

## THE SLOVENE COUNTRYSIDE IN TRANSITION FROM TRADITIONAL TO MARKET-ORIENTED AGRICULTURE

### **Vladimir Klemenčič**

Ph.D., Full Professor, Emeritus  
Mucherjeva 1, 1000 Ljubljana  
e-mail: vladimir.klemencic@telemach.net

### **Matjaž Klemenčič**

Ph.D., Full Professor  
Filozofska fakulteta, Univerza v Mariboru,  
Koroška cesta 160, 2000 Maribor  
e-mail: matjaz.klemencic@siol.net

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### **Abstract**

#### **The Slovene Countryside in Transition from Traditional to Market-Oriented Agriculture**

In the following paper the contemporary problems of the Slovene countryside will be discussed with special emphasis on the problems of image of the cultural landscape, which developed as a consequence of the rapid economic development of Slovenia.

The relationship among different individual land categories is changing fast and the remnants of the economic structure of classic agrarian and modern industrial society are intertwined in contemporary Slovenia. We will deal especially with the consequences of European market-oriented agrarian policy, which is applied towards large differences between individual regions of Slovenia.

### **Key words**

farmland usage, harmonious development of cultural landscape, EU, Slovenia

## **1. Introduction**

During the period from the 1950s until the 1990s, the territory of the Republic of Slovenia, especially the Slovene countryside, underwent significant changes. Under the influence of fast urbanization and de-agrarianization, the sharp frontier between the city and countryside had already almost completely vanished before World War II. The processes of differentiation in the countryside started already a few years after World War II. At first, these processes differentiated Slovene agrarian countryside into three types: (1) areas of urbanization, (2) areas in transition, and (3) areas of depopulation.

After Slovenia became an independent state in 1991, there was a trend aiming towards the formation of two types of landscape. The reason for this is the further differentiation of so-called transitional areas into the two other above-mentioned types (Klemenčič V. 1987, 63–72). These dynamic regional spatial developments caused new problems that were the result of non-planned abandoning of usage of the land for agriculture and deepening of the differences in regional-spatial development (Benkovič 2003, Korošec 2002).

## **2. Tendencies of transformation of the cultural landscape in Slovenia**

Today's image of the cultural landscape in the Slovene countryside is a result of more than four decades of the ongoing process of decomposition of classical static agrarian society and creation of the cultural landscape of modern society. This process took place in three periods that were co-dependent on specific forms of economic and political development.

During the first period, which took place until the end of the 1950s, the primary characteristics were agrarian overpopulation, unsatisfying land ownership structure and utilization of almost all available agricultural areas, which were—regardless of physical geographical facts—almost all dependent on handwork. In almost all cases, the frontier between city and countryside was very clear. In rural areas the peasant population prevailed. This population was dependent on self-supplying agriculture; market production was confined to very few larger farms.

In the second period, which lasted until Slovenia became an independent state in 1991, modern agricultural technology was slowly but surely introduced and thus Slovene agriculture began to transform itself into a phase of "optimal usage of the agricultural landscape." In less suitable agricultural areas, gradual abandoning of cultivation took place. People from smaller and medium-sized farms, which did not provide enough possibility for survival, started to seek employment in non-agrarian sectors more and more often. The percentage of agrarian population declined very quickly; most of the agricultural holdings transformed into half-agricultural or non-agricultural holdings, yet they still had land suitable for farming available (Klemenčič V. 1991b, 25–41). In spite of partial urbanization of the countryside, the land structure in the private sector remained almost unchanged. Unsuitable land structure and introduction of the 10-ha (24.75 acres) cap on ownership per agricultural holding (Land-maximum) for private farmers during the post World War II period of Socialism put a strong brake on development of market-oriented agriculture.

Changes in the land structure were only made in regions that were very suitable for agriculture, i.e. in Ljubljanska kotlina, Celjska kotlina, Podravje, Pomurje, and in fruit- and wine-growing regions in Slovenske gorice, Haloze, Goriška Brda, Slovenska Istra, and Vipavska dolina. In the above-mentioned regions, larger areas developed market-oriented state-led farms. They developed mostly on land that was nationalized after the Communists took over in 1945 (Belec 1992, 19–23).

The development of industrialization, especially in the beginning of the 1960s, deepened the already large gaps in the levels of economic development of Slovene regions even further. The then Socialist Republic of Slovenia tried to prevent the growing of the differences among Slovene regions with the introduction of the concept of polycentric economic and regional development. Due to the fact that the effects of this policy were limited only to then communal centers and some settlements with industry in the countryside, the Slovene landscape gradually divided into three types:

- The areas of urbanization, which developed in the wider surroundings of the cities and represented the regions of concentration of economy and population. Gradual dynamics of changes in the outer look of the landscape and widening of non-agrarian activities also took place in these regions;
- the transitional areas; and
- the areas of depopulation where the processes of emigration of population, demographic disappearing, and quick reduction of cultivated land took place. The agricultural areas were cultivated almost only in the village spaces; the grass and pasture-grounds were affected by spontaneous tree-growing. These areas could be also called the “threatened” areas or those of “dying countryside” (Klemenčič V. 1991, 29–31).

The independence of Slovenia marked the beginning of the third period in development of the Slovene countryside. This period was marked by large changes that were especially stimulated by the transition from a Socialist and social ownership-connected economy to a private and market-oriented economy and to the introduction of the agricultural order and laws and directives of the European Union in the accession process of Slovenia to the European Union. For this period, the large reduction of cultivated agricultural areas was accompanied by the very fast and unplanned growth of forest in abandoned agricultural areas, a decline in the number of farms and growth of the average size of utilized agricultural areas per farm (Klemenčič V. 2002, 7–21).

The consequences of the changes that took place in all three periods are evident from the changes in the landscape. Among them, the most significant was the blending of the elements of classic and more or less self-supplying agriculture with forms of modern market-oriented agriculture. This blend is shown especially in the land structure and in the social and economic structure of the population. In the countryside, the tendencies of reduction of utilized agricultural areas and the quick increase in non-agrarian land usage were especially evident in the building of residential complexes for people, industrial development, traffic infrastructure, etc.

### 3. Land-structure problems of Slovene agriculture

Even today, market orientation and adaptation of Slovene agriculture to the principles of agrarian policy in the European Union have to deal with a number of problems, which are mainly the consequence of physical geography and some historical factors in the spatial development of Slovenia. Among historical factors, we should mention the land structure of the classical agrarian society, which, until today, did not undergo any significant changes in the peripheral regions of Slovenia; among physical geographical facts, we should mention that 89 percent of the agricultural areas in Slovenia are situated in areas with limited possibilities for farming (Klemenčič V. 2005, 171–184).

Unsuitable land structure in Slovenia represents one of the largest problems for quick development of market-oriented agriculture. While the average size of a farm in Slovenia in the period from the end of World War II until the proclamation of independence of Slovenia in 1991 was reduced in most cases, the average increased very quickly in most of the Western European countries with market-oriented economies (Klemenčič V. 1987, 63–72).

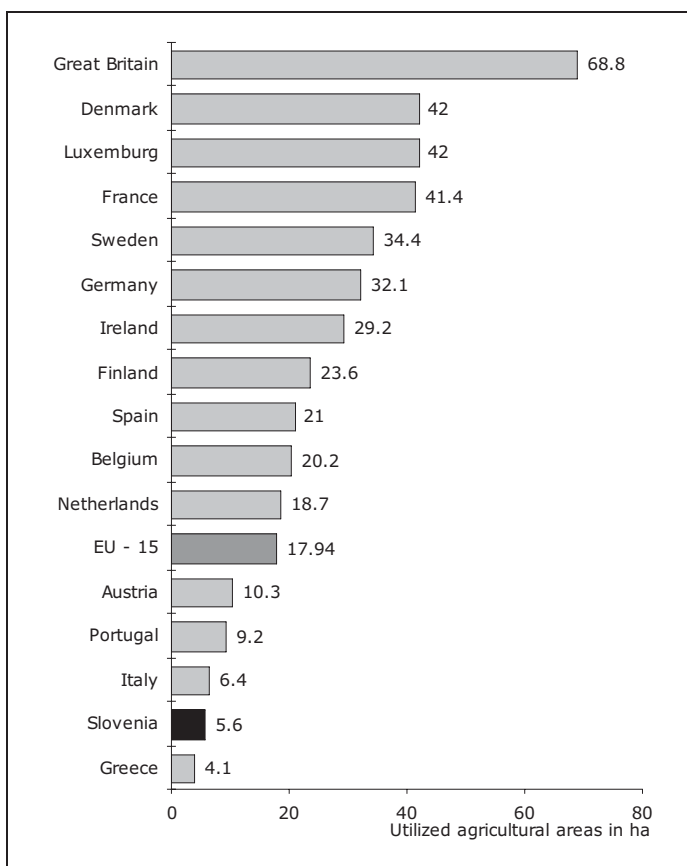


Fig. 1: Agricultural holdings by utilized agricultural area in EU Member States (1997) and in Slovenia (2000).

Source: PKG 2000.

The average size of farms in Slovenia is (with its 5.6 ha of utilized agricultural areas) on average 3.5 times smaller than the average of the "old" 15 EU members and 12 times smaller than the average of utilized agricultural areas per farm in Great Britain (PKG 2002, 58); therefore, it is very difficult for a Slovene farmer to be competitive in the European and world markets.

In Slovenia, land-crumbling also hinders rational agricultural production. According to the Census of Agricultural Households in 1991, there were a little more than 5.5 million lots in Slovenia, which averages to ca 0.299 ha in the private sector. These lots added up to around 955,000 divided utilized pieces of agricultural land, which meant that individual family farms had their land divided into more than 20 pieces. Additionally, farms that increased the size of their cultivated land, in principle, also increased the number of utilized pieces.

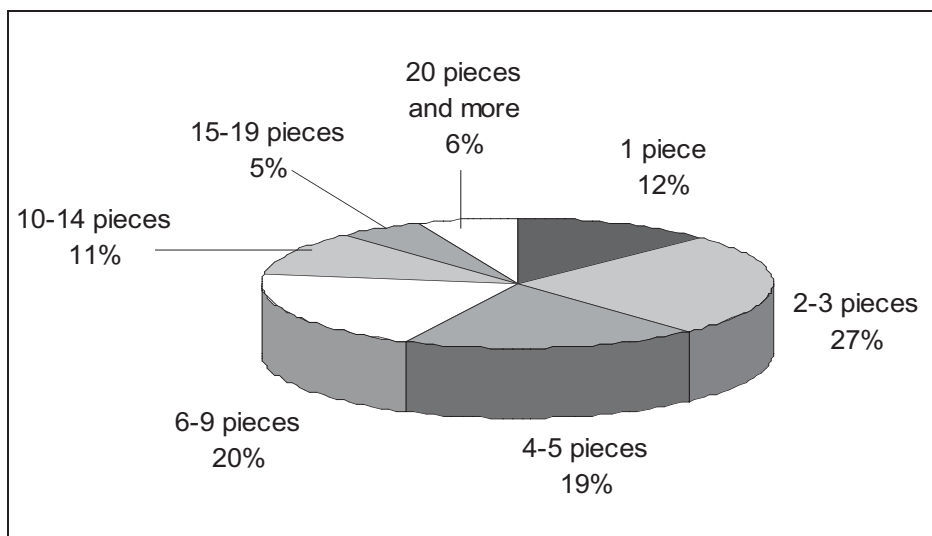


Fig. 2: Family farms by the number of utilized pieces of agricultural land (in 2000). Source: PKG 2000.

Until the 1950s, the ratio among land categories did not change significantly in Slovenia. During the introduction of market agriculture, the process of abandoning land for utilized agriculture began along with the process of expansion of forests and vineyards. With the final introduction of market agriculture and the accession process of Slovenia to the European Union, the fast reduction in all categories of land for farm use can be seen (Vrišer 1992, 51-64; SURS 2004, 309).

The reduction of agricultural land also caused a faster decline in the number of farms. The number of farms declined from ca. 112,000 in 1991, to ca. 77,000 in 2003. The most to be reduced was the number of small farms with less than 5 ha of utilized agricultural areas. On the other hand, from 1991 onwards, the number of farms with more than 10 ha of utilized agricultural areas has been increasing. In 2003, only 3% of the amount of farms that were (according to EU criteria) suitable for market-oriented agriculture existed in Slovenia (i.e., farms with more than 20 ha of utilized agricultural areas).

Tab. 1: Changes in the land use categories, 1990–2003.

Land use categories	Year 1900		Year 1953		Year 1990		Year 2003	
	1000 ha	%	1000 ha	%	1000 ha	%	1000 ha	%
Cultivated fields and gardens	382.6	18.9	358.4	17.7	247.0	12.2	172.7	8.5
Vineyards	--	--	14.8	0.7	36.2	1.8	16.6	0.8
Orchards	45.9	2.3	31.4	1.5	21.5	1.1	12.1	0.6
Meadows and pastures	674.4	33.2	650.0	32.1	559.2	27.6	308.3	15.2
Woods	838.4	41.3	861.0	42.5	1,024.5	50.6	1,283.4	63.3
Infertile	66.3	4.4	112.2	5.4	134.5	6.6	234.2	11.6
Total	2,029.9	100.0	2,027.2	100.0	2,025.4	100.0	2,027.3	100.0

Source: Vrišer 1992: 51–64.

Tab. 2: Family farms by size categories of utilized agricultural areas (UAA), 1991–2003.

Utilized agricultural areas (UAA)	Year 1991		Year 1997		Year 2000		Year 2003	
	Number	%	Number	%	Number	%	Number	%
Without UAA	20	0.0	34	0.0	16	0.0	23	0.0
1.00 ha and less	15,576	13.9	8,111	9.0	7,998	9.3	5,375	7.0
1.01– 3.00 ha	41,062	36.7	30,940	34.1	27,251	31.6	22,220	28.8
3.01– 5.00 ha	22,868	20.4	20,070	22.2	18,128	21.0	16,777	21.7
5.01–10.00 ha	24,251	21.7	22,762	25.1	22,053	25.5	20,633	26.7
10.01–20.00 ha	7,251	6.5	7,759	8.6	9,158	10.6	9,695	12.6
20.01 ha and more	923	0.8	937	1.0	1,732	2.0	2,427	3.2
Total	111,961	100.0	90,613	100.0	86,336	100.0	77,149	100.0

Source: SURS 2001, 304; SURS 2004, 307.

At first, the process of abandoning land usage on small farms only took place in areas that were less suitable for agriculture or that would be defined today as “threatened” areas or those of “dying countryside.” In most cases, the abandoned land remains uncultivated because, in those areas, there are very few market-oriented farms that are increasing their agricultural area. The abandoning of agricultural production shows most in the increasing of the areas of forest and uncultivated agricultural areas.

The abandoning of agricultural production by small farmers in recent years is also evident in some plain areas. In those areas suitable for agriculture, farmers rent or buy land to increase their utilized agricultural areas due to changes in market orientation. Some land, especially in the areas of urbanized suburbs, remains uncultivated because small farmers count on the fact that building houses will be allowed on this land and thus the value of the land will increase significantly.

The consequences of the intensive process of abandoning cultivated agriculture can also be seen in the landscape. To lessen the consequences of these processes, the EU secured funding intended for the maintenance of usage of agricultural land to retain the cultural landscape of the countryside. The arrangement of distribution of direct payments from these funds on the level of communes in Slovenia for 2004 shows significant differences between eastern and western regions of Slovenia. The regions near the Slovene-Italian border, in southern Slovenia, and the hilly regions near the Austrian-Slovene border were given the least financial support, i.e. €20.86 per ha. On the other hand, the value of this support from European funds amounted to more than €417 per ha in eastern Slovenia (Lampič 2005, 186–187).

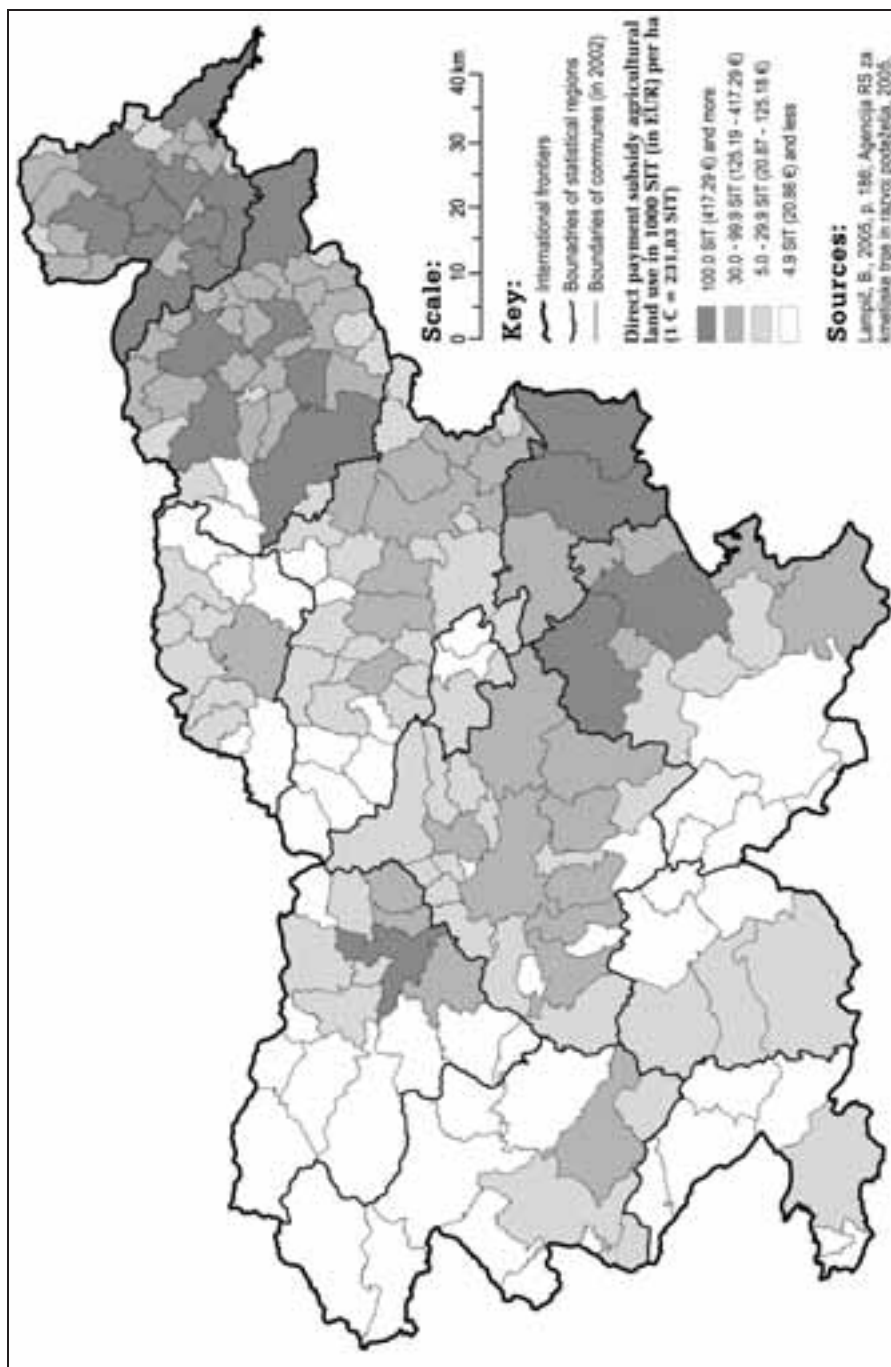


Fig.3: Direct payment subsidy per agricultural land use in Slovenian municipalities in 2004.

Source: Lampič B., 2005.

During the recent years, in Slovenia as well as in other countries of the EU, agricultural regulators put emphasis on those methods in agriculture that sustain the cultural landscape and people's settlements, while at the same time protecting agricultural land against ecological pollution. European agriculture politics also tries to sustain the cultural landscape by encouraging ecological farms and farms with additional activities. The introduction of the above-mentioned kinds of farms can easily be followed, especially in the mountainous and hilly areas. We should also mention that demographic exhaustion and the fact that many agricultural areas are overgrown with woods and shrubs are hindering factors in the introduction of ecological farms and farms with additional activities (Potočnik-Slavic 2002, 100–122). Because of additional payments for ecological measures, ecological agriculture is sparking more interest in plain areas, especially for the regions of urbanized suburbs, where agricultural land is subject to overuse of artificial fertilizers due to conventional agriculture.

There are also quite a few hindrances due to the socio-economic structure of agricultural households. A common characteristic is the dependence of many Slovene farmers on additional income from outside the field of agriculture, because small farms with their crumbled land structure cannot offer enough income for the survival of agrarian families. For this reason, it is not surprising that only one-sixth of all family farms (so-called "pure farms") are dependent solely on income from agriculture; most of them (63%) are mixed and farms with additional activities.

Tab. 3: Number of family farms by socio-economic type.

	Year 1991		Year 1997	
	Number	%	Number	%
Family farms - Total	111,546	100.0	90,613	100.0
Pure farms	23,765	21.3	13,849	15.3
Mixed farms	55,585	49.8	25,287	27.9
Farms with additional activities	21,412	19.2	41,782	46.1
Farms with old age holders	10,784	9.7	9,695	10.7

Source: SPK 1997.

A great problem of Slovenian agriculture is also the weak level of education of holders and successors of family farms. The level of education of older holders of family farms is significantly lower than the average level of education of other groups of active population in Slovenia in the same age category.

In 2000, age structure of the holders of family farms did not yet foretell any future trends in farming, because older holders prevailed. The holders of farms on most of those which had less than 20 ha of utilized agricultural areas were older than 55 years. For those farms that had more than 20 ha of utilized agricultural areas, the percentage of holders that were younger than 45 years was larger than the percentage of those of the family farms, who were older than 55 years (PKG 2002, 116).



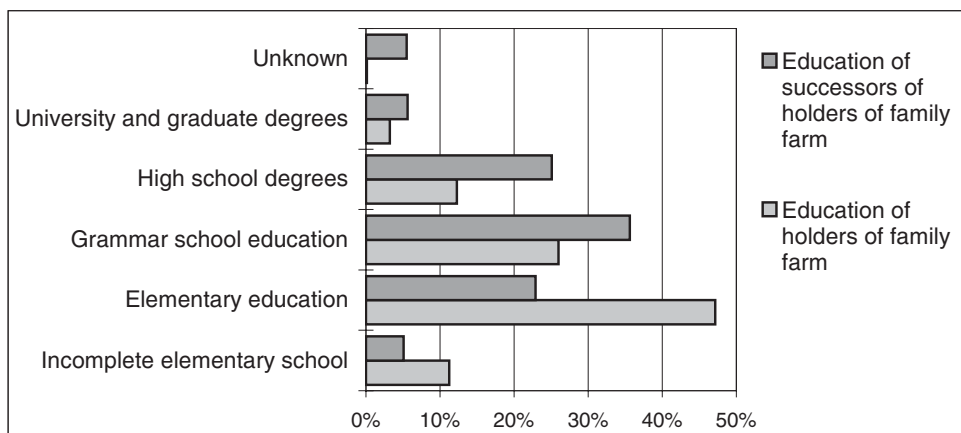


Fig 4: Education of holders and successors of family farms (in 2000)  
Source: PKG 2000.

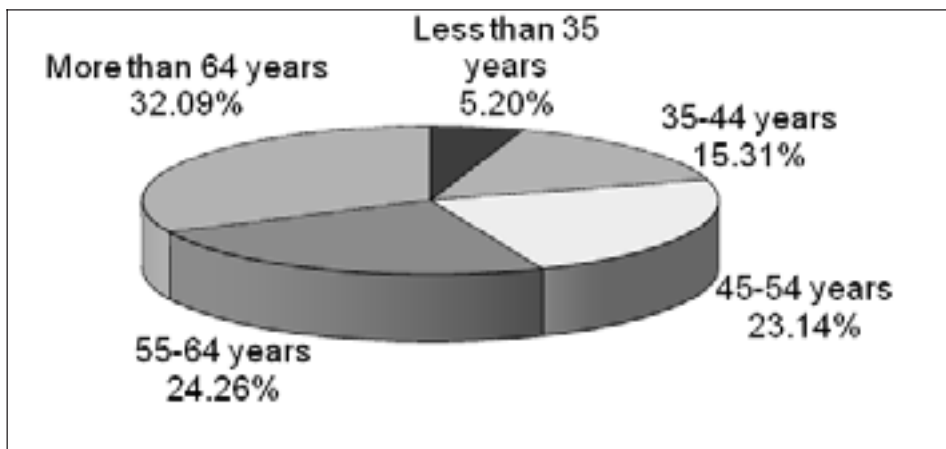


Fig. 5: Age of holders of family farms (in 2000).  
Source: PKG 2000.

Due to emigration of the younger population, numerous farms were left without a work force or workers became too old. There were also many holders of family farms who were not married, so the farms were left without successors. Therefore, the decomposition of the agrarian structure of the population continues into the 21<sup>st</sup> century. In this process, however, there are great differences between economically developed and economically undeveloped regions.

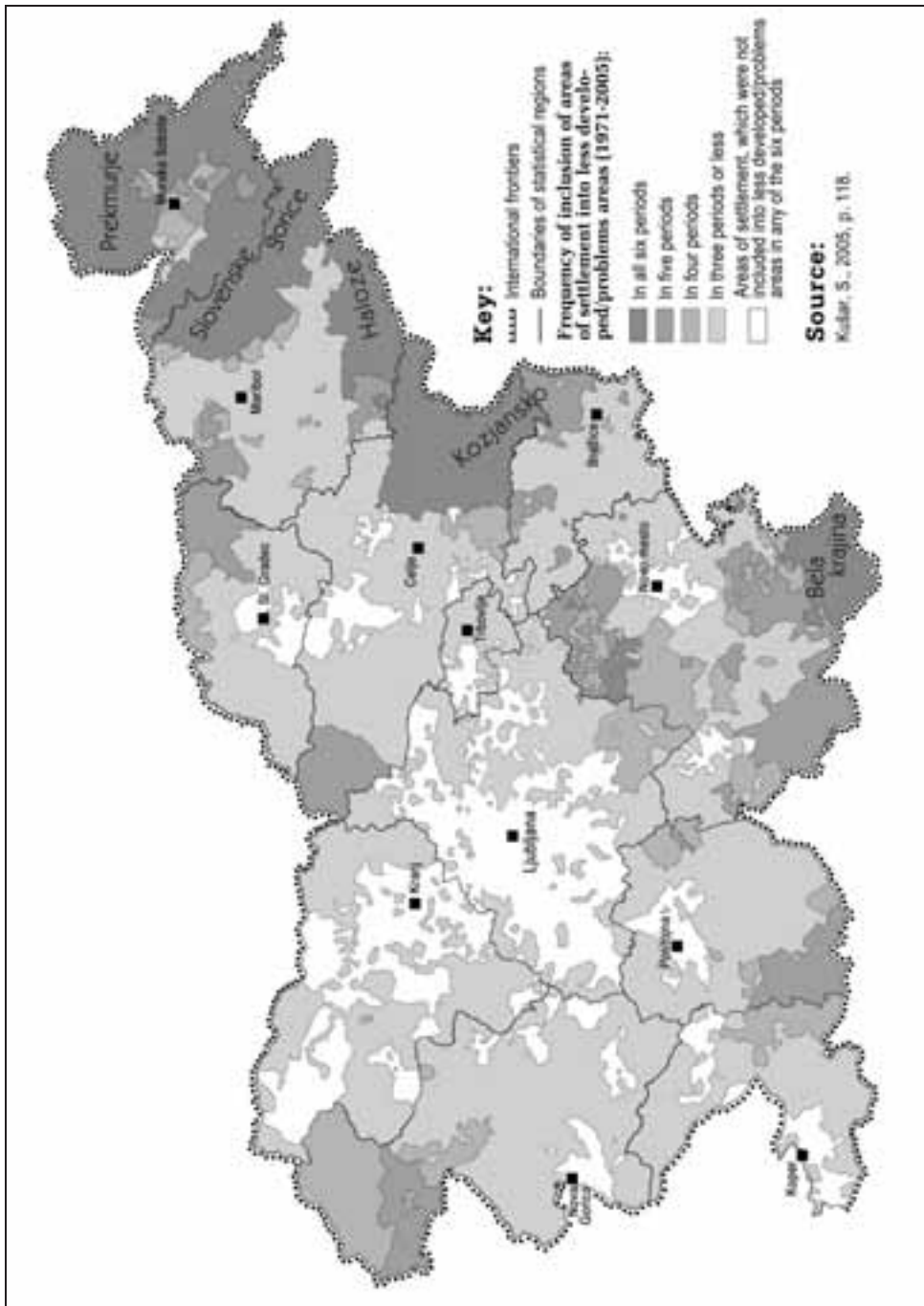


Fig.6: Less developed/problem areas in Slovenia (1971–2005).  
Source: Kušar S., 2005.

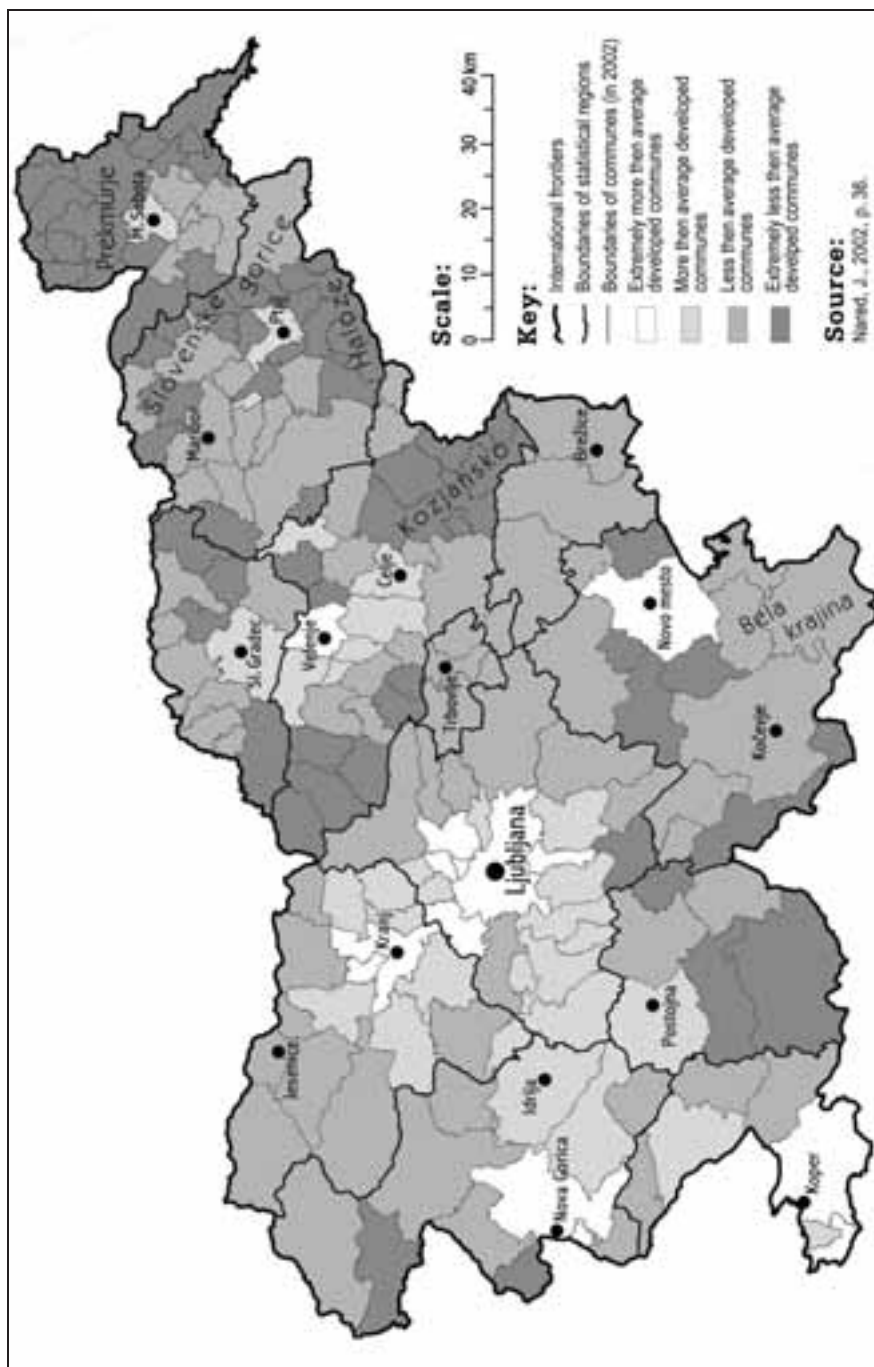


Fig. 7: The development level of Slovenian municipalities according to economic and demographic structures.

Source: Nared J., 2002.

#### **4. Disharmony of regional development in Slovenia**

Slovenia began seriously dealing with the problem of significant regional differentiation as early as the 1970<sup>s</sup> (Vrišer 1988, 66). The first measure for the elimination of these differences was the law on measures for acceleration of development of less developed regions, which was passed by the Slovenian parliament in 1971. Some other legal measures also followed in which they tried to define the less developed regions as accurately as possible and introduce measures that would result in their faster economic, social, and regional-spatial development. Slovene regional-spatial development policy, in accordance with its definitions of regionally less developed, problematic regions, can be divided into six periods: 1971–75, 1976–80, 1981–85, 1986–90, 1991–2000, and from 2000 onwards. Although methodology of defining less developed regions changed, many of the regions in Slovenia were categorized as less developed/problem areas during all six periods. These are certain regions in northeastern Slovenia and wide regions along the Slovene-Croatian border (Kušar 2005, 113–124).

Because attempts to introduce more harmonious regional development have not produced the expected results, the differences among individual regions of Slovenia continue to accelerate. This can be proven by numerous statistical data, especially regarding economic structure and market of the work force and settlement and demographic structure of the population. They show that the above-mentioned regions in northeastern Slovenia along with some regions on the Slovene-Croatian frontier are among the "less than average" or "extremely less than average" developed regions of Slovenia.

Analyses of the data on economic structure, market of the work force, and settlement and demographic patterns of population structure show that in most cases, especially in eastern Slovenia, the "extremely less than average" developed regions in Slovenia overlap with the regions characterized as "threatened" areas or those of "dying countryside." Therefore, it is not surprising that in these regions the most intensive processes of crumbling economic structure are taking place alongside the crumbling of cultural landscape and strong depopulation that represents a potential threat for complete demographic devastation of these regions.

#### **5. Conclusion**

The widening of differentiations in economic development of individual Slovene regions shows that, in Slovenia, we are putting too little emphasis on the problems of development of the Slovene countryside. We should be emphasizing other processes as well, for example, abandoning of cultivation of land, unplanned changing of land categories and intensive intrusion of forests, which are the consequence of fast transformation of the Slovene countryside during the last two decades. In Slovenia, we need to start solving the problem of land usage in mountainous areas as soon as possible, as they did in Western European countries some decades ago. In Western Europe, in the framework of their regional-spatial planning strategy, they started to encourage the system of renting or buying land from farmers who abandoned its cultivation and thus increased the widening of the farms and, consequently, initiated cheaper production.

In spite of all this, Slovenia will still have problems to overcome before it can reach its aims regarding the rational usage of the cultural landscape if we do not start to

deal with the problems of land-structural crumbling, because farming/agriculture does not assure complete independent economic existence even to larger farmers. Crumbling of the land in the future will also hinder economic production in the agricultural economy of farms regardless of their size. This means that underdevelopment with disintegration of cultural landscape in some less developed regions will increase. Slovenia will be able to avoid the consequences of the above-mentioned negative trends in the shaping of its cultural landscape only by using a suitable concept based on internationally verified theory and methodology along with proven application. Therefore, in Slovenia, as in the other members of the EU, agricultural planning will have to be based on team and interdisciplinary work; scholars and research groups from various disciplines who deal with spatial development along with other responsible experts in various administrative functions and ministries will have to cooperate.

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## **THE SLOVENE COUNTRYSIDE IN TRANSITION FROM TRADITIONAL TO MARKET-ORIENTED AGRICULTURE**

### ***Summary***

Today's image of the cultural landscape of the Slovene countryside is a result of the long processes of change in agrarian society in Slovenia, lasting from the end of World War I until today. The whole process was hindered by the emotional attachment of Slovenian peasants to the land, which caused the transition from self-supplying to market-oriented agriculture to take a long time. Also, the introduction of modern technology into agricultural production was slow. In this process, Slovenia was divided into three regions according to the factors of socio-economic, political and social development: (1) urban and urbanized suburban areas; (2) urbanized and "stable" rural settlement areas; (3) endangered and dying rural areas. This division of Slovenia, which is the result of its uneven regional development, has caused numerous new problems, especially in the countryside.

The greatest of these problems are the slow abolishment of disadvantaged land structure, the limited natural conditions for modern agriculture, and the growing of regional differentiation of the level of economic development in Slovenia. These problems intensified the processes of a dying population and decay of the cultural landscape in the countryside on the periphery of Slovenia. Worries are caused by too little care for the environment as land usage for agriculture intensified, especially on the plains, where the main water sources in Slovenia can also be found. Protection of the environment should be sustained by movement toward eco-agriculture and new forms of sustainable development.

To hinder further processes of intensive depopulation and disintegration of the cultural landscape in the periphery, to protect the environment and to ensure settlement of the whole Slovene state landscape, the state should add strategies that deal with land use, regional development and renewal of the landscape. Because the concepts and directions of state organs are not satisfactorily meeting Slovenia's needs, the concepts should be re-examined on local, regional and state levels. Otherwise, development in Slovenia will go in the wrong directions; i.e., areas of settlement will be reduced, as will the amount of arable land—which will cause further disparities in the regional development of Slovenia and damage the image of the cultural landscape in urbanized regions as well as farming areas.

