

5.3 Co-operation and rural society, I. The economic functioning of rural co-ops: bridges over social fissures or new cleavages? Room 107

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Co-operatives are by definition *tools for building institutional networks* and ways and forms of *joining larger integrations*. But building a network may at the same time be a decision against participating in larger economic integration, therefore it may be a step towards rejecting the political side of this larger integration, the state which is behind it. Usually, this has been a multiethnic empire, those opting out of its economic matrix have been seen as participants in a modern nation-building project. This has usually been studied, if at all, at the level of the ideologues of the co-operative movements, or, even worse, by taking the views of the different *political* ideologies as a starting point. Yet the question: ‘Who do I trust, who do I work with?’ – was of obvious relevance and it was a question that had to be answered daily. It was also a question where cultural preferences were inextricably linked with economics and farming practices – trust and co-operation meant a very different thing in a consumer co-operative than in a dairy co-op.

There is evident need here for a more complex view of co-operatives, which would combine the contemporary technical and economical determinants of co-ops with consideration of differing cultural and political contexts in which they operated. Only in such a complex field of determinants would it be adequate and worthwhile to look at different, rival mobilisation efforts of rural elites and mobilisation paths of rural people.

Though this is a very complex issue, which has not really been looked at, the papers will try to not focus just on one particular setting, but to develop comparisons and explore the dynamics of integration and disintegration, with special regard to the interplay of rural economy and ethnic or cultural preference.

5.31 Christopher L. Colvin – God and risk: the role of religion in rural co-operative banking in the early twentieth-century Netherlands

What is the relationship between religion and risk-taking in banking? At the turn of the twentieth century, the Netherlands’ new co-operative movement was instigated by religious groups – Roman Catholics, orthodox Calvinists and liberal Protestants. Using quantitative analysis combined with archival business history evidence, this paper investigates how religion mattered for the banks’ credit, liquidity, interest rate, and market risks in the build-up to, during, and immediately following, the price deflation of the 1920s. It describes how the level of risk chosen by bankers was not determined by their denomination, but rather by banks’ religious minority position in their local market. Analysis of financial accounting data concerning all network-affiliated co-operatives suggest that the bigger an area’s religious minority, the more willing and able were banks associated with that minority to take on more risks. Case-study evidence points to a club good theory explanation for this finding, with strict membership criteria and use of personal guarantors in loan agreements acting as strong screening and monitoring devices.

Christopher L. Colvin is a final-year ESRC-funded PhD student at the Department of Economic History of the London School of Economics and Political Science (LSE). His research interests lie in the fields of financial history, money and banking, applied industrial organisation, and historical geographic information systems. His thesis looks at the performance of early microfinance institutions operating in the Netherlands during the financial crisis of the early 1920s. He holds a BSc Economics from the University of Bristol and an MSc Economic History from the LSE, which he received in 2006 with distinction and a dissertation prize. He has worked as an economist at the Office of Fair Trading, and has been an academic visitor at Universitat Pompeu Fabra and Universiteit Utrecht.

5.32 Hans Jörgensen – The growth of the Estonian Agricultural Co-op Movement in a North European context: 1860s to the inter-war years

The aim of this paper is to sketch a long-term, comparative overview of the growth of the agricultural co-operative movement in Estonia in the light of contemporary development in Sweden, Finland, Denmark, Latvia, Lithuania and Bulgaria from the 1860s up to the inter-war years. The build-up and growth of producer's co-operative associations were of significance for inter-war Estonia's economic performance, not least because of its link to the radical land reform. So was also the case in many other parts of Europe up to the 1930s. This enhanced the small-scale agricultural producer's possibilities to compete on the world market. In this regard the comparative overview can elucidate both unique, country specific, and similar, institutional features of the growth and development of these movements. The paper will be structured by a number of comparative tables and matrixes in order to shed light on the significance of these changes. While parts of the comparisons concerned here were published in Swedish in 2004, this paper aims—partly by expanding the comparison with new sources – at providing a more thorough investigation of the development up to 1930. The paper is based on scientific journals, co-operative publications and scholarly literature.

Hans Jörgensen has been Senior Lecturer and Study Councillor in the Department of Economic History at Umeå University since 2006. He has a PhD in Economic History from Umeå University, 2004. Recent publications include (with Stjernström Olof), 'Emotional links to Forest ownership. Restitution of land and use of a productive resource in Põlva County, Estonia', *Fennia* 186 (2008) and 'The Inter-War Land reforms in Estonia, Finland and Bulgaria: A Comparative Study', *Scandinavian Economic History Review* 54 (2006).

5.33 András Vári – Co-ops, peasants, and networks in segmented rural societies of Austria, Hungary, and Transylvania from the 1880s to 1918

Founding and running rural co-ops was one of the major means of both integrating and segregating segments of multi-national, multi-confessional rural society of the Habsburg Empire. This paper looks first at the economic logic behind the two main types of co-ops (consumer and credit) operating in different economic settings. The economic constraints and the economic logic of the situation patterned the processes whereby rural communities were split, or united, by the forces of economic co-operation.

Next, the paper proceeds to compare rural Austrian German, Hungarian and Transylvanian Saxon credit co-operatives with regard to their respective effects on rural societies. These effects will be evaluated with reference to the economic context of the co-ops in which they operated.

The upshot is that the role given to economic nationalism when explaining the blossoming of rural co-operative institutions of the period needs to be cut down to size. Too often the claims of contemporary nationalist ideologues with regard to the role of co-ops as tools of nation-building have been taken at face value by historians. In some documented cases, economic logic did override nationalist endeavours, co-ops actually favoured integration of rural regions with several religious and ethnic communities. In yet others, the success of separatist organisations can be given an exclusively economic explanation.

Yet the running of co-operative networks required the services of local and regional elites. Identities and strivings of these elites were to some extent determined by their positions vis-à-vis the state. Therefore, they reflect the differences between the political structures of individual Austrian provinces, of Hungary, of Transylvania. This also means a number of different projects of nation building in the individual provinces. The aspirations and interests of local elites should not, however, be seen as identical with those of the peasants. But while it is advisable not to accept the claims of the contemporary nationalist movements without further scrutiny, there is no direct,

authentic source on the thinking of contemporary peasants and their motivation in joining or abstaining from co-operative institutions. Therefore, it is impossible to settle the question with final certainty.

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