trust relationships and with the help of mentors.

Keywords: family farm enterprise; post-socialist; social capital; cultural capital

1. Introduction

The number of large family farm enterprises (‘egyéni gazdálkodás’) cultivating more than 10 hectares in Hungary could be estimated at approximately 51,000 (Csíte 2002, 320). This emergent group has exhibited an increasing concentration of material assets over the past two decades, succeeding in expanded reproduction despite severe agrarian crises that saw gross domestic product, GDP, from agrarian production drop to half the 1988 level by 1995, following the transition to capitalism. This involved the breakdown of previous production and distribution structures, as well as the integration into a global capitalist market economy, in which competing European Union producers obtained a superior level of subsidies. Moreover, the “price” of this system change was estimated to overshadow the price of collectivization (Harcșa, Kovách, and Szélényi 1995). These family farm enterprises expanded despite being locked inbetween the large corporate successor organizations of former state socialist production structures on the one hand (cultivating about half of the agricultural land) and by the plethora of small-scale subsistence farms on the other (the number of which declined rapidly from 1.4 million in 1991 to 570,000 by 2010) (Csíte et al. 2002).

The repeated historical traumas of system changes, such as collectivization and the post-socialist transition, created changes in the prevailing forms of existence and reproduction of production units. Some of the theories elucidating the emergence of post-socialist large family farm enterprises emphasized the importance of patterns of reproduction of the agrarian producer elites of state socialism. Swain (2003) argued that the former co-operative managers could acquire preferential access to land during the land auctions, which were the institutions of reprivatization in Hungary, due to their influential networks and the social and cultural capital concentrated on these. Others highlighted reproduction from a longue durée perspective, revealing continuities reaching back to the agrarian producer elite (i.e. the kulaks) of the pre-collective period (Thelen 2001, 2005). Thelen (2001) argued that the managers of the state socialist period were often descendants of the former ‘kulak’, and that the reproduction of elites could be traced back to the pre-collective period. However, origins needed to be combined with the right
type of cultural capital in order to help facilitate their opportunities within the new system (Thelen 2005). Traditional cultural dispositions hindered, while flexible dispositions facilitated advancement.

The generalizability of the reproduction of elites thesis is put into question by the circulation thesis, which states that large family farm enterprises originate from diverse social backgrounds (Harcsa 1994), in which we also find those coming from non-elite backgrounds and from the descendants of former small farmers. As Harcsa (1994, 11) sums up: ‘It is not possible to find a tight relation between becoming an agrarian entrepreneur and the size of the landed property of the parents.’ According to one survey, only 37% of the parents of farmers of large farms were independent farmers, even if inheritance played a more important role in the constitution of the land base of the larger farms (KSH 1995, 27). Among those ascendant non-elite groups, small farmers are identified as a group who have grabbed historical chances of realizing the dream of the family farm through state socialism and after (Márkus 1991; Szelényi et al. 1988). However, it was often the pitfalls and difficulties of the small farmers in keeping up with the newly created farms that was emphasized in research. Therefore, the study of this specific group is of interest.

This paper focuses on this specific subgroup of family farm enterprises that originate from the small farmer families of the pre-collectivization period. It explores the intergenerational life story approach in order to complement research based on community case studies and survey analyses currently dominating the field. Setting the spotlight on the importance of immaterial capital assets and agency in the life trajectories of family farm entrepreneurs with a small farmer background, the paper elaborates on: (a) the processes of the creation and conversion of diverse forms of immaterial and economic capital during the lifetime of the agents and (b) the patterns of intergenerational transfer of immaterial and economic capital.

2. Problematizing the role of immaterial assets in the small peasant path to becoming an entrepreneur

The Hungarian pattern of post-socialist agrarian transition deviated from other post-socialist transitions, in which the direct reinstatement of previous ownership titles was put into practice, as was the case in the Czech Republic, Slovakia, the Baltic countries and Romania (Alanen 2004; Kovács 2007; Swain 1999, 2007). In Hungary, immaterial assets played an important role in the post-socialist transition due to the specificities of the Hungarian agrarian transitions. I identify three influential components of the Hungarian system of agricultural decollectivization and reprivatization: (1) the broad concept of compensation, which granted entitlements not only based on a loss of land, but also on former membership status; (2) the establishment of a pool for undivided shared property land; and (3) the voucher-based claim system. This meant that the access to land through reprivatization assumed both access to entitlements and agency. Meanwhile, ascendant groups, such as former small farmers or even landless agrarian workers, could also enter on the path of embourgeoisement through the acquisition of skills (Harcsa 1994).

Capital conversion theories (Portes 1998; Putnam 2000; Sutherland and Burton 2011; Swain 2003) are of special relevance for the understanding of the rise of family farm entrepreneurs with small peasant backgrounds, who could not rely on the inheritance of larger economic assets when starting their venture.

2.1. The importance of cultural capital in the family farm context

Szelényi (1988), who elucidated the importance of immaterial assets for rural transition during the state socialist period with the theory of rural embourgeoisement, argued for the multiple origins of the emerging entrepreneurial spirit of household producers. Szelényi (1988, 211) emphasized that due to collectivization, the inheritance of land ceased to be the means for transferring socio-economic positions. Instead, the passing down of immaterial capital assets (such as motivating educational and occupational choices) replaced this function. It was the accumulation and conversion of immaterial assets that facilitated rural embourgeoisement, which in Szelényi’s interpretation forged a ‘silent revolution’, emulating the state socialist system stratifying society into ‘kaders’, those having technocratic or teleological ‘authority’ and ‘proletars’, along its own structural and epistemological gaps. As opposite processes, embourgeoisement and peasantification emerged along contradictory positions associated with different immaterial capital assets. Two of these assets played a generative role in the process of embourgeoisement: the former peasantry’s desire for autonomy (a specific habitus, an embodied form of cultural capital) and the acquisition of formal skills (an institutionalized form of cultural capital).

Szelényi (1988) was inspired by Bourdieu’s (1986) concept of cultural capital, defined as a ‘set of shared status cultural signals (attitudes, preferences, formal knowledge, behaviours, goods and credentials) which can be used as a basis for social selection and a resource for power’ (Bourdieu and Passeron 1977). Bourdieu (1986, 243) identifies three forms in which cultural capital exists: embodied (habitus), objectified (cultural goods) and institutionalized (skills) and argued that it can be converted, under certain conditions, into economic or other forms of capital.

Szelényi (1988) saw the expanding household-based agricultural production of the rural countryside as a ‘parking orbit’ for an evolving scene of embourgeoisement.
In contrast, Kovách (1988) argued that not all household-based production could be considered entrepreneurial and one ought to refine distinctions between *peasant* and *entrepreneurial* habitus. The *peasant* ways could be associated with traditionalism, along a Chayanovian, “oikos”-like focus on subsistence (Asztalos Morell 1999). In contrast, the mentality of the *entrepreneurial farmer* was argued to exhibit rational planning in the pursuit of feasibility and profit coupled with risk taking (Kovách 1988). As noted by Sárkány (2005) and Juhász (2006), market production does not necessarily imply the presence of entrepreneurial habitus. The traditionalism of the peasant ways was seen by many as contradicting the entrepreneurial path, with Thelen (2005) identifying it as ‘antique’. Those possessing the ‘right’ type of flexible cultural capital could adapt to the conditions of market capitalism.

Among family farmers, those of small peasant origins were identified as a specific case. Juhász (in Szelényi 1988, 148) and Márkus (1979, 65–78, 1980) highlighted that the former poor and small peasantry experienced an upward ‘genuine collective mobility’ triggered after 1950 when both former kulaks and large estates were repressed. Those staying in the villages during the post-collectivization period took up market gardening in order to enhance their living standard and economic autonomy, which activities often exhibited a kind of entrepreneurial fervency. This desire for autonomy was combined with the cultural asset that many identified as the *self-destructive exploitation of their own labor power* (Márkus 1979).

According to Szelényi (1988) the acquisition of technical skills (institutionalized cultural capital) constituted assets that could be mobilized for embourgeoisement. This thesis is supported by Harcsa’s (1994, 8) survey data: 43.2% of the farmers of large farms came from skilled agricultural or non-agricultural occupations, whereas only 11.1% were already independent farmers prior to the transition. Former poor and small farmers facilitated the intergenerational path of mobility through schooling of their children towards technical skills and by pushing them out of agriculture (Juhász in Szelényi 1988).

### 2.2. Theorizing the importance of social capital in the family farm context

Social capital theory has also been important in exploring the emergence of post-socialist agrarian production elites (Nikula 2001; Swain 2003; Thelen 2001). Bourdieu defines social capital as being ‘made up of social obligations (“connections”), which is convertible, in certain conditions, into economic capital.’ (1986, 243). Bourdieu problematizes the development of social (and other) capitals by individuals in groups, rather than social capital as ‘external and independent of individuals’ (Swain 2003, 189) and associates individual agency with definite societal positions and opportunity structures. According to one line of interpretation, the importance of social capital in a group depends on the volume of cultural and economic capital owned by the members of that group. Membership in a group, institutionalized by mutual terms of recognition, can compensate for eventual individual deficiencies in cultural and economic capital by allowing the individuals some ‘credit’ from their membership (Bourdieu 1977, 51; Swain 2003). Both Thelen’s (2005) and Swain’s (2003) study provide examples of how former co-operative managers utilize their richness in valuable contacts to obtain economic advantages in acquiring land. Swain (2003) provides examples of how those not having their own influential networks substitute for this deficiency through friendships with influential others. However, Swain and Thelen’s reasoning excludes the possibility that networks of the ascendant classes with low economic and cultural capital could provide means for accumulating convertible assets, since their social relations, such as: ‘Family relationships of friendship, support, a helping hand in time of need, are not social capital. They are “shackles” to be broken’ (Bourdieu 1979, 389, see this emphasized in Swain 2003, 189).

A more generalized interpretation of Bourdieu’s social capital theory is presented by Sutherland and Burton (2011), who explore generative processes of capital accumulation by pointing at convergences between accumulative processes of different forms of capital. They underscore the importance of agency, expressed by ongoing investments through repeated positive actions in the transformation of ‘contingent relations’, such as neighbourhood, into ‘durable obligations’. In turn, these are interrelated with the generation and accumulation of other forms of immaterial capital. As Sutherland and Burton (2011) argue: Being seen as a good farmer (cultural capital) also promotes abilities to co-operate with other farmers (i.e. to accumulate social capital), which in turn provides economic advantages in production. Thus, they do not restrict social capital to engagements in influential networks.

Of further relevance is Putnam’s (2000, 22–24, 411) distinction between bridging and bonding social capital. *Bonding type networks* are formed within homogeneous groups (e.g. along kinship or ethnic bonds) and work for the internal cohesion of certain groups. *Bridging types of networks* bind diverse sections of society together. While bridging networks are inclusive and help in ‘lubricating’ human exchange across social boundaries, *bonding types of networks* act as ‘glue’ that generates trust (cutting, e.g. transition costs in a society). However, since bonding networks are based on exclusivity, which limits their benefits to members only, they lead to a fragmentation that can become counterproductive for development (Svendsen 2004, 10–11; Woolcock and Narayan 2000, 237). Portes (1998) and Svendsen (2006, 55) find that the balance between bonding and bridging social capital is beneficial for the facilitation of economic growth.
I therefore argue that we need to contextualize the conditions under which bonding capital in the form of cultural assets vested in traditional rural communities ought to be seen as ‘antique’ (Thelen 2001) and as ‘shackles’ to be broken (Swain 2003), and under what conditions these might be capitalizable and convertible to other forms of capital.

3. Methodological reflections

Research on the emergence of rural entrepreneurial strata is dominated by two major research methods: surveys (Csite et al. 2002; Harcsa 1994) and ethnographical community case studies (Sárkány 2005; Thelen 2005). The former allows for generalizations of trends on a national level (macro perspective), though it is not capable of discovering how agents understand developments that affect their lives and how patterns evolve in a local context. Despite their ground-breaking theory on the importance of cultural capital in the emergence of entrepreneurial paths under state socialism, Szélényi (1988) pinpointed the limitations of their method of analysis in not having direct ‘measures’ of cultural capital other than educational paths: ‘I have really no explanations why certain people choose life trajectories that do not correspond to their family backgrounds.’ This deficiency depended on a lack of information on ‘soft variables’ such as values (Szélényi 1988, 211). In contrast, the ethnographic community case study method can bind developments to contextual changes (meso perspective), even if local specificities might limit the generalizability of the results beyond a local context. Furthermore, it makes issues of confidentiality difficult to overcome since those interviewed are easily identifiable due to the small number of entrepreneurial families within each community.

Using the life story method focusing on certain family paths, one can provide a complementary methodological tool for community case study analyses, which can further promote the exploration of qualitative aspects of the generative processes of entrepreneurship. It allows us to reflect on which values, attitudes, expectations and ambitions formed their life trajectories and what type of understandings they formed about these processes. According to Bertaux (1981, 1997) and Andorka (1997) the method’s specific advantage is that it sets the focus on individual agency through the life course and its possible use in unraveling various intergenerational aspects of life trajectories. Additionally, it enhances the possibilities of problematizing the limitations and freedoms of the actions of individuals in mobilizing their capabilities, which are conditioned by the opportunity structures characterizing their positions within society (Krishna 2011). Since a focus is put on individual and group interactions, locality can be blurred, and by this the confidentiality of informants safeguarded.

Both ancestral families of the chosen farm family, the Katonas, found themselves balancing on the thin line between self-sufficiency and dependency, characteristic of the existence of small peasantry, at different phases of their family history. The case study of the emergence of one family farm enterprise over several generations helps to elucidate the intergenerational and life-course dynamics leading to the emergence of a viable family farm capable of expanded reproduction under the period of transition to capitalism. Moreover, the life story analysis allows for a focus on the understandings and meanings that the family members attributed to this process.

The case study formed part of a larger research project consisting of 64 interviews with 42 interviewees in 7 communities within a 50 km radius of Budapest supported by the Swedish Research Council (VR). Of this research, 45 interviews were conducted, with 27 entrepreneurial families representing diverse social origins.9 The family farm analyzed here was chosen from a subset of 19 interviews with different members from 8 family farms, in which the ancestors originated from a small farmer background, with all but one of the families being interviewed twice between 2000 and 2007. In three of the families, I have conducted separate interviews with members of different generations of farmers.

Five of the interviews were conducted in the chosen family using a fictitious name, the Katonas, during 2002 and 2007. In addition to interviewing Magdi and Tibi, the couple running today’s farm, on two occasions I also interviewed Magdi’s mother (Katalin) and Tibi’s father (Tamás) and mother (Ilona). Furthermore, their son Sándor and his wife were also interviewed (Figure 1).

The interviews were semi-structured and evolved around key topics, such as the history of the farm, with a special concern regarding resources (both economic and immaterial), the division of labor and decision-making processes, marketing networks, and details concerning the operation of the farm. The interviews with both the older and younger generation in these families were also done to help elucidate the processes of transferring material and immaterial assets between generations. Nonetheless, the informants had the freedom to initiate and develop topics of interest to them and follow-up questions applied to clarify issues of interest. The interviews took approximately one to two hours each, and were recorded and transcribed.

Choosing one family of different generations to represent a small peasant path to embourgeoisement cannot avoid having some atypical aspects, including limitations concerning generalizability. My main aim with setting the spotlight on one case is to sensitize issues on a micro level, and through that to contribute to the development of theoretical frameworks to help understand the intrinsic and dynamic nature of the accumulation and conversion of capital in the context of the life-course and relations
between generations. Furthermore, I intended to shed light on the individual motivations and understandings that entrepreneurs hold on their path to entrepreneurship.

4. The Katona family in the transition context

‘I do not understand how I became an entrepreneur. We were kind of pushed into it.’ These are the words of Tibi Katona, one of the family farm entrepreneurs I interviewed. During my Although the Katona family’s ancestors were small farmers, by 2007 the family cultivated 210 hectares of land, making them one of the six most successful farmers in their village. Coming from a small peasant background whose parents farmed during state socialism and lacked inherited material assets, the acquisition and conversion of immaterial assets (skills and social contacts) were central for the advancement of the family business. In the following section, I shed light on the factors that contributed to the success of this couple in developing their farm in a generic way. First, I will describe the farming history of the parental generation of the Katona family. Second, I turn to the life history of Tibi and Magdi, and the emergence of their family enterprise. Finally, I provide a short insight into the developments during the capital-intensive phase of the farm. I elucidate these changes in the dynamic processes for the accumulation of and conversions between various types of both material and immaterial capital assets.

4.1. Family farming of the elderly generation

Both Tibi and Magdi originated from small farmer families cultivating at most approximately 7 hectares of land prior to the 1959 collectivization in the village. Both families see-sawed between a poor peasant and small peasant existence. Soon after Tibi’s grandfather’s death, Tibi’s father and siblings split up the farm. Consequently, Ilona and Tamás (Tibi’s parents) owned only 1.5 hectares at the time of collectivization, while Magdi’s parents, Antal and Katalin, succeeded in consolidating a 5-hectare farm.

The old generation’s lifestyle was marked by stringent work morality characterized by hard, self-depriving physical work from early childhood. Katalin recounts how she and her husband worked hard to pay off her husband’s siblings in order to take over the family farm. After losing control over the land, hard work continued in the collective, in which women were employed to start the manual cultivation of vegetables, ‘breaking their back’ in the fields working for unreliable returns in a form of share-cropping. Even Antal, Katalin’s husband, helped when he returned from his work in the city.

In contrast, Ilona attributed their failures (first in securing the family farm and later in providing for the family) to her husband Tamás’s lack of ambition. She claimed that he had alcohol problems and that he just “fooled around” after work in the pub, leaving her alone with the children and the household. Consequently, in spite of the collective norms of promoting hard work and striving for self-sufficiency, these moral obligations could only come to fruition and turn into cultural capital through individual appropriation.

Despite limited assets small farmers pursued autonomy before and after collectivization. The older generation found pride in being able to achieve their goals through their own efforts. As Katalin explained, she felt joyful when she and her husband became independent from her husband’s sisters and her mother-in-law, and were able to run the farm on their own. The feeling of becoming independent and autonomous outweighed their hardships. Ilona’s account reveals the down-sides of striving for autonomy. Ilona’s parents, Tibi’s grandparents, accumulated money by hard labor, which was to finance buying the land they were renting. They took a substantial risk, when they placed and lost all their savings into state obligations during the war. Their experience indicates both the pressed, intermediary class situation of small farmers, as well as the strength of the desire to break out of poverty, even to the extent of taking risks.

Following forced collectivization the elderly in the family lost their farm land and were doomed to a life of ‘honorable poverty’. They complained about not having been able to accumulate material assets to hand over to the next generation beyond the value of the simple houses in which they lived. Both Ilona and Katalin strived to expand the boundaries of their standard of life, which was limited by meagre incomes, by household-based production: raising their own pigs and poultry and growing produce in the home garden. Their self-sufficiency
helped to save on expenditures and small income from sales helped them to achieve consumption goals. Ilona paid off her siblings’ share in the family house by raising pigs and selling her peasant skirts. These efforts to achieve autonomy were rooted in reducing spending, restraining lifestyle, the ethic of need, which made every penny count. This habitus was identified as a cultural asset of the peasantry (Juhász 2006; Márkusz 1979).

During state socialism the conditions of farming were locked by the aborted socialist markets (Kováč 1988). City markets, where even Ilona sold her household produce, were the loop-holes in this dominant state-controlled market (Juhász et al. 1984), the boundaries of which were expanding (Szelényi 1988), not least due to the activities of household-based producers, such as Ilona.

4.2. From a small industrial enterprise in the 1980s to a family farm in the 1990s

Disappointed in their loss of status and livelihood from agriculture, the older generation ‘pushed’ their children out of agriculture during the 1970s and supported their education in non-agricultural skills. As Tibi reflected on the attitude of those educating themselves: “Who the hell wants to pick cucumbers and tomatoes the whole day, I would work rather at a company and have a convenient life!” And the people ‘disappeared.’ By the 1980s Tibi became a mobile crane operator and Magdi a sales clerk. The young couple supplemented their wage income by launching a small-scale textile producing enterprise. Similar to their parents’ household-based production, Tibi and Magdi’s initial primary motivation for starting their knitting enterprise was the achievement of consumption goals, since they found the income provided by wage labor to be too tight. Tibi and Magdi’s textile venture allowed them to build a modern and spacious house.

With the fall of state socialism, the flood of consumer goods lowered the odds for the small-scale manufacturing of clothing. Thus, they had to change venture. First, they sold the machines and invested in a general store. When the opportunity arose to reclaim the lost family land, they could retrieve economic capital by selling even this business.

Based on entitlements gained through the Compensa-tion Laws of 1991 (Harcsa, Kováč, and Szelényi 1995; Swain 1999), the Katonas could reclaim the land their parents were forced to sell at nominal rates to the co-operative in the 1970s. Among the relatives of the Katona family, as Tibi expressed: ‘At first, everybody just pushed it away. The papers lied in the cupboard. Nobody wanted it’. Magdi finds it difficult to understand why they finally decided to take out the land and start the farm. As she said: ‘It was indeed a coincidence that we have taken a chance with this.’

At the time when the lands could be reclaimed Tibi’s and Magdi’s parents recognized the obvious risks it implied. Therefore, they hesitated at first to encourage them: ‘To be very honest, I was very afraid for them!’ However, the potential that they would become independent farmers outweighed their fears: ‘We were looking forward to see that they are buying a tractor and everything!’ They also appreciated that without risks, one could not achieve autonomy, as Katafín’s husband said to them: ‘Tibi, if we do not try, we have nothing. Try it! We have also burned our fingers, come off losers. Something is going to happen with you too!’ Thus, despite a restrictive and traditional orientation, the older generation embraced the idea that their children had to take risks in order to embark on the path of family farming that they had been forced to abandon.

Finally, they decided to buy the shares from their siblings and nephews and reclaim the few hectares of land.

Starting with this small reclaimed plot that they first embarked on, and in accordance with local traditions, they engaged in labor-intensive vegetable growing, producing tomatoes, cucumbers, yellow capsicum peppers and beans. One investment gave way to another when they started with agriculture: ‘... when one had 10 hectares then one was thinking, what should I do with this? I need machines, and if you buy machines, then you need more land. And so we started to drop into it piece by piece.’ They started a gradual mechanization by investing in watering systems in 1993/1994 on 8.5 hectares. Meanwhile, a planting machine was rented. The reclaimed plot was complemented by 50 hectares purchased land the next year, of which one was a unit of 30 hectares.

From this time, the success of the farm was based on two aspects: mechanized cereal and labor-intensive vegetable growing. Cereal production was more capital demanding, and the cycle of returning investments was long and demanded large investments from fall to summer before the income from the harvest could be realized. Meanwhile, the labor demand was low and concentrated, and could be carried out by Tibi alone. In contrast, vegetable growing was labor-intensive, but it provided an income earlier in the growing season and one that was more gradual.

4.3. The entrepreneurial spirit and the rise of the family farm

Both Tibi and Magdi learned the basics of labor-intensive vegetable cultivation during their childhood, as their mothers were forced to have them out in the fields during the agricultural cultivation season since they lacked childcare. However, rather than learning the features of cultivation per se, more important was how this early experience transferred the virtues of the elderly generations’ stringent work morals. Magdi recalls how as a child, she had to
help her mother in the fields: ‘We children had to go and help mom in the fields, since poor she, she would have died from morning to the evening.’ The virtues of traditional farming played an important role in the formation of the farm. The labor-intensive production of the first phase assumed a self-sacrificing work ethic. The lifestyle of the Katona family followed the pattern of the older generation, which was characterized by long working hours, in which the demands of production were prioritized over personal needs, thereby capitalizing elements of the traditional peasant culture.

However, in contrast to their parents Tibi and Magdi developed a clear *entrepreneurial* disposition (Kovách 1988) towards their venture: they calculated profits, and aimed at, and succeeded in, generating economic capital by expansion and shifting profiles, rather than by continuing traditional paths of production. The enterprise soon became not only the source of complementary income, but also the seed of autonomous self-employment, the site of acquiring entrepreneurial experience and the accumulation of economic capital.

The small-industrial branch (knitting business) broke with the traditional features of household-based production focusing on household needs and was a hard-budget venture, where profit, rather than tradition defined the conditions of production. Although the emerging markets of the late socialist period were pushing producers to observe profitability, the very emergence of these markets could not be explained without considering what Szelényi (1988) referred to as the silent revolution driven by the producers’ desire for autonomy. Therefore, structural arguments alone do not sufficiently explain why these turns in dispositions emerge in the individual life stories of producers. Neither can we argue, based on the case of the Katonas that the socialization into traditional cultural dispositions (a desire for autonomy, a self-sacrificing work ethic) alone constituted sufficient assets for the emergence of entrepreneurial habitus. I argue that, beyond the above-mentioned forces, we have to consider even the importance of entrepreneurial experience and the accumulation of economic capital.

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Being a mobile crane operator Tibi was familiar with working on large engines, even if Magdi emphasized that they were self-taught: ‘We had to learn it from experience [through our own sweat]. [Tibi] had never even sat on a tractor before this.’ However, they did not consider that the lack of cultivation know-how hindered them in the venture. Tibi and Magdi were lucky to find a mentor in a distant relative who had previously worked as an agrarian engineer in the cooperative. The couple emphasized the “ease” with which they were continuously learning the practical skills of farming along the way. Therefore, the appropriation of formal skills not only transfers technical know-how and credentials, but also the ability to learn unknown technologies and marketing forms, and of being flexible and open to new information. This I interpret as a form of *disposition or habitus* (embodied cultural capital) that the couple gained through their participation in formal training (institutionalized cultural capital), which opened up new ways of experiencing the world.

### 4.4. Social capital in the formation of the farm

The initial labor-intensive profile of the farm emerged as a response to limited economic assets and the features of available immaterial capital assets. Beyond the cultural assets, a strong kinship and local networks (bonding social capital) formed the primary social capital assets of the farm. However, the farm needed even networks in order to sell its products and acquire the necessary inputs. Tibi and Magdi formed a tight work team from the outset for creating and stabilizing these networks.

#### 4.4.1. Labor resources (bonding social capital)

The farm had an excessive labor demand, as they minimized the use of chemicals in order to increase the length of the growing season. Vegetable cultivation required the mobilization, organization and supervision of a larger work team of as many as 10 persons in the high season. The work team of the farm was comprised of close and distant relatives and neighbors with whom the farm formed a network of mutual obligations and in addition, an external, occasional labor force of day laborers. The easiest part was to mobilize the grandparents:

> My father and father-in-law are pensioners … (Tibi phones the grandfathers), ‘Dad, we start in a half an hour!’ … and the grandfathers jump up and go. In other words, we are lucky that we have such a helpful family! (Magdi)

Both of the grandparents contributed in the form of both childcare and seasonal labor inputs on the farm, and even children worked on weekends, holidays and summers. During the high season, the broader kinship group helped, including siblings, godchildren, sisters-in-law and brothers-in-law, with the kinship group being seen as crucial for the farm and valued for their engagement and reliability. Kinship obligations were ‘converted’ into savings of expenditures, thus indirectly contributing to the accumulation of economic capital.

Smaller favors were immediately rewarded in kind in the form of produce from the farm. However, if they needed help for a longer period of time, they could not accept it as just kindness, ‘One could not accept their work always only as a favour. Nobody comes and says: “I want this and this much!” But I know anyhow how much I owe them.’
In peak season, kin help had to be supplemented. One source of labor was based on informal exchange relations between the farm and workers originating from the village, who were commonly married women working in the hoeing and pea-picking team. These women often had a little plot, yet lacked the necessary equipment to cultivate it. Hence, the farm provided the necessary machine labor on the plots of the day laborers. In exchange, the farm did not have to pay for the day laborer’s work, which resulted in both partners decreasing their cash expenses and costs of production.

4.4.2. Bridging capital, the missing link?

The most important concern for the economic sustainability of the production was to find markets for the products. Since Tibi and Magdi had no experience with commercial farming before starting their farm family enterprise, they had no marketing channels to start with. As with others among those interviewed who were in a similar situation, they started to market the produced vegetables on the wholesale market, an institution with roots in the state socialist period. In principle, the participation in this market demanded the rental of a booth in the marketplace. One had to drive the products to the market early in the morning, which could mean between 2 and 3 am, and salesmen walked along making deals with the producers, buying up goods that could be delivered to the city markets by the time they opened.

The harmonization of sales and work on the farm was a demanding puzzle, especially when the harvest season started. Two family members had to go to the wholesale market with the loaded produce in the middle of the night, while someone had to stay home and start with the work team in the fields in the early morning. Sales were managed by Tibi, Magdi, their children and their daughter-in-law. Meanwhile, someone had to supervise the work team, which demanded the collaboration and solidarity of the entire family. This would not have been possible without extensive working periods, which often meant sleepless nights, so they had to take turns sleeping during certain periods.

In 2002, Magdi and Tibi still appeared to be quite satisfied with how things were working, despite the obvious risks and uncertainties of the outcome of the visits. Spontaneous contacts could lead to more stable arrangements, given the salesmen’s satisfaction with the products:

It often happens in the pea season that we take up the product, and the salesmen finds it be of good quality, that it is sweet and soft; he would then say to us: ‘Tomorrow you should not come to the market, instead you can transport it directly to a given address.’ (Magdi)

Personal contacts could lead to the emergence of particularized trust relations. Although these relations were crucial for the success of the enterprise, they proved to be fragile and contingent on the inbuilt inequalities of the relation.

The economic context of farming changed radically with the emergence of the state subsidy system, which became a crucial factor in determining farm success. Success in achieving subsidies assumed being updated in current subsidies and acquiring skills in the application process. Access to and embeddedness into knowledgeable and influential networks constituted a clear advantage in the competition for funding. During the coming years they were successful in applying for governmental mechanization support both for the labor intensive branch (watering system) and the mechanized branch (tractor, saw machine and combine harvester). In 2000 they expanded the cereal production with 40 hectares of rented land. The capacity of the machinery allowed them to sell harvesting capacity to others. Lasting and trusted networks were also crucial for marketing the cereal products. Both sunflowers and wheat were produced and sold through integrators, which contributed with partial prefinancing of the production costs.

4.5. Shift to capital-intensive cultivation

Following this union they closed down the labor-intensive vegetable growing and maintained only a highly mechanized cultivation of cereals.

They decided to abandon labor-intensive vegetable growing, despite the fact that they invested in a new watering system suited to this branch. Tibi and Magdi decided to close down the vegetable branch for several reasons: the lack of cooperation partners to secure their market position and/or their own capital assets to build storage facilities, the difficulties in finding a reliable labor source, the difficulties in coordinating the supervision of labor and the management of sales culminating at the same time, and finally due to bad price development causing low economic feasibility. The 2007 interview indicated that selling on the wholesale market met many more hindrances:

We cultivated peas. The produce was in abundance. We transported it to the wholesale market. There the salesman of course bought it at a reduced price when the market was full with peas. We were happy if we got back what we had invested. (Magdi)

According to Tibi, one other reason was also that the salesmen could realize lower purchase prices when the producers came with smaller quantities, ‘It is not the same if you come with 1,000 wagons or with 50.’ Tibi clearly pinpoints as a major problem that the producers have no functioning interest organization and lack economic associations, such as cooperation in the style of the Danish co-operative movement, ‘Here, we all play the role of the partisan. Everybody does it on his/her own.’
Sándor, Tibi’s and Magdi’s son joined the farm with an additional 150 hectares rented land increasing the overall amount of cultivated land to 210 hectares. Sándor’s engagement with the farm coincided with Hungary’s joining with the European Union (EU) in 2004, which provided brighter future horizons for the improvement of the economic conditions of farming. They progressed in parity with the expanding economic opportunities.

There were several important push factors in deciding the capital-intensive cereal branch. Among the external ones, the most important was that after joining the EU in 2004, farms could count on a per hectare support. Even if Tibi called it a meagre ‘charity’ payment compared to the level of subsidies paid to the original EU countries, he nonetheless experienced it as a real contribution: ‘Since this support system was introduced, from that time it was an enormous help.’ This income was also seen favorably, because they could count on the sum, while income from vegetable products depended on the variation of prices on the wholesale market. Due to an earlier investment in a barn, seeds could be stored, which could allow the family to wait for favourable wheat prices. In the meantime, they continued with prefinance and contracted sunflower growing.

However, this development was also in parity with the development of the farm and reflected the improvement in economic assets and cultural capital, as well as social capital. By this time, the farm had established a viable market and political contacts (bridging social capital), providing the preconditions for the turn. Becoming a successful family farmer even contributed to an increase in the family’s cultural capital as ‘good farmers’ (similar to the cases analyzed by Sutherland (2011)). As an expression of this increased respectability, Tibi was elected to the municipal council as an independent deputy. This honourable post in the local community led to wider contacts and a substantial increase in bridging social capital.

The highly mechanized cereal production could be carried out by the father and the son without hiring workers, while Magdi decided to give up working on the farm and instead received employment at the local day-care centre. This change reflected a shift in lifestyle. The restraining lifestyle, and stringent work ethic, combined with a high reliance on bonding networks have played out their role. The continuation with the self-destructive pressure was no longer necessary for the continued and extended reproduction of the farm. The resources could be supplied through economic channels.

The decision came also at the time when Sándor, Tibi’s son, was about to complete his studies in agrarian engineering. Tibi and Sándor could divide (50–50%) the expenses for investing in the improvement of the machine park. Tibi’s and Magdi’s 60 hectare land was complemented with Sándor’s 150 hectares of rented land. Sándor could rent this land from an investor who bought up 300 hectares land in the village at the time of compensations. The result was a unit of three big pieces, which is favorable for large-scale cereal production. Sándor cultivates his land alone, for which he has the agrarian training. Their machine park can cultivate an additional 100 hectares, therefore they are also ploughing for others. The long-term perspective of increasing EU subsidies opens Tibi’s optimism towards investments in the machine park: ‘we have to improve’ and increase the capacity. The immaterial assets of father and son could complement each other. While Tibi had long-term social contacts with key economic actors (bridging capital) that were built on trust accumulated over a long period of time, Sándor contributed up-to-date knowledge (institutionalized cultural capital) of recent technologies and economic systems.

5. Conclusion: conversion between immaterial capital and economic capital

Bourdieu’s theory of capital transubstantiation proved to be a viable tool in exploring the dynamics of the emergence of family farm enterprises from a small peasant background. Similar to Sutherland and Burton’s study (2011), it shed light on the dynamics between the accumulation of cultural, social and economic capital. While the Katona’s material and immaterial assets improved along the way, these also changed in type and volume. The categories of bonding and bridging social capital, particularized vs. generalized trust inspired by Svendsen’s critical reading of Putnam, as well as the introduction of the dimensions of peasant (traditional) vs. farmer (entrepreneurial) habitus could possibly refine the analyses of change. The utilization of the life story method enhanced the possibilities of analyzing the dynamic processes of capital accumulation over time, which led to a distinction between the initial phase of capital accumulation and the capital-intensive phase.

Previous studies utilizing Bourdieu’s general science of economic practice emphasized the importance of social capital as a member in influential groups (Swain 2003) or social positions providing a contact network rich in know-how and controlling resources. Meanwhile, some argued that entrepreneurial success was preconditioned by the possession of a ‘modern’, entrepreneurial type of cultural capital, while the ‘ancient’ traditional habitus hindered this success (Thelen 2005). My study has partially confirmed the importance of these. The Katona’s schooling in non-agricultural skills contributed to their detachment of the traditional village culture. Skills are seen as the institutionalized state of cultural capital, which can be converted into economic capital through their conversion into qualified jobs. Even so, skills also contribute to changes in the embodied state of cultural capital, the habitus, by contributing to new dispositions and ways of seeing the world. The Katona’s parents followed a common small farmer strategy when they ‘pushed’ their children out of agriculture through
promoting their education. The importance of non-agricultural skills in the formation of this new agrarian entrepreneur stratum was also highlighted by Harcsa (1995). My study can elucidate the mechanisms through which skills could be converted to economic capital. Education did indeed provide an entrance ticket to upward mobility for the Katonas through its conversion to cultural capital beyond that of the traditional peasant cultural heritage. The know-how acquired through training was not specific to agricultural production. Instead, agricultural know-how was acquired through mentors. It was the mentality of taking on new knowledge and challenges that was the central feature of this ‘modern’ cultural capital. The results indirectly indicate that lacking membership in influential groups, particularly in the initial phase of the enterprise, resulted in disadvantages. In contrast to those former managers rich in social capital, which stand in the focus of Thelen’s (2005) case study, the Katonas came late into the process of land acquisition. The couple lacked even social contacts with marketing networks, a condition that farmers in a similar situation compensated for by mentors or acquaintances who themselves had such contacts (Swain 2003). While my study underlines the importance of these contacts, which I identified following Svendsen (2006) and Putnam (2000) as contacts rich in bridging social capital, the Katonas managed to create new sales networks through establishing new relations of this type based on the foundation of particularized trust, which evolved through their personal contacts with merchants. The negative sides of such contacts were shown in their contingency on market conditions and in face-to-face relations, rather than on generalized trust and/or larger, long-term associations such as those provided by producers’ co-operatives (Svendsen 2004).

However, my results distinctively diverge from the results of Swain and Thelen, most characteristically in the importance of traditional/peasant type cultural and social capital for the accumulation of capital in the initial phase of the enterprise. Traditional habitus characterizing the small and poor peasantry (such as the self-sacrificing work ethic, the desire of autonomy and the desire to break out), as indicated in the work of Márkus (1991), Juhász (2006), proved to be important resources providing energy for the couple beyond the modern type of cultural capital emphasized by Thelen (2001). The kinship and neighborhood-based networks proved to be not simply ‘shackles’ to leave behind, but functioned as key resources without which the farm could not have accumulated the necessary economic and cultural capital in the initial phase. Thus, my interpretation is that the combination of traditional, entrepreneurial and skill-based cultural capital, as well as the combination of village neighborhood-, kinship-based bonding and entrepreneurial bridging capital assets, were essential resources in the expansion of the family farm enterprise on the way towards the extended accumulation of economic capital necessary for its reproduction within the capitalist market.

Nonetheless, these ancient bonding networks had some negative aspects. Because they were based on a particularized trust and solidarity, the terms of exchange continued to be treated informally and challenged trust relations since networks often manifest a hierarchical dimension. Those providing labor are more dependent on receiving the scarcer resources of machine service than the other way around. The lack of generalized trust in society works exclusively against groups perceived as non-trustworthy, thereby making it difficult to employ “outsiders”. Hence, the ability to utilize bonding networks for economic accumulation was volatile and contingent on just this exclusivity of trust.

However, this farm also exemplifies the tendencies that were identified as depeasantization (Csíte et al. 2002) and alternatively as post-peasantization (Márkus 1991). The traditional immaterial capital assets (particularly those vested in traditional bonding networks in kin- and neighborhood-based groups) lost their ability to accumulate capital once the farms’ economic and cultural capital allowed for mechanization. This shift was inseparable from the detachment of the farm from the local community, a kind of disembodiment. The new production relations no longer presuppose the tight bonding capital of kin relations or families with lesser assets.

It is also important to emphasize that while the accumulation of social and economic capital by the Katona family has emerged in the context of the traditional village social network, those in the latter category have not been equally successful. Consequently, as one of the negative sides of social capital that is apparent in Bourdieu’s theories14 (1986), the emergence of the family as part of the local elite increased inequalities. As a result, grandparents, like their kin, continue to live in humble conditions.

The shift also transformed the basic gender contract of the family from having been a team in production, concerning all spheres of action (see in more detail Asztalos Morell 2005), to being a ‘masculinized’ farm where Magdi and her daughter-in-law (both working as teachers) are viewed as hobby workers since their incomes appear so low compared to that of their husbands, which stems from the manipulation of large capital assets bound in the production.

On a more general theoretical level, the study also revealed some aspects of Bourdieu’s concept of social capital, which could be re-addressed in light of Svendsen’s (2006) critical contributions differentiating bridging and bonding capital following Putnam. Even if not composed of influential members, bonding capital of the traditional kinship type was shown as being a valuable asset for the ascending groups, with even ‘ancient’ traditional habitual resources contributing beyond the more ‘modern’
entrepreneurial ones to the rise of family farm entrepreneurs originating from the small peasant path. In accordance with the approach applied by Sutherland et al. (2011), the case indicated advantages with the deployment of a more generalist interpretation of the generative processes of capital. Both of these directions point to the need for further conceptual developments within Bourdieu economics in order to improve our understanding of post-socialist agrarian transitions.

Notes
1. The research constituted part of project within a larger project studying the transfer of farms between generations in Sweden, Estonia and Hungary, and was financed by the Swedish Scientific Research Board (Vetenskapsrådet).
2. For a discussion of the origins of post-socialist elites see Szelényi, Sz et al. (1995).
3. The small peasantry could be counted as those cultivating between ca. 1.5 and 5 hectares of land (Höfer et al. 1969; Závada 2006). Those with more than ca. 3–4 hectares were considered to be able to keep their own team (‘igásparasztok’), while those who had less land had to rely on others’ help, as well as being forced to work as day laborers on other farms. The agrarian stratification prior to World War II was characterized by the dominance of large estates, a large agrarian proletariat, a thin layer of well-to-do peasantry and a large small to middle peasantry.
4. In this form of ownership the piece of land of the individual owners is not allotted. The individual owner’s ability to dispose over and utilize his/her land depends on the agreement of other part owners. This system allowed, that despite of small units of land acquired following the dissolution of co-operative landownership limited companies could find available solid blocks of land required for rational large-scale industrial agricultural production.
5. For a detailed analysis of the property reforms, see Kovács (1994, 2006).
6. Szelényi’s theory also provoked debate (Csíte 1997). A key aspect of the critique argued for a more nuanced perception of household-based production types (Kovács 1988), for an elaboration of the restraining conditions of these unit’s embeddedness into dominant forms of production (Asztalos Morell 1999) and for the need to consider a broader scope of immaterial capital forms (Thelen 2005). Recent transformation theories often revert to Bourdieu’s (1986) ‘general science of economic practices’ (Asztalos Morell 2009; Swain 2003; Thelen 2001).
7. For comprehensive critical reflections on social capital theories, see Woolcock and Narayan (2000), Swain (2003) and Anderson and Bell (2007).
8. See Portes (1988) critique on the ‘dark sides’ of social capital. See even a distinction between contingent and generalized trust.
9. Farms can be grouped according to these different roots: (a) five farms with family roots in farms of well-to-do farmer ancestors (father to son and returnees); (b) eight with farms of middle to small peasant and artisan ancestors (engineer to farmer, self-made man); (c) three with family farms with landless ancestors (father to daughter and from manager to farmer); and (d) 11 farms, where the farmer has been an agrarian engineer prior to decollectivization with diverse social origins (Asztalos Morell 2009).
10. See Asztalos Morell (2012) for a more detailed analysis of the collectivization experience.
11. See Komai’s (1985) differentiation between soft-budget (socialist) and hard-budget (capitalist) economies.
12. See Friedmann (1980) on the relation between the dominant capitalist mode of production and family farms as specific forms of production and Asztalos Morell (1999) and Small (2007) on critical reflections on this for the state socialist and post-socialist conditions.
13. See accessing know-how through contacts in Swain (2003).
14. The importance of which is emphasized by critiques of Putnam (see Flora and Flora 1993; Portes 1998).

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