

RURAL ENTERPRISE

Shifting Perspectives on
Small-scale Production

Edited by
Sarah Whatmore, Terry Marsden
and Philip Lowe

ROUTLEDGE LIBRARY EDITIONS:
URBAN AND REGIONAL ECONOMICS



ROUTLEDGE LIBRARY EDITIONS:
URBAN AND REGIONAL ECONOMICS

Volume 23

RURAL ENTERPRISE

RURAL ENTERPRISE

Shifting Perspectives on Small-scale Production

Edited by
SARAH WHATMORE, PHILIP LOWE
AND TERRY MARSDEN

First published in 1991 by David Fulton

This edition first published in 2018

by Routledge

2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge

711 Third Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

© 1991 David Fulton Publishers Ltd

All rights reserved. No part of this book may be reprinted or reproduced or utilised in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

Trademark notice: Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

ISBN: 978-1-138-09590-8 (Set)

ISBN: 978-1-315-10306-8 (Set) (ebk)

ISBN: 978-1-138-10220-0 (Volume 23) (hbk)

ISBN: 978-1-315-10308-2 (Volume 23) (ebk)

Publisher's Note

The publisher has gone to great lengths to ensure the quality of this reprint but points out that some imperfections in the original copies may be apparent.

Disclaimer

The publisher has made every effort to trace copyright holders and would welcome correspondence from those they have been unable to trace.

CRITICAL PERSPECTIVES
ON
RURAL CHANGE SERIES

RURAL ENTERPRISE

SHIFTING PERSPECTIVES ON
SMALL-SCALE PRODUCTION

EDITED BY
SARAH WHATMORE
PHILIP LOWE
TERRY MARSDEN



David Fulton Publishers
London

David Fulton Publishers Ltd
2 Barbon Close, London WC1N 3JX

First published in Great Britain by
David Fulton Publishers, 1991

Note: The right of the contributors to be identified as the authors of their work has been asserted by them in accordance with the Copyright, Designs and Patents Act 1988.

© David Fulton Publishers Ltd

British Library Cataloguing in Publication Data

Rural enterprise: shifting perspectives on small-scale production.

– (Critical perspectives on rural change v. 3)

1. Agriculture

I. Whatmore, Sarah II. Lowe, Philip III. Marsden, Terry

338.1091734

ISBN 1-85346-113-X

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form, or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publishers.

Typeset by Chapterhouse, Formby L37 3PX
Printed and bound in Great Britain by
Biddles Ltd, Guildford and King's Lynn

Contents

Preface	vi
1 Artisan or Entrepreneur? Refashioning Rural Production <i>Sarah Whatmore, Philip Lowe and Terry Marsden</i>	1
2 Theoretical Issues in the Continuity of Petty Commodity Production <i>Terry Marsden</i>	12
3 Agriculture and Diffused Manufacturing in the <i>Terza Italia</i> : A Tuscan Case-Study <i>Raffaele Paloscia</i>	34
4 Small-Scale Brewing and Rural Livelihoods: The Case of <i>chicha</i> in Bolivia <i>Colin Sage</i>	58
5 Rediscovering Small-Scale Enterprise in Rural Hungary <i>Imre Kovlach</i>	78
6 Populism and Petit Capitalism in Rural Ireland <i>Chris Curtin and Tony Varley</i>	97
7 The Politics of Rural Enterprise: A British Case Study <i>Susan Boucher, Andrew Flynn and Philip Lowe</i>	120
Index	141

PREFACE

Critical Perspectives on Rural Change Series

This series aims to promote the international dissemination and debate of current empirical and theoretical research relevant to rural areas in advanced societies. Rural areas, their residents and agencies face considerable change and uncertainty. The balance between production, consumption and conservation is being adjusted as economic activities are relocated and primary production is transformed. Similarly the values placed upon rural living and landscapes are altering. Local and external political forces structure choices within rural areas, not only for those concerned with agriculture, but also with regard to rural development, general economic and social policy, and regional fiscal arrangements. To understand contemporary rural change, therefore, demands a critical and holistic perspective able to transcend traditional disciplinary boundaries and to encompass different spatial and institutional levels of analysis. The series is intended to contribute to the development of such a perspective, and the volumes are designed to attract a wide audience associated with international comparative research. Each provides a review of current research within its subject. This, the third volume, focuses on the relationships between rurality and small-scale production. It is intended to explore the diversity and significance of rural small-scale production in different countries and the regional and disciplinary theoretical discourses which inform current research.

Sarah Whatmore
Philip Lowe
Terry Marsden
Bristol 1991

CHAPTER 1

Artisan or Entrepreneur? Refashioning Rural Production

Sarah Whatmore, Philip Lowe and Terry Marsden

Over the last ten years or so, advanced industrial countries and transitional socialist countries alike have rediscovered the social and economic significance of small-scale forms of commercial production including small enterprises, self-employment and 'informal' market activities (Scase, 1989). Almost simultaneously, researchers and policy-makers in these countries have recognised that large numbers of people make a living, and large quantities of economic goods are produced, outside the dominant institutions of the market and the state economy. One of the remarkable aspects of this growing interest in small-scale production is the pervasive sense that something new is being uncovered in terms of both the phenomena under scrutiny and the theoretical efforts to make sense of them; remarkable because of its dissonance with established analytical and political interest in the durability of such forms of production in rural regions, particularly in southern Europe and the so-called third world.

The association between crafts, artisanal activities, self-provisioning and family enterprise, and rural localities runs deep (Long, 1984). Interpretations of one reinforce interpretations of the other. In scientific terms this association informs persistent attempts to explain why such 'traditional' forms of production have never lost their significance in agriculture, despite the processes of capitalist and socialist industrialisation which have characteristically restructured production within more corporate, or collective, and less individualistic forms (Bernstein, 1986). As significant are more popular 'common sense' representations of small-scale production as an historical curiosity preserved by the strength of traditional cultural

practices in regions at the margins of processes of modernisation, centred on the industrial city. Such popular and scientific accounts have fired some dramatic social changes in the countryside as they have been taken up and transformed as objects of market exchange or state policy. An extreme example was Romania's notorious 'systematisation of rural settlements' programme to forcibly 'modernise' rural social and economic relations.

The upheavals of modern industrialised society, reflected in a profusion of epoch-marking terms – 'post-fordist', 'post-modern' and 'post-socialist' – have stimulated a new found interest in small-scale production. In the light of these developments, the once deviant social and economic relations of the countryside are being invested with a new significance. What were once seen to be the disadvantages of rural areas and the causes of their marginality are being increasingly reinterpreted as advantages and sources of dynamism. Some commentators have suggested already that rural sociology now has an opportunity to influence a wider community of researchers and policy-makers looking to it to provide tried and tested models of small-scale forms of production (Benvenuti, 1985). Others, particularly in central Europe, go further, reinterpreting the durability of traditional forms of production in rural areas not as a barrier to progress but as having safeguarded the pre-Communist culture and skills of individual enterprise and, hence, as providing the seed-bed for new social movements, political alliances and economic relations (Szelenyi, 1988).

Conjectures of this kind raise important analytical challenges which it is appropriate to address in a series on 'critical perspectives on rural change'. Exposed to the light of diverse regional experiences and research literatures, the nature and significance of rural small-scale production emerge as highly contested and complex issues. The overall theme of this volume is the interweaving of 'rurality' and 'small-scale production' at empirical, theoretical and ideological levels, and contemporary shifts in their configuration and connotation in particular contexts. This theme is addressed in various ways by each of the chapters, guided by three more specific concerns:

- (1) to bring together research on small-scale rural enterprise in the parallel, but often poorly related, *theoretical discourses* which characterise work on countries in the so-called first, second and third worlds;
- (2) to explore the diversity and significance of contemporary *social and economic forms* of rural small-scale production evident in countries positioned very differently in this global hierarchy;
- (3) to consider the complex representational and ideological processes by which small-scale production and rural localities are woven together in state policy under very different *political regimes*.

The geographical focus of this collection is more specifically European than in previous volumes, deliberately so at a moment when these issues have a particular resonance in the shifting terrain of Europe and the intense political struggle over its 'common future'. But, at the same time, we have widened our geographical scope to include work on the 'developing world'

which, we believe, has particularly important theoretical contributions to make as well as providing instructive comparative cases. All the chapters contribute in some way to each of the interrelated concerns set out above, but they are organised in terms of their main emphasis on the theoretical, socio-economic, and political dimensions in turn.

Theoretical issues

Clearly the term 'small-scale production' used above does not represent a coherent theoretical category in social or economic terms. It covers businesses below a specified size of workforce or output and 'informal' forms of income generation and production. Pahl (1989), amongst others, rightly cautions against conflating smallness of scale and informality. Here, we are concerned with their interrelationship and manifestation in a variety of social and economic forms which build on, and play a part in constructing, specific rural identities. A characteristic shared by many forms of economic activity which are included under this umbrella term is that they fall outside the organisational forms of the mainstream economy. Attempts to theorise such phenomena thus face a common difficulty in that they are embedded within a conceptual framework mapped out in relation to dominant economic structures and, hence, tend to construct small-scale forms of production in oppositional terms as residual, anomalous or, to borrow a parallel from post-structuralist analysis, as 'the other'. In short, the research process itself has played a part in fashioning the marginality of such forms of production as well as their new found significance.

This oppositional stance can be traced through many social science disciplines, but perhaps the most influential has been that emanating from Economics – the concept of the 'informal' economy defined as a separate sector or realm of economic activity outside, or distinct from, the 'formal' or dominant one. Sharpe identifies two dimensions underlying numerous attempts to define and categorise such activities. One is concerned with the kind of value derived from them ranging between the extremes of work in exchange for wages, in the market or the state workplace, and work producing goods for direct consumption unmediated by the money economy. The second dimension concerns the state regulation of work activities, ranging from work regulated for taxation, welfare and accounting purposes, to work outside state regulation on one or more of these counts (1988). This term has widespread currency in academic and policy circles in industrialised and developing countries (see, for example, Harding and Jenkins, 1989; and Bromley and Gerry, 1979). The term 'second' economy has an equivalent place in the central European research tradition but here, in the circumstances of a much more centralised political apparatus controlling the economy, the primary emphasis has been on the evasion of state regulation.

From a more sociological perspective we can find parallel theoretical categories. In the western political economy tradition efforts have focused on making sense of such phenomena as forms of production, characterised by

the 'unity' of property and labour (Redclift and Mingione, 1985). Particularly influential has been the theoretical category of 'petty commodity production' which has spawned a number of derivations, such as 'simple' and 'domestic' commodity production, variably stressing the significance of household and kinship relations to the organisation of these forms of production (see MacEwan Scott, 1986). Associated attempts have been made to position those engaged in such forms of economic activity in terms of social class structures, with the widespread adoption of the label 'petite bourgeoisie'. Here again, such theoretical categories express the anomalous status of these phenomena, characterising them as 'an uneasy stratum' or as occupying a 'contradictory class location' (Bechhofer and Elliott, 1981). More proscriptive theorisations can be found in central European sociological thinking, placing much greater stress on the 'deviancy' of these social categories, as pre-, or even anti-, socialist class relations (Davis, 1989).

In an important paper, Peattie (1987) traces the growing currency of the term 'informal sector' to its political roots in efforts to calculate national accounts, on the one hand, and to assess and tackle poverty and welfare issues on the other, particularly in the 'third world'. She argues forcefully that the well established analytical shortcomings of the term have helped, rather than hindered, its spread and legitimacy precisely because its 'fuzziness' makes it amenable to the political purposes and policy practices of a wide range of governments and quasi-government agencies. She goes on to suggest that while the categories of the political economy tradition have a much better purchase on the theoretical significance of small-scale production, their influence has been severely restricted by the ideological 'taint' of their Marxist origins.

One of the general problems shared in common by these approaches is the way in which they cast the economic and social relations of small-scale forms of production as fixed objects rather than as dynamic processes. Such oppositional categories are part of wider dualistic patterns of thinking which tend to (re)construct these social and economic relations in the shape of definite sectors or spheres, such that the dominant and muted categories of economic activity come to occupy separate analytical spaces. Castells and Portes argue that this problem can only be avoided if we understand 'informal' economic activity as a process, rather than as a thing, whose central feature is that it is unregulated by the institutions of society (1989: 1-12). Pahl goes further (1989), suggesting that rather than focus on informal activities in terms of forms of production or types of economy they are better understood as forms of work, characterised by non-wage relations. This requires an analytical framework that incorporates the *meaning* of the activities being undertaken by those engaged in them in the context of the wider social relations in which they are embedded (p. 106). Moves away from defining separate sectors and identifying their interdependencies have been growing, influenced particularly by feminist arguments and analysis in anthropology and other social sciences which advocate a revision of the whole conception of political economy, shifting

the focus of study from the organisation of production to the organisation of livelihood (Moore, 1988).

In chapter 2 Terry Marsden deals directly with these theoretical difficulties and suggests ways forward in critical rural research centred on contemporary departures from the categorical logic of petty commodity production. He focuses on one of the most notable fields in which these concepts have been applied and developed – agrarian political economy. Here concern has centred on exploring the circumstances of family or household based forms of production in farming in contemporary advanced industrial and developing countries. He highlights some of the major stimuli for recent developments in terms of the analytical problems that researchers in this tradition have encountered and sought to overcome. He argues strongly for a shift of emphasis away from a focus on discrete forms of production towards a concern with the *process* of commoditisation and the ways in which commodity and non-commodity relations are being reworked, generating new and diverse small-scale social forms and economic practices.

The other essays in this volume examine particular aspects of the empirical nature and significance of small-scale rural production in different countries, informed by particular regional and disciplinary theoretical perspectives. One of the major hindrances to the development of more conceptually sophisticated analyses is the relative isolation of these different theoretical discourses such that, as yet, there is remarkably little work which brings the experiences and interpretations of specific contexts together (but see Redclift and Mingione, 1985; Portes *et al.*, 1989). This volume covers the range of concepts brought to bear on small-scale economic activity identified above, including – ‘second economy’ (chapter 5), ‘household livelihood’ (chapter 4), ‘artisanal production’ (chapter 3) ‘petit capitalism’ (chapter 6) and the ‘small business’ (chapter 7). In juxtaposition, these later chapters raise important questions about the assumptions which underlie each of these concepts and, in breaching the insularity of the particular circumstances and traditions from which they stem, suggest some areas for further theoretical development.

Social and economic forms

Chapters 3 to 5 shift the focus to look at contemporary social and economic forms of small-scale production in rural areas and their significance in the very different circumstances of countries in southern Europe, Latin America and central Europe. Some of these represent new or emergent forms of production and labour; the chapters on Hungary and Italy, despite their many differences, examine cases which are usually cast in this light. The Bolivian study examines the longer standing case of small-scale forms of brewing, but makes it clear that these cannot be treated as static, relic forms of production. What the authors of all three chapters emphasise is the dynamism of rural small-scale forms of production and labour and their transmutability in different contexts over long historical periods. In so doing they expose the dangers of too easily designating contemporary

manifestations of these forms of production as 'new'; as if they were the indigenous creations of externally driven processes of restructuring without specific genealogies.

The social and economic relations examined in these chapters highlight three recurring tensions in the analysis of small-scale production. The first centres on the interpretation of the economic significance of these relations. Contrasting emphasis is placed either on the institutional organisation of the production of commercial goods, with a focus on the 'public' economy of the enterprise, or on the personal organisation of working lives and livelihoods, with a focus on the 'private' economy of the household. A second tension centres on the social significance and class status of those engaged in various forms of small-scale production. Dominant constructions cast them either as an underclass of workers marginalised from, and exploited by, prevailing class interests, or stress the entrepreneurial character and resources of this social stratum and its potential for upward social mobility, or embourgeoisement.

A third tension concerns the specifically rural significance of small-scale forms of production and labour. One set of explanations is couched in terms of the restructuring of global capital and labour relations and, specifically, the increased flexibility in the technological and institutional structure of these relations. From this broadly Marxist perspective, it is argued that these global processes are responsible for creating new spatial divisions of labour in which rural areas have a new-found significance as localities with particularly amenable social relations (Bradley and Lowe, 1984). In a more Weberian vein, explanations are concerned more with the generational transference of particular modes of rationality (Mooney, 1988). Here, emphasis is placed on rural localities as reservoirs of entrepreneurial skills and spirit passed on through family-based, and often land-centred, cultural lineages.

These analytical tensions are articulated differently in different research traditions and resonate unevenly with the circumstances of rural small-scale producers in different politico-economic regimes. They seem to us to be creative tensions, to be explored through the detailed study of the circumstances and *experiences* of small-scale producers in specific rural contexts, rather than in any sense resolved through generalised theoretical principles. The next three chapters represent valuable examples of just such an exploration.

In chapter 3, Raffaele Paloscia re-examines what is, perhaps, the archetypal case associated with the rediscovery of artisanal production – the Terza Italia. He provides an important counter to the somewhat stylised account of the links between artisanal producers and corporate capital promoted by theories of 'flexible specialisation' and a post-Fordist era of industrial organisation (for a critical overview see Gertler, 1988). He traces the rural roots and historical cultural context which created the conditions now fostering the integration of small-scale artisan production into the corporate global economy. In particular his analysis draws attention to the neglected significance of the distinctive agrarian organisation of Tuscany in

providing the basis of a unique territorial formation centred on a tradition of artisanship in the countryside with close economic and infrastructural ties to the cities of the region.

Colin Sage provides an important analytical contrast in chapter 4, drawing on theories and perspectives on household production most fully developed in relation to the 'third' world. He uses the household production of beer (*chicha*) in a fairly remote region of rural Bolivia to demonstrate the wider significance of the diversity of cultural and economic roles played by this production process in the local economy and, what he terms, the 'repertoire' of livelihood activities of rural households in many developing countries. He focuses on the central role of gender relations and women's work in the structure and reproduction of such artisanal forms of production, both as livelihood and commodity. His analysis draws on, and outlines, theoretical perspectives on the internal structuring of small-scale/household based production strongly influenced by feminist scholarship which have, thus far, had less impact on European research (see Redclift and Whatmore, 1990).

In chapter 5 Imre Kovach examines the re-emergence of small-scale enterprise in rural Hungary, using the concept of the second economy and stressing its significance for household livelihoods and gross domestic product in a centrally planned context despite, until recently, being officially discouraged. His detailed analysis covers agricultural, industrial and service sectors of production and a diverse range of forms of small-scale economic activity. One of the most important developments in the 1980s was the limited liberalisation of forms of property and work sanctioned by the state, which has encouraged activities in the second economy, including what Kovach terms 'working pools'. These pools represent formalised arrangements between management and workers in state firms to allow groups of workers to use the firm's plant outside official work hours and to distribute the income from the sale of this produce between pool members (see also Stark, 1985). He stresses the importance of such forms of small-scale production in rural areas not only in supplementing sometimes dramatically low living standards but also in realising better work relations and higher quality products.

The political significance of these social and economic forms of production and labour is tangible from each of these analyses in their very different treatments of the relationship between the individual, the family/household and the state. Kovach is the most explicit in his treatment, speculating on the future role of rural small-scale producers in the newly democratised political system in Hungary. But these political themes are taken up and explored more directly in the last two chapters in the volume.

Politics, policies and the state

Small-scale and informal economic activities and their practitioners have gained growing political, as well as social and economic, significance in recent years, entering the public discourse of governments and social movements within very different political contexts. In the tumultuous