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**The Role of Small Farms in Norwegian Economic Development**

A look at the statistics is enough to show us the dominance of subsistence farms in Norwegian agriculture:

Table I. Farm units, Norway:

1819 1870 1907 1939 1959

93.571 145.693 246.634 328.181 345.125

As late as 1949, about 80.000 of these units kept 1 or 2 dairy cows, and 75.000 kept 3-5. Today, there are very few in these categories. If we divide the whole Norwegian population by the number of farm units, we will find that as late as after WWII, there would be around 10 people per farm.

Even after the beginning of industrialisation in the 1840es, hundreds of thousands of new farms with one or two cows and 4-7 ewes were established. To most agronomists, the “small farm problem” seemed to be their most important theme, and their solution was usually expansion or amalgamation.

To understand the prevalence and long-lasting importance of subsistence farming in Norway, compared with other countries, I find it necessary to specify and analyse three kinds of processes:

I. The access of land for subsistence farming to the economically lowest stratum in rural areas.

II. The economy of scale in subsistence agriculture.

III. The interaction of subsistence farming and wage work: A case of “moving equilibrium”?

**I. A Question of Land Rent.** As in many other countries, Norwegian farmland was transferred from the cultivators to absent owners in medieval times, first to the Catholic Church, and by the Reformation to the Danish king and his favourites. But in Norway, land continued to be easily available for subsistence agriculture.

It may be important to keep in mind that almost the whole of Norway – outside of a rather small fraction around Oslo and Trondheim – consists of bogs, birch-wood or stony ground, land that may be usable for subsistence agriculture for a poor family, but of very little use to an owner with commercial inclinations or plans. Small farms owned by rich absent owners were sometimes not used – nor paid rent for – especially in the country’s periphery.

Compare with Scotland: Those who had become owners of The Highlands and Islands reacted to higher wool prices by getting rid of their tenants – “preferring sheep to men” as the saying goes. The land rent of grazing land went up. The value of their properties happened to increase by a factor of 10 in a few years (Prebble 1963).

If a large Norwegian property-owner had decided to take advantage of the increased wool prices, he would – in most of the country – have had to collect winter fodder and provide winter housing for all his animals. He would have a hard time turning out a profit.

The land rent of Norwegian subsistence farms did not sink to zero, but before the end of the 19. Century, nearly all farmers – large or small – had bought their farms, helped by tenant-friendly legislation. At the same time, many new small farms were established by parents dividing their land between several of their children – regardless of legislation aiming at avoiding too small farms – , or by giving them pieces of outfields, woodlots or bogs to cultivate.

Benevolent public societies were established early in the 20. century to help young people to establish farms – to avoid or reduce emigration.

An example from a North Norwegian local history: A farm in the village of Medby in Berg rural district was taken over by Jakob and Joakim, sons of Tobias, in 1892. This farm, on which Tobias kept 3 dairy cows and a horse in 1865, had in the 1940s been divided into 25 matriculated farm units, as well as a few small plots for households without farmland. About half of the new farms were established by families where one of the parents would have Jakob or Joakim as father or grandfather. But the owners had also sold units of a few acres of bogs and bushes to unrelated people – mainly from other villages. In addition to these 25, two ”husmenn” (cottars) had bought their plots on the periphery of the farm around 1900, and their children had established 7 independent units on this land. All this means that in 1950, about 180 people subsisted on Tobias’ farm, on 32 farm units, with a little more than one cow in average, and no horse on any of the farms. (A.Brox 1959, p.446 ff.)

A tempting conclusion: The rural poor are lucky if they live in an area where land is badly suited for commercial ventures ?

1. The Economy of Scale

Under preindustrial conditions, domestic units find It “profitable” – or should we say necessary? – to apply their labour to the production of food and other necessities that they need – or are able to consume.

Usually, such units also need *some* cash. If good arable land is easily available, they are likely to increase their effort, and produce a surplus of agricultural products to sell. A good example may be European families emigrating to American prairies in the 19. century.

In other conditions, like in most of Norway, draining bogs, clearing away stones and three-roots took so much hard work that very little was produced for sale – in addition to the quantities that could be consumed in the household. We could put it like this: The incentive to increase agricultural production drops suddenly as soon as the quantity needed by the household has been achieved.

Subsistence farmers will be looking around for easier ways to the necessary cash – like fishing, or temporary wage work like cutting or processing of timber. This means that rural areas could be considered as a source of easily available labour – rather convenient for the partly *rural* branches that were developed by Norwegian petty capitalists after independence from Denmark. (Sejersted 2002) Prominent among these were fish export, saw mills (later pulp) and shipping. Subsistence farmer families were probably as important as a source of labour to the Norwegian primary-based export branches and shipping as the urbanised peasants in the very fast-growing industrial cities were to the British manufacturing industry.

1. A moving equilibrium?

How can we explain the apparent preference for subsistence farming among young Norwegians – in the same period as the industrial revolution changed other European economies completely? Did they have to go into the woods with an axe and a spade to drain bogs and clear away stones in order to feed a cow or two, and grow a few barrels of potatoes – because they did not have the industrial opportunities that young people in other countries had in the cities?

But subsistence farms can alternatively be considered as a positive opportunity in Norway, an option that most of the rural working class of many other countries did not have. One could say that the country had a “Frontier character”, which means that if you were willing and able to go north or into the wilderness, you could acquire land and other resources to become independent. And even rather small farmers were able to provide their children with sufficient land for subsistence – if they were willing to work hard.

It is important to note that even if many people living on the land did not have the right to vote before 1898, the rural interests could not be ignored in the Storting (Parliament), which after the 1830es was nicknamed “Bondestortinget” i.e. “The Peasant Parliament” by the urban middle class. Promoting the practical interests of the small farmer made the Liberal Party (Venstre) grow very fast, as Labour did – partly for the same reason – in the 20th century. One could specify an impressive list of political benefits to the subsistence farmer population up to the first years after WWII, like cheap loans for building, subsidies for draining and cultivating outfields, legislation securing a decent landing price to the fisherman – just to name a few.

Hence I think there are reasons to believe that a small farm was a realistic alternative to an urban industry or service job – as long as households were able to find some source of the necessary cash minimum. Which means that employers had to *compete* with selfemployment for labour, creating a situation that analysts of labour markets refers to as a “moving equilibrium”.

We may compare the Norwegian economic growth process with the extreme alternative – the British industrial revolution – which, according to Karl Polanyi, implied destruction of the subsistence economy of the rural masses. The Norwegian rural population *maintained* and improved their subsistence economy at the same time as the country was industrialized, which means that the value created by the modern economic activities came *on top of* a growing small scale preindustrial economy.

**Literature:**

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