AN INTEGRATED APPROACH TO RURAL DEVELOPMENT
Profiles and Values of Agricultural Entrepreneurs

Ph.D. thesis

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Contents

I. Previous Research and Topic Choice.................................................................3
II. Purpose and Methods of the Empirical Research..............................................10
III. Findings of the Thesis...................................................................................20
IV. Main References.............................................................................................25
V. Relevant Publications Authored or Co Authored by Szilvia Luda .................27
I. PREVIOUS RESEARCH AND TOPIC CHOICE

The concepts of agriculture and countryside have always been interrelated, and today this tie is becoming closer than ever because of the goals of sustainable development. Having examined the development of the Hungarian countryside during the last twenty years, one may conclude that along with the closing down of collective farms, many villages also suffered the loss of their “economic intellectuals”. Some of the leaders of the sometime collective farms became private entrepreneurs, yet many left their villages and in some cases, the agricultural profession, as well. Some of the land returned during post-socialist compensation proceedings ended up in the hands of agriculturally inexperienced individuals.

Agricultural land ownership and the desirable scale of operation have been the subjects of a plethora of studies. The changes of the last two decades have been subjected to critical scrutiny, and researchers are rather divided in their opinions. Both my personal professional interest and my experience (derived from becoming part of a new type of agricultural enterprise two years ago) seem to underpin the view that the success of an enterprise primarily depends on the values, the personal commitment and the managerial skills of its manager. Mainstream research, however, has a tendency not to take the human factor into consideration. The unpredictability of economic policies, uncertainties about EU subsidies, the optimal scale of operation and industry-specific characteristics all constitute a far more exciting and reasonable research topic for the majority. This view is also supported by the assertion of Bakucs and Fertő (January 2008, p. 26) that “Research into the growth of agricultural farms may be important not only for agricultural economists but for decision makers, too, as the sector’s decreasing contribution to GDP, the growing pressure for concentration, and the need to increase turnover all act to force small-scale individual farmers to increase their scales of production, maybe to supplement their income from outside the agricultural sector or, in an extreme scenario, to give up their activities altogether.”

Around the time when I had to decide on my research topic, environmental economists were primarily concerned with the opportunities for renewable energy production. Building upon my previous experience, I also planned to look into biomass energy production. In two years’ time, however, over-enthusiastic expectations about this type of biomass use had subsided, and the conflictual opinions about its use made it obvious that biomass waste is the only type of biomass that should be allowed to be used for energy production (my thesis features a short case on a rapeseed processing plant in order to better illustrate this situation). I was bound to admit that the topic I had chosen had become more or less obsolete.
During my PhD years, my interest shifted from biomass as a renewable energy source towards approaches to integrated rural development. I set the goal of exploring the reasons why some regions enjoyed successes, while others remained unsuccessful. The pressure to finally choose a topic further strengthened my personal interest in the importance of the human factor in rural development, thus I decided it would be worth examining what types of entrepreneurs there are in today’s Hungarian villages and whether there exists a type of local agricultural entrepreneur who is capable of – beyond taking care of their own interests – organizing their wider community.

Research has shown that self-realization (that is; the creation of value as related to one’s own quality of life) is not an economic notion to the extent it is generally believed to be. “Survey results generally seem to confirm that beyond the poverty threshold, additional material goods do not perceptibly improve the chances of happiness” (Csíkszentmihályi 2009, p. 35) In contrast to material wealth, however, the feeling of being a useful and valuable member of a community can indeed compensate the individual. This is more important than the level of income they can achieve. If people believe what their environment suggests – namely that if they are not rich enough then they must be unhappy – this is enough on its own to disrupt a community, a village or the entire countryside. If, however, there is something that creates cohesion, that mobilizes and activates people, if they believe that they can indeed change their lives, that can actually contribute to their feeling better. They strive to create value, yet not only material value, but also to disseminate the values which originate from their positions and roles in the community. This represents a dimension of economic and rural development that is at least as important as economic value creation or the improvement opportunities thereof. This is the very recognition reflected in the draft of the new National Sustainable Development Strategy, which – quite surprisingly, given the political nature of the document – formulates the sense of a “meaningful life” as follows: “Key factors to success are endurance, resourcefulness, innovation skills and empathy towards those to whom our economic activities are addressed – and not tax evasion, corruption or free-riding. Savings, adding to one’s wealth are more important than consumption; enjoying what you already have is more important than acquiring something new.” (NFFS, 2011)

The same ideas are reflected in the principle aptly summarized by Péter Halmai, which, though accepted by many, does not really prevail in practice: “In EU countries, agricultural activities are not aimed solely at growing produce, but at preserving rural communities and the image of the countryside, and at producing environmental goods. This role was previously
called the ‘dual function’ of agriculture, while during the last decade, this central factor of the so-called European agricultural model has been referred to as ‘multifunctional agriculture’.” (Halmai, 2001).

The main priorities of the EU for the planning and budget period 2007-2013 include improving the quality of life in rural areas and encouraging the diversification of the rural economy. Research by Bálint Csatári highlights the problem of the Hungarian countryside – which is that it did not methodically go through the “development stages” (1. common agricultural policy, heavily subsidized towards the interests of rural areas; 2. conscious development of rural agriculture, improving accessibility; 3. the revaluation of the natural-ecological-scenic values of the countryside; 4. sustainable rural development, rehabilitation of communities, improving rural-urban relationships) that could have led to the new European rural development visions being realized in their full scope and extent (Csatári, 2006).

Studies on sustainable development devote special attention to rural lifestyles and the development of the countryside. International literature includes a large number of case studies that report on rural development experiences which, either intentionally or as a favorable side-effect, also foster the realization of sustainable development objectives.

A number of studies (Midgley, Ward & Atterton 2005, p. 3) have suggested that so-called city regions, and rural areas altogether might be developed in two ways. Rural areas within a given region might be developed through separate programs and initiatives aimed at reducing the differences between urban and rural areas. If we strengthen the separation of rural areas and fail to develop urban-rural relationships through well-focused programs, then the development of these rural areas will have no link to the cities and thus might even lead to an increased degree of separation. Obviously, the other alternative is to regard rural areas as being the subject of an integrated and far more comprehensive and holistic form of regional development, which focuses on the bonds between rural and urban areas. In that case, one has to find those development opportunities which maximize common benefits for both (rural and urban) areas. The city and the countryside need to be treated as a whole, in an integrated, holistic way.

Naturally enough, the various ideas are in competition with each other in Hungary, as well. Environmentalists love to talk about the importance of the population-retaining ability of the countryside and of the preservation of rural lifestyles. Consequently, many would prefer that each service (school, nursery school, post office, hairdresser etc.) remain available in all
townships. Others, on the contrary, suggest that a country child may only have a fair chance if they attend a school good enough to make them competitive on the education market and, later on, in the labor market. Accordingly, rural development should focus on smaller units, so-called districts ("járás" in Hungarian), characterized by similarities in terms of size or functions, where both the countryside and the city have their own specific roles ("niches"). The main point is not trying to establish everything everywhere, as that would most probably be a resource intensive approach. The rethinking of rural development is inevitable, as if all projects focus on cities because of economies of scale, that will lead to villages being abandoned and slowly dying away.

One of the mistakes present in the majority of Hungarian ecological experiments was that all of them preferred the first model ("Separable Rural Periphery") and did not want the countryside to change. They wanted it to remain as it used to be long ago. People should, as far as possible, live, work, earn a living, become self-sufficient and self-supporting in the very same place where they were born. Such initiatives, however, only represent an alternative to those fed up with today’s busy lifestyles (city people, that is), while they are totally unacceptable to the youth living in the countryside, who would very much like to have a taste of what is meant by teeming city life.

**Hungarian Examples of Successful Guiding Visions**

Meinolf Dierkes et al. coined the concept “leitbild”, meaning “guiding image”, in the beginning of the ’90s. “Leitbild” means the coordination of the participants of technical progress; it describes the coordinative and behavioral role of the key actor. They expected the “leitbild” to build a bridge between experts of highly differing professional cultures (Mambrey and Tepper, 2000; in Späth and Rohracher, 2010, p. 450).

Guiding visions, as regional development principles, are employed in a number of European countries and have already facilitated impressive achievements in developing certain undeveloped or less developed regions. A number of similar attempts were made in Hungary, as well, during the first Széchenyi Plan. In certain towns, thermal water spas were established, while others, more recently, opted for the background industries of biodiesel production: oilseed rape production and oil milling. Somewhere deep, one might recognize the presence of a guiding vision beyond these undertakings, yet only a couple of them which have become really successful. The Villány wine region might be cited as a positive example. Here they managed to back the product and the technology with strong social cooperation, thus making
implicit use of the wisdom of social sciences. When individual investors are not left to their own, but realize that (even from a strictly economic point of view) they might even be considered competitors, the success of their own undertakings are still dependent on whether they are willing to strengthen each other’s businesses.

Cooperation has also been encouraged by Nobilis Zrt. in Mátészalka. In fact, it has become a key factor to their success. Throughout the last twenty years, the company has had a great relationship with the approximately five hundred apple and sour cherry producers living within 50 km of the company headquarters. Both parties benefit from cooperation: producers consistently get a higher price than anywhere else on the fresh fruit market, while the company can procure high-quality raw materials and thus produce premium products. “Only what is perfect to the finest detail can be perfect in its entirety – this is what has kept us in business for so long” as Tibor Novák, the charismatic leader of Nobilis put it.

In the United Kingdom, social enterprises have a very special role in everyday practice (Zografos, 2007). These social enterprises are basically different from the type of employment we are trying to promote in the rural areas of Hungary. They do not represent a form of public service – they are companies which are profitable, earn an income and pay taxes on their income. Instead of the highest possible shareholder dividend, their primary goal is of a rather public nature: revitalizing the countryside.

A low number of new enterprises, low incomes, an aging population and a vulnerable natural environment are all characteristic of Hungary as well. And there is one more condition which puts a heavy burden on this country: a significant part of the population has been forced out of the labor market. Sometimes there is a lack of work even for those who could otherwise be employed. In Hungary, a number of rural settlements have resorted to public service programs in an effort to bring back to the labor market those living on the peripheries of society and economy (also for the purposes of increasing employment).

Social employment and social enterprise are two different matters, yet a move from the former towards the latter (that is, the birth of enterprises serving local goals and interests which are governed by business principles) might represent a potential development path for Hungary. Even though the subsidies once labeled ’social allowance’ are now distributed as wages (the wages of those in social employment), the assumption that these enterprises earn their own incomes does not necessarily hold – as for the most part, what they do is public
services (e.g. cleaning and building canals and ditches, draining inland water inundations etc.). Enterprises of this type are organized by the state or the local municipalities.

In Scotland, such projects most frequently aim at making some use of abandoned military bases or other infrastructural objects in one way or another.

According to the so-called reformist view, social enterprises simply constitute an extension of a pre-existing system, the main point of which is that the government withdraws from certain areas where it would like civil initiatives to take over its previous role. They want to privatize public tasks. The government simply expands their system of institutions, withdraws from some of its traditional areas of public tasks (like looking after the green spaces in a village, planting public forests, school maintenance etc.). However, there is a far more radical interpretation to social enterprise, too, which reckons institutions as being an alternative and more desirable vision of operating the economy and taking care of local matters. It suggests that the economy should be operated according to an entirely different logic – one serving the welfare of the community. New foundations need to be created for the entire economy. The new principles are centered around cooperation. Cooperative economic relationships ensure both the operation of local institutions and the fulfillment of sustainable development goals. Social enterprises are the means by which this can be achieved.

To make a distinction between industrialized agriculture and local production based agriculture, US literature originally denoted the latter using the term ‘New Agriculture’. Almost simultaneously, however, they also started to use the very same term for GMO-based agriculture. Therefore Thomas A. Lyson introduced a new concept: “Civic Agriculture”. Civil, socially-based agriculture and food production offers an alternative solution to the need for change (Lyson, 2004). Modern agricultural activities are very closely related to the social and economic development of communities. The theory and the approach of Community Supported Agriculture (CSA) are based on cooperation, for it is a framework where – in contrast to traditional economic ideas – the buyer and the seller are not ‘adversaries’ (Milánkovics & Matthew 2002). CSA is an alternative to competition-oriented agriculture (Zsolnai & Podmaniczky 2010).

In Hungary, the practical application of this model is still in its early stages. It was the associates of Nyitott Kert Alapítvány (“Open Garden Foundation”), with support from the Institute of Environmental Management at Szent István University, who took the first steps in Hungary in 1998. By 2002, the group already consisted of 150 families. In their garden
measuring 1.5 ha, they primarily produce vegetables and some fruit for the members of the community using a biodynamic farming approach. Their produce is delivered to consumers in crates, on a weekly basis (Milánkovics & Matthew 2002). Their goal is to establish a display garden and to develop a local organic food production and consumption system.

In February 2012, the Research Institute for Organic Agriculture, Tudatos Vásárlók Egyesülete (“Association of Conscious Customers”) and the Environmental Social Science Research Group (ESSRG) at Szent István University organized a one-day event in order to gather all parties who operate CSAs (or similar systems) in Hungary today. The following groups and organizations were found to “nurse” such community initiatives: the owners of Háromkaptár BioKert (“Three Hives BioGarden” - Tahítótfalu), Évkerék Ökotanya (“Wheel of the Year Eco-Ranch” - Kistelek), Biokert (“Biogarden” - Szigetmonostor) and Gó dór Bio Kertészet (“Gó dor Bio Nursery” - Galgahévíz), the participants of “Kecskeméti Kosárkör” (“Basket Club Kecskemét”) and the members of Magyar Ökotársulás Kulturális Nonprofit Kft. (“Hungarian Eco-Partnership Cultural Nonprofit LLC”, hereinafter “Ökotársulás” - Herencsény); this last one is discussed in detail as part of the empirical study.
II. PURPOSE AND METHODS OF THE EMPIRICAL RESEARCH

Given my personal attachment (I was born in Jászfényszaru, and I have been a member of Ökotársulás for a while) and limited budgets, it seemed an obvious choice to conduct the survey in these two regions (Jászfényszaru and Herencsény). The purpose of my work was to facilitate the identification of the opportunities and problems that follow from the life experience and the sets of values of rural entrepreneurs; which aid them in (or possibly keep them from) becoming successful – or “just” satisfied – rural entrepreneurs. Ökotársulás represented an opportunity to find such entrepreneurs. One of its members, who repatriated from the West and has invested serious effort and a remarkable sum of money into the revitalization of country life, told me during an in-depth interview that they were unable to bring down the barrier that villagers tend to raise around “those vagrants” (newcomers, basically). By all means, the leaders of Ökotársulás may build upon the achievements of this nostalgia-driven repatriate entrepreneur.

These bottom-up, small-group initiatives in Hungary were, for the most part, set in motion without the majority of the members ever having heard anything about the proud history of community farming in the US or in Switzerland. The program in Herencsény might also be considered an Alternative Agri-Food Network (AAFN), for it is an example of a new type of solidarity-driven relational dynamics between producers and consumers that represents an alternative to the impersonality of globalized supply chains (Balázs, 2011). Moreover, the birth of Ökotársulás may be regarded as a special event in community organization, knowing that the land is owned by the community and that production is managed by the members of the community as well.

Ökotársulás, however, does not completely coincide with what you would expect theoretically – as its owners do not live in Herencsény. The idea of making a profit is, in contrast to CSA farms, absent (at least in the form of shares, that is). In return for their investment and support, members living in the capital of Budapest receive a weekly supply of biodynamically grown crops from the community; additionally, their “virtual account” is also credited with additional benefits like the feeling of being part of a community or boosting employment in the countryside. It would be interesting, of course, to create similar, but locally owned enterprises. Naturally enough, a couple of other examples do exist in Hungary, yet for now it is more typical for initiators of Community Supported Enterprises not to come from the local communities.
Research Hypothesis

Pondering the problems of the Hungarian countryside, someone who has their own roots there might very well think that they themselves should be the ones to outline a viable development path (like the one appearing in the ideas of László Németh and other rustic writers of the time). Literature provides us with some models, some starting points and answers that were sought out for these very issues.

As learned from international literature, even countries far more ‘developed’ than Hungary – like the United Kingdom or Austria – face the exact same problems in their efforts to preserve rural areas; namely the abandonment, aging and economic downfall of certain regions, while others have become proud heroes of glorious success stories. Usually, there is one thing in common in these successes: the region managed to develop a leading vision that could mobilize the members of its communities to act together. The entrepreneurs in these successful regions try to cooperate instead of competing and try to foster the integration of enterprises whose activities could then strengthen and build upon each other. Cooperation results in a kind of vertical integration, with each enterprise having its own well-defined position and role.

Those urban intellectuals and middle-class individuals who, out of nostalgia, move back to the countryside or visit it from time to time, have a certain image of the countryside and the way people live there. These external ideas try to offer, or sometimes even impose on the rural society an idea of rural life that is anything but attractive for rural younger generations. Yet it is exactly the youth without whom rural policies cannot succeed.

According to literature, social support for the efforts and the existence of a clear “guiding vision” have a crucial role in the success of rural development strategies. The guiding visions of our examples from the West were also formulated by professionals (leaders) who, as a consequence of their values, not only wanted to succeed in running their own enterprises, but also strived to cooperate with those living in their environs. Concerning the development of a region or village, it is important to determine whether there exists a leading personality, an example-setting entrepreneur or entrepreneurial group that can act as a fundamental driving force or an initiator in reforming the rural way of life; one that could help preserve positive rural values while nurturing economically successful enterprises. Experience has shown that success can only be built upon partnership and mutual cooperation. Partnership and cooperation, as a guiding vision, is one of the bases for any kind of development. If the
inhabitants of the region partner manage to act according to their common interests, then a “vision” might be able to guide the region onto a development path towards revitalization.

**Hypothesis 1**

The success of rural development does not primarily depend on external infrastructure development and other project-like support but rather on the presence or absence of charismatic local leaders who can make the village community align around a so-called “guiding vision”.

A review of international literature has revealed that there are indeed successful regions in the world that have managed to bring life to the countryside under 21st century conditions, to reverse the unfavorable tendencies that would otherwise lead to the aging and abandonment of villages and the dying away of the rural way of life. It has also emerged that there is something common to all these Western success stories. Typically, there were some charismatic leaders who managed to organize the community and drive them forward. The positive examples found in literature underline that it was the regions where the community had aligned with the guiding vision which became truly successful or at least turned out to be more viable. The key personalities of the local community were – beyond businessmen, experts and officials – an inevitable element of success in each case; they were the ones who not only strived to improve their own situations but rather considered the prosperity of the entire community a necessary condition for their own individual prosperity.

**Hypothesis 2**

Rural settlements in the vicinity of large, heavily industrialized cities are characterized by relatively low levels of agricultural activity and attachment. The majority of inhabitants lead a life similar to that of urban citizens. The values of entrepreneurs from such settlements significantly differ from traditional rural values. This is an advantage from an entrepreneurial point of view, yet makes it harder for them to become natural leaders of their communities.

The majority pursue activities of an industrial nature. They tend not to be attached to the land, to the rural past; they have a rather rational frame of mind, and a commitment to a traditional rural way of life is only a part of their system of values as a part of and because of a feeling of nostalgia.
Hypothesis 3

In the settlements of non-industrialized areas where people still heavily rely on agriculture to make a living, entrepreneurs are more attached to traditional rural lifestyles. This rural lifestyle remains attractive and acceptable to their eyes even if they have to sacrifice, in a sense, certain things that have become self-evident for city people.

We basically assume that their reactions to statements asking whether it is worth working or whether their daily work makes them happy will be more positive than those of the ones working in an industrialized environment.

Hypothesis 4

Some of our fellow citizens have opted for the rural way of life voluntarily, by leaving the city and in fact giving up the kind of existence that follows from a city life. They have become weary of their lives in the city, yet agriculture will never be able to actually permeate their way of living and become an inherent part of their self.

They are the newcomers. They are characterized by a very ambivalent system of values, and instead of trying to internalize the traditional values of the village, they usually try to change it.

Hypothesis 5

Nowadays, many are turning away from city life and moving to a village or looking for some sort of rural attachment. The reason is that their positive childhood memories of the countryside have resurfaced as a result of their dissatisfaction with their present busy lives.

The decision to conduct research in more than just one region of the country was a means of testing hypotheses. One of the regions was Jászfényszaru and its surroundings. Life in this area is determined by the presence of two multinational corporate giants, Electrolux and Samsung. Being the two largest employers of the region, they have changed the lives of the surrounding settlements, along with the values and the ways of thinking of their inhabitants. The majority of residents here do not pursue any kind of agricultural activity anymore; they have even give up on home gardening for the most part.
Research Methodology

Any research project is bound to be constrained by time and budget limits. Even though it proved out to be useful that I administered the survey myself, this imposed certain limitations on the research methodology.

The resulting selection of sampling areas was intended to allow for the inter-regional differences in history, culture and economic development to be also reflected in the results, along with the differences between the individuals themselves. Accordingly, the two regions surveyed substantially differ in nature and in their traditions as well. One of them was my hometown, Jászfényszaru, where people still maintain Jazygian traditions (“jász” in Hungarian), which is why their attachment to the village and to the area also represents an attachment to a sort of minority. This attachment does, most probably, have an influence on how well the inhabitants feel and why their way of thinking differs from those of others, who, for example, live in an area where none of the ethnicities are present in large numbers. Jászfényszaru is, however, not a typical agricultural settlement. Industrial corporations have located in the immediate vicinity, and part of the labor force is employed in nearby cities or in the capital, and thus Jászfényszaru has become an expressly open town.

The other region was Herencsény and its surroundings. Historically, Herencsény was a Palóc settlement. Economic opportunities are far less abundant than in Jászfényszaru. In Herencsény, the survey was completed using two sample groups. One of them included agricultural entrepreneurs from the region, while the other constituted of the members of Ökotársulás (“Eco-Partnership”), based in Herencsény. The first sample was far more difficult to set up, for, as it turned out later on, agricultural entrepreneurs are not very numerous around Herencsény. Finally, 18 of them were included in the sample. Most of the entrepreneurs who own Herencsény-based Ökotársulás, which is basically what literature refers to as a “community supported” enterprise, are from Budapest. The owners might have some sort of background in agricultural entrepreneurship, yet that is not a decisive element of this sample. I contacted all but a few of the members of Ökotársulás, and 19 of them were included among the respondents. The empirical survey consisted of two main stages. For each respondent, a short structured interview was administered first, followed by a Q-Methodology approach. There were 20, 18 and 19 respondents in the samples establishing their preferences using the Q-tables. Unstructured in-depth interviews (profile interviews) were also administered to a few subjects from each sample.
The three samples might allow for the exploration of the similarities that connect and the differences that distinguish various entrepreneurs. An interesting question is: To what extent are their values and life philosophies similar or different? I sought answers to the questions of what an agricultural entrepreneur is happy about, how materialistic they are, to what extent they are determined by their surroundings in general and how far they are affected by the micro-environment they exist in.

The “extracts” from the life profiles of the agricultural entrepreneurs from Jászfényszaru and Herencsény were recorded at the same time the survey was administered. I asked the question “What is it that comes first to your mind (childhood memory) when the countryside is mentioned? Has your life been influenced by an acquaintance, relative or family member who lives in a rural area?” I made sure they did not have time for thinking – it was really the memory they would recall first that I was interested in. We might ask ourselves the very same question, as well. You must be wondering what kind of childhood memory this question might call up. The agricultural entrepreneurs of Jászfényszaru reminisced about the following:

**Katóka:**

“My parents and grandparents, as well, were doing farming along with their jobs, and it seemed like the most natural thing to me, too. I inherited my grandparents’ house, where all the conditions required to go on with farming were in place. In our family, even small children worked together with the adults in roles that suited their ages. The everyday task of rotating the eggs in the chicken incubator, for example, was assigned to us. It had to be done in the evenings, and it really was an experience to see the first chicks hatching. During harvest time, we were assigned some minor tasks, and always got some treats from the market in return. Sweets, fruits (oranges, bananas).”

**Rajmund:**

“It is the nursery and the red pepper field of my grandfather which comes to my mind first. He used to push his small cart laden with the vegetables and carrots he grew on the Kozma-bank to the grocer’s early in the morning each day. My grandfather was a stubborn, resolute man, always tense as a consequence of four years as a prisoner of war – yet his life has been exemplary to me.”

Entrepreneurs from Herencsény and its surroundings recalled the following memories:

**Erzsi Sz.:**

“I was born in a city, yet I spent my childhood in a rustic atmosphere until the age of fourteen. For in the outskirts of the city, people were living in simple, small farmhouses, raising animals, growing crops in their garden. Thus, even as a city child, I helped out in looking after the animals, and I saw pigs being slaughtered, etc. It was my grandmother – with whom I spent these fourteen years – who had the greatest influence on my life. My parents already had “city jobs”, they participated little in this kind of work. Mainly because of their jobs and the three children. When I was fourteen, we had moved to a flat in a block of flats, which had really seemed great at first, yet in a couple of years’ time, I felt my soul was dying. After my marriage, I ended up in the countryside again. Here I got back the atmosphere of my childhood, and I still very much enjoy living here. Having experienced both, I can compare the two lifestyles, and thus I clearly see each and every advantage of the rural way of life. I feel I made the right decision. I’m happy to live here.”
“I was born in a single-street village of around two hundred souls, and I also lived there until secondary school. My parents, my ancestors were all farmers. They made a living from animal breeding and farming. We had also worked in the countryside for forty years. We are still living here. We had always kept poultry, and a pig or two wasn’t rare, either. Others killed chickens for the holidays, we killed them if we ran out of money. The village where we live and where we had taught had 1200 inhabitants until the ‘60s - now it’s only 450. In preparation for our retirement, we started breeding goats about ten years ago. It all looked very promising in the beginning, we partnered with our middle son. The bushy mountain meadows provided ideal conditions for the animals. Our cheese has been and is still selling well, but then there came the EU accession and along with it came a plethora of mindless, unenforceable laws and regulations which crippled the countryside. They set up a bureaucratic organization, MVH (originally: Mezőgazdasági és Vidékfejlesztési Hivatal, “Agricultural and Rural Development Agency”), the “Agricultural and Rural Destruction Agency” (in Hungarian: “Mezőgazdaság és Vidék tönkretévő Hivatalt”), to keep badgering us, which is still governed by the rules of Comrade Gráf. They cripple rural areas by means of the AKG (in Hungarian: Agrár-Környezetgazdálkodás, a program for “Agricultural Environmental Management). The KET Act (Act on the General Rules of Administrative Proceedings and Services) does not bind MVH etc. My being really down right now is partly due to having to give up a 15 million forint tender due to a lack of self-financing capital.”

These life profiles told us that the parents or grandparents of our respondents were, without exception, somehow related to the countryside and they were all running agricultural enterprises. Values like diligent work, humility and fighting for yourself were all conveyed by their parents and grandparents. It is questionable, however, whether our respondents will be able to convey all this – love of work, importance of looking after the animals, maintaining traditions etc. – to their own children and grandchildren. Unfortunately, the number of those who at least have a chance to pass on the positive patterns of rural life has dropped dramatically. Yet all is not lost yet, the generation who keep a memory of their grandparents’ industrious hands and love is still alive.

**Q-Methodology for determining Types of Agricultural Entrepreneurs**

Most analyses struggle with the problem of overcoming how to characterize certain social categories, groups of people or their opinions in terms of statistical figures (relative frequencies for the most part). All questionnaire methods tend to be designed along socio-demographic categories, yielding statistics by age group, by profession, by gender or by education. Q-Methodology abandons that approach in order for the subject, the individual to become the object of analysis.

A more or less inherent deficiency of questionnaire methods is that usually, questions already include the assumptions of the interviewer; that is, what the interviewer would like to prove. To such questions, respondents typically provide the answers they are expected to provide, and thus the majority of questionnaire surveys are plagued by respondents’ will to meet the
interviewer’s expectations or to appear in a more favorable light. Q-Methodology can eliminate some of the typical deficiencies of questionnaire surveys. The reason why this method is considered special is that respondents have no opportunity to express their willingness to comply with the interviewer’s expectations, for it is an integral part of the system that however they distribute the scores (as far as they adhere to the rules), their answers will always follow the standard normal distribution. We do not know the number of respondents who agreed with our statements, nor the extent to which they did so; our sample sizes would have been too small for that, anyway. There will be no percentage statistics, either. We will “only” learn which statements our respondents were in agreement with, and which ones they were significantly divided about.

The aspect in which Q-Methodology differs most from the questionnaire methods used to examine distributions of individual opinions in a given population is that instead of generating a percentage distribution, it aims at furthering our understanding of the structure, of the frame of reference of people’s opinions on the matter (Duenckmann, 2010).

It is not an overstatement to say that Q-Methodology is interested in analyzing the structures themselves rather than the individuals that make up those structures (Stainton, 1995). Q-Methodology is based on a model of subjectivity that is open to communication and holistic in nature. The building blocks used by Q-Methodology to build up the factors are individual opinions that can be expressed in terms of respondents’ opinions.

Q-Methodology was developed by a psychologist and physicist named Stephenson (Stephenson, 1953); its roots date back to the fifties, yet it has only become popular with social scientists during the last couple of decades. In 2003, Müller et al. found some 2800 publications related to the utilization of Q-Methodology (Müller & Kals, 2004).

My study examined the characteristics of the people who create and operate enterprises in the countryside, and to what extent the systems of values and the life experiences of the leaders of such enterprises differ from those of entrepreneurs in general.

The statements used in the survey were developed on the basis of an expert focus group session, taking into account the lessons learned from similar studies reported in literature. First, I formulated 33 statements. Based on what I had learned from the pilot test, I revised them and finally conducted the survey using the following 39 statements:
1. The reason why success is important to me is the financial wellbeing of my family.  
2. If I could start over again, I would lead a different life.  
3. I would feel regret if country life changed, and most of us had to work for large corporations.  
4. I am ready and willing to cooperate with those pursuing similar activities, we help each other out.  
5. It is my work that makes up my life and I like to talk about it to the family, to friends.  
6. It is important to me to know the developments concerning my profession, to participate in professional courses.  
7. Alienation and social polarization are inherent to profit-centered societies.  
8. I feel my everyday work is not in line with my true interests and values.  
9. The money we spend in our home region contributes to the economic development of the area.  
10. It is not my job that is important but that I earn an income to suit my family’s needs.  
11. In today’s society, many are only concerned with themselves while completely ignorant of others’ well-being.  
12. Home gardening and raising animals for the family are inherent to country life.  
13. Usually, it is only those who have no hope for improvement who stay in the countryside.  
14. I do not have much trust in contracts, the given word is more valuable.  
15. Nowadays, a significant part of rural inhabitants have a lifestyle very similar to that of city people.  
16. Those employed in agriculture are characterized by systematic thinking.  
17. If you want to be an achiever, you are bound to break some rules.  
18. Being excellent in one single field is enough to become successful.  
19. There are certain jobs where it is natural that you can never have the good feeling of having done your part of the work.  
20. The rural lifestyle remains attractive and acceptable to me even if I have to give up a number of things that have become self-evident for city people.  
21. The emotional attachment to the rural way of life is more intensive for people who pursue some kind of agricultural activity, even if it is home gardening only, than for those who do not.  
22. Vegetarianism is the future. We cannot afford to slaughter animals for our own benefit.  
23. Because of the negative views of the countryside, external investors tend to avoid rural areas.  
24. It is enough to involve in the management of local matters only those who are respected by the inhabitants of the settlement.  
25. Everything being cheaper in the supermarket, there is no sense in home gardening or raising animals.  
26. It is the villages in the vicinity of which large industrial corporations are located that can develop appropriately.  
27. An enterprise can be successful even if it does not plan in advance to whom they will sell their product or service.  
28. Those who like to work and are employed in agriculture tend to be balanced.  
29. The local community is far too divided, each group would prefer some other direction.  
30. Anyone might get rich by their own efforts in Hungary.  
31. Industrial employers located in the vicinity have an unfavorable effect on the nature of the village.  
32. It is typical for the newcomers in our settlement not to accept our system of values.  
33. Were it left to me, I would rather choose a job which is stable and where I can feel safe.  
34. Small enterprises have no future as opposed to large corporations.  
35. Hungary should strive for food self-sufficiency.  
36. I think one’s business cannot develop without taking a loan.  
37. To me, entrepreneurship clearly means having a family-run business, I am not fond of cooperating with strangers.  
38. The organic food issue is overrated, for most of the food we eat contains chemicals anyway.  
39. Before starting up an enterprise, we prepare a business plan and consider whether investment returns are acceptable.

I asked agricultural entrepreneurs to evaluate the statements I had formulated using Q-Methodology.
Q-sort Technique

The researcher administering the survey presents the statements to respondents in the form of randomly numbered cards. Subjects then have to rank the cards on a predefined scale, relative to each other, according to the extent to which they agree with each statement.

Participants first have to sort each card into one of three groups, according to whether they agree with the statement, disagree with it or it is indifferent to them.

Afterwards, they start ranking the statements according to the categories of the evaluation scale, relative to each other, carefully thinking over their decisions one-by-one. The evaluation scale used in present study consisted of 9 categories (-4…+4), representing the extent to which the respondent agrees with each statement.

As it turned out, there are villagers pursuing industrial activities, entrepreneurs who sell services and there are farmers, of course, with small plots of land (and some with larger ones, still not more than a couple hundred hectares at most). It is this last group that I focused my study on. I examined the characteristics of today’s agricultural entrepreneurs, what types of person one can find among successful entrepreneurs, the extent to which their values differ, what they are driven by and how they could set an example for others. All in all, a total of 57 entrepreneurs filled in the table. To process their responses, I used Q-Methodology, which is a special application of the mathematical-statistical method called factor analysis. Results can tell us which respondents agreed or disagreed with which other respondents, and also the extent to which they did so.
III. FINDINGS OF THE THESIS

1. The rapeseed oil mill introduced in my thesis would not be of too much interest on its own, but given that almost all similar plants in Europe went bankrupt, there are some important lessons to learn from its survival. One of them is that the enterprise would have been unviable on its own, yet a long term oriented financial investor turned up and provided a capital injection in order to ensure a positive cash flow. Another point is that biomass energy production was not the sole purpose of founding this mill. Most rapeseed mills simply wanted to produce biodiesel raw material to take advantage of the EU policy which prescribes the relevant mandatory mix rates, whereas the enterprise we examined aimed at establishing a micro-regional network. They initiated a brown-field development to establish a small plant on the premises of a former large agricultural cooperative. By partnering with the former employees (now farming their own land) and suppliers of the sometime cooperative, they enjoyed some benefits which all the other, green-field businesses focusing on fuel production could not. Its close relations with agricultural entrepreneurs guaranteed strong local support for the company. The project improved food security (livestock kept on controlled, locally produced fodder), energy security (public institutions heated with rapeseed pellet) and population retention (stable jobs), as well.

2. Underdeveloped regions are prioritized in the majority of rural development initiatives. They use various indicators to define what exactly qualifies as an underdeveloped region. Those most frequently used are per capita income in the region, access to infrastructure, penetration of certain consumer durables, unemployment rate, life expectancy at birth and similar indicators. Those who examine the countryside using statistical data and generally accepted categories (underdeveloped regions) usually fall victim to the pitfall of focusing on the economic aspects of the problem alone, ignoring everything else.

If we accept that diversity is very important to both nature and society, then we can hardly accept that the natural-social units (characterized by differences both in terms of space and time) we refer to as the “countryside” be evaluated using general statistics, various standardized indicators. The unique characteristics resulting from diversity (e.g. how far a rural settlement is from a city or from cultural centers, the (socio-)geographic situation etc.) need to be taken into account.
This is exactly why I decided to survey entrepreneurs from three different samples; three samples which do substantially differ in nature. In my hometown, Jászfényszaru, people still maintain Jazygian traditions ("jász" in Hungarian), which is why their attachment to the village and to the area also represents an attachment to a sort of minority. This attachment does, most probably, have an influence on how well the inhabitants feel and why their ways of thinking differ from those of others, who, for example, live in an area where none of the ethnicities are present in large numbers (Budapest). The second and third samples came from a region of Palóc roots (Herencsény and surroundings). I explored the similarities that connect and the differences that distinguish various entrepreneurs. The three samples might also allow the outlining of the extent to which the values of various entrepreneurs differ.

Concerning their success, Hungarian settlements are extremely heterogeneous. An attachment to one of the ethnic groups (in villages of Jazygian or Palóc roots, for example), as mentioned earlier, might be among the reasons for this, for it might constitute a cohesive force of remarkable strength. I analyzed what and why the agricultural entrepreneurs living in these settlements do, what systems of values they hold and what special combinations of these factors they are characterized by. It is emotional intelligence, most probably, that should be more intensely developed in rural communities, as if we do not succeed in promoting this, then even the countryside’s ability to support our lives becomes questionable. The new sewage system and the gas pipeline will all be in vain, the youth will move away from the village because of the lack of cohesion that could be present even without the sewage system if they lack the “I feel good in this community”-feeling.

3. My analyses revealed that there are several types of successful business leaders and entrepreneurs in the countryside who have come to identify the values common to the area and the community they work in, and who also realized how these values might be incorporated in a business venture. Those who can make a living in the countryside as entrepreneurs do not constitute a homogeneous group – they may differ both in terms of entrepreneurial skills and human qualities. Their attachment to the rural way of life, their roots are, however, undoubtedly common.

4. I also looked into the internal motivations of the members of the community, into what urged them to join the “Hungarian Eco-Partnership” community. Based on their responses, four dimensions could be outlined. Some were driven by childhood memories, while others were attracted by the power of the community and people’s trust in the group.
Internal motivations of Ökotárslúas members

Improving one’s quality of life, a chance for self-sufficiency, quality food products or simply the opportunity to help others. The community aims to engage urban and rural areas in an intense discussion; and for the long run, they set the goal of realizing a concept that could take them a bit closer to their dream of self-sufficient families in a self-sufficient town.

5. Employing Q-Methodology, I set out to identify successful entrepreneurs by surveying three communities of differing characteristics. I managed to distinguish between five main types (groups), as discussed in detail in the thesis:

- **Those who make a conscious choice about values**
  
  A group of people satisfied with their positions, open to cooperation and economic changes. Positively committed people, who have consciously committed themselves to a rural life, for whom the rural way of life, the traditional rural system of values is self-explanatory.

- **Experienced entrepreneurs**

  Experienced, conscious, rational entrepreneurs. Their views are determined by life experiences instead of principles. A group of people committed to the entrepreneurial way of life, open to change and to cooperation.

- **Those eager to change**

  According to their ranking of the statements, it is not the countryside that they are talking about but rather their own desire for change. They do not feel safe. They would rather strive for stability. Characterized by dissatisfaction, a certain kind of internal mistrust.
Followers of tradition

Traditional agricultural entrepreneurs. The traditional system of values is what determines their lives. A group of people satisfied with their positions, unwaveringly positive about the rural way of life. Their work is their life, and they do not want to live a different life. They believe in the perspectives of rural life.

Value-driven nostalgics

Emotionally attached to the rural way of life, to agriculture. A conscious choice of values. A denial of the urban way of life, their desire to do something about it is palpable. The nostalgia and the expectations of an outsider towards those who actually preserve the rural way of life. Does not build upon actual experience but draws up a model of rural life they consider ideal. Likely to be attached to the village through their origins.

6. Concerning the value frameworks of the three communities, an important finding was that in two out of the three samples – in the ones from Herencsény and Jászfényszaru –, a group of people with entrepreneurial attitudes (“Experienced entrepreneurs”) could be identified. Entrepreneurial traits were more apparent in the Jászfényszaru sample, than in the one from Herencsény. This is likely to be related to Jászfényszaru being a far more open settlement, even industrialized in some sense, where entrepreneurs occasionally attempted to build a career in other types of jobs, as well. What is more, even the influence of the urban agglomeration around Budapest could be detected here. When selecting the sampling regions, I was hoping to identify if Jazygian traditions influenced people’s system of values. The existence of such an effect could not be unambiguously confirmed, even though the traditional Jazygian values of independence and autonomy were undoubtedly reflected in people’s evaluations of the statements. An indication of this is that it was Jászfényszaru where entrepreneurs were most sharply distinguished from the other groups identified in the region.

According to the correlation matrix of the Jazygian sample, the “Experienced entrepreneurs” factor shows no similarities with the other three factors. For the entrepreneurs of Herencsény and its surroundings (the Palóc sample, that is), it is again the factor of “Experienced entrepreneurs” which appears to have the weakest links with the other three factors. Analysis of these two samples indicated that the system of values of “Experienced entrepreneurs” significantly differs from that of the majority in both cases. As we learnt from the in-depth interviews and the life profiles, this does not necessarily mean that they are more successful as entrepreneurs; it does mean, however, that they are less prone to despair if and when conditions change. They tend to be less afflicted by temporary failures. There must have been ups and downs in their entrepreneurial careers, yet they do not lose their faith and entrepreneurial spirit very easily. One might say that their resilience – their ability to quickly
adapt to change – is above the average; they are much more open to flexibly adapting than others. Preliminary research led me to believe that for a part of them, success resides in their rationality and in their knowing what a small enterprise is about. They accept that they have to adapt to whatever conditions the socio-economic environment presents them with. Another part of them is emotionally attached to the rural way of life. They complement their rationality with emotional intelligence, and they know that their quality of life is not solely dependent on material goods but on freedom, creativity, and the fruits and joys of their everyday work as well.

7. It might be possible to capitalize on their ability to adapt flexibly, for example in the implementation of development projects. However, their life profiles also call our attention to the fact that their flexibility might not always be an advantage in their social relations, insofar as they may not be fully accepted by the conservative majority who adhere to traditional rural values, even though they are the ones who could facilitate the community’s adaptation to the changing world. Unfortunately, they cannot become leaders – exactly because their systems of values differ so much from that of the others.

8. Concerning the other types, they are similar in a number of aspects, yet a couple of characteristic differences were identified, too. The group of “Those following a conscious choice of values” was present in all three samples. Maybe it is these individuals to whom it would be simplest to teach the managerial skills that may facilitate development in the countryside. Their system of values is accepted by the community as well. If they succeeded in formulating a guiding vision and in having it approved by the community, then they might possibly as well become its natural leaders. This could be one of the most important conclusions of the thesis. There is no development in the countryside without local initiatives. Rural areas cannot be truly successful without local leaders who are accepted by their communities – any external support, financial investment, infrastructure development, knowledge transfer etc. would be in vain without this factor. The five value choice types identified by our study need clarification. It is without doubt, nevertheless, that there is a serious need for personality development programs that would tap into latent skills and abilities, and help countryside entrepreneurs hampered by their isolation-caused low efficiency levels to get over the psychological barriers that keep them from becoming the natural leaders of their communities. Getting to know rural people better is only one – and maybe the first – milestone in this process. I would be very much delighted if my thesis could bring us one step closer to this goal, even if it is a tiny step only.
IV. MAIN REFERENCES


V. RELEVANT PUBLICATIONS AUTHORED OR CO-AUTHORED BY SZILVIA LUDA

Publications in Hungarian:

Books, parts of books:


Presentations and/or writings in conference publications:


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