

Thesis of PhD dissertation

**THE FUTURE OF FAMILY FARMING IN CONTEXT OF
GENERATIONAL CHANGE THROUGH THE EXAMPLE OF
KARCAG**

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1. BACKGROUND, OBJECTIVES AND HYPOTHESES OF THE RESEARCH

The success of our own fifth-generation family farm was the core motivation before my topic. Since my brother and I were 'born into farming' and both of us appreciate family and respect tradition, it was obvious that we would continue our commitment to our family farm.

In my previous research, however, I found that almost each farmer has difficulty regarding succession both in my settlement and Hungary. Delving into the situation of family farms, I found that they have paramount importance in agriculture. However, the operation of family farms is not sustainable in the long term because generational change has not been resolved. The problem of an ageing society in agriculture is intensifying. The future of family farming is disappointing, as the tendency shows that the number of young people interested in farming is decreasing. Programmes to rejuvenate farming community have been launched but have not been as successful as expected. Only medium-sized farms have seen an improvement regarding the age of farmers. According to experts, it is not necessarily a lack of agricultural professionals, but a lack of interest in agriculture (Kovács, 2020b). Thus, the major problem is when a farm that has been existing for generations has no successor.

For 40% of family farms, generational change cannot be postponed any longer (BUDAPEST LAB, 2017). Nevertheless, according to BOGÁTH (2016) and NOSZKAY (2017), two thirds of family farms in Hungary ignore the idea of succession. I think it is due to the fact that it is a sensitive issue that is rarely discussed, even in the family. However, addressing the issue is unavoidable and needs to be consciously prepared for, as it is one of the most difficult tasks that may occur in the life of a family farm (BRACCI - VAGNONI, 2011). Generational change has never been more actual for Hungarian family farms. This is backed by the fact that there is no agricultural conference, event, or farmers' forum in Hungary without mentioning it. These factors further justify the relevance of my doctoral thesis.

When I started the research, I focused on the premise that one of the key elements for the long-term survival of family farms is successful generational change.

Main objectives of the research

The **main objective** of my thesis is to explore the problems encountered during the transfer process and to summarise the conditions necessary for a successful transfer, i.e., to unravel the essence of successful generational transfer with a scientific basis. In my research, I investigate the process of generational change in family farms in Karcag. In the course of the research, I sought to ascertain how family farmers in Karcag assess the prospects of their farms and what effect generational change induces? What are the factors that influence succession? In their opinions, what are the major obstacles to generational change? How much pressure is there on successors to take over? How does the role of predecessors evolve after succession? Finally, what impact may successful generational change have on the population retention capacity of the countryside?

A successful farm transfer requires conscious planning, in which family plays an important role. The environment shapes the behaviour and mindset of an individual for a lifetime, as the successor learn here how to relate to the world (BABBIE, 2000). Thus, one of the fundamental steps of transmission is to involve the child gradually (according to his or her age) in the life and tasks of the business, therefore he or she will be grown into the business (BOGÁTH, 2016). Literature suggests that there are several factors that influence conscious preparation. Consequently, I hypothesized that **the preparation of generational change has a significant impact on the future of the family farm (H1)**.

Several factors may hinder the transfer of the family farm within the family, such as the lack of a successor or if the successor is not competent; age incompatibility (parents are too old, the child is too young); gender preference (disadvantageous treatment of daughters); or if children intend to have their own way (KÁSA ET AL., 2017; NOSZKAY, 2017; MOSOLYGÓ ET AL., 2018). Therefore, **H2 hypothesis suggests that one of the major barriers to generational change is the lack of adequate successor**.

Taking over the family farm can be both an opportunity and a burden for successors. The farm offers the possibility of building a promising career, but it may not be the most attractive career option for family members who seek absolute stability (BOGÁTH, 2016). Research by ROYER ET AL. (2008) shows that successors are more likely to plan to take over the family farm if the parents own a larger farm. Therefore, in my hypothesis H3a, I hypothesized that the larger the family farm is, the greater the pressure is on the successors

to take over. Taking over the farm may also be attractive for successors if the family knowledge base is valuable, the size of the farm is significant (HUANG, 1999), or if the farm is multi-generational (WIKLUND ET AL., 2013). I believe that these hypotheses hold in practice, and therefore my hypothesis **H3b suggests that the more multi-generational the family farm is, the greater the pressure is on offspring to take over.**

The main benefit of family farms is that they can ideally remain under the control of the same family for generations, allowing tens of years of experience and knowledge to be concentrated in the leader. Predecessors continue to play a symbolic role after succession and thus have a strong influence on culture, values, and performance. Predecessors have extensive experience in farming but are inexperienced in succession. Several of them are thinking about retirement, but few of them actually take action (KOVÁCS, 2020a). Consequently, I assumed that **the role of predecessors remains important after succession (H4a).** This is further complicated by the 'baton grip' effect of predecessors, i.e. being too attached to the property or business they have already built (MOSOLYGÓ ET AL., 2018; NOSZKAY, 2017). The older generation's attachment to property and its control is a major constraint on the younger generation's willingness to take risks and exploit development opportunities (KOVÁCS, 2020a). Therefore, I hypothesized in **H4b that the over-empowerment of predecessors may hinder the development of successors.**

Family and tradition play a crucial role in the lives of rural people. As a consequence, a family farm is not only a capitalist business, but a way of life where adherence to family, independence, autonomy of choice and the countryside is the strongest. In this way, support for family farms is also important with respect to rural development and is encouraged by the current system and the European Union. Both agriculture and this form of farming mean being tied down for farmers. Therefore, a family farm can increase the population retention of a settlement over generations. However, this requires sufficient motivation and commitment from young people to continue their traditions (KOVÁCS ET AL., 2019). I hypothesised that **successful generational change contributes to increasing the population retention of a settlement (H5).** To answer my research questions, I conducted independent research (Figure 1).

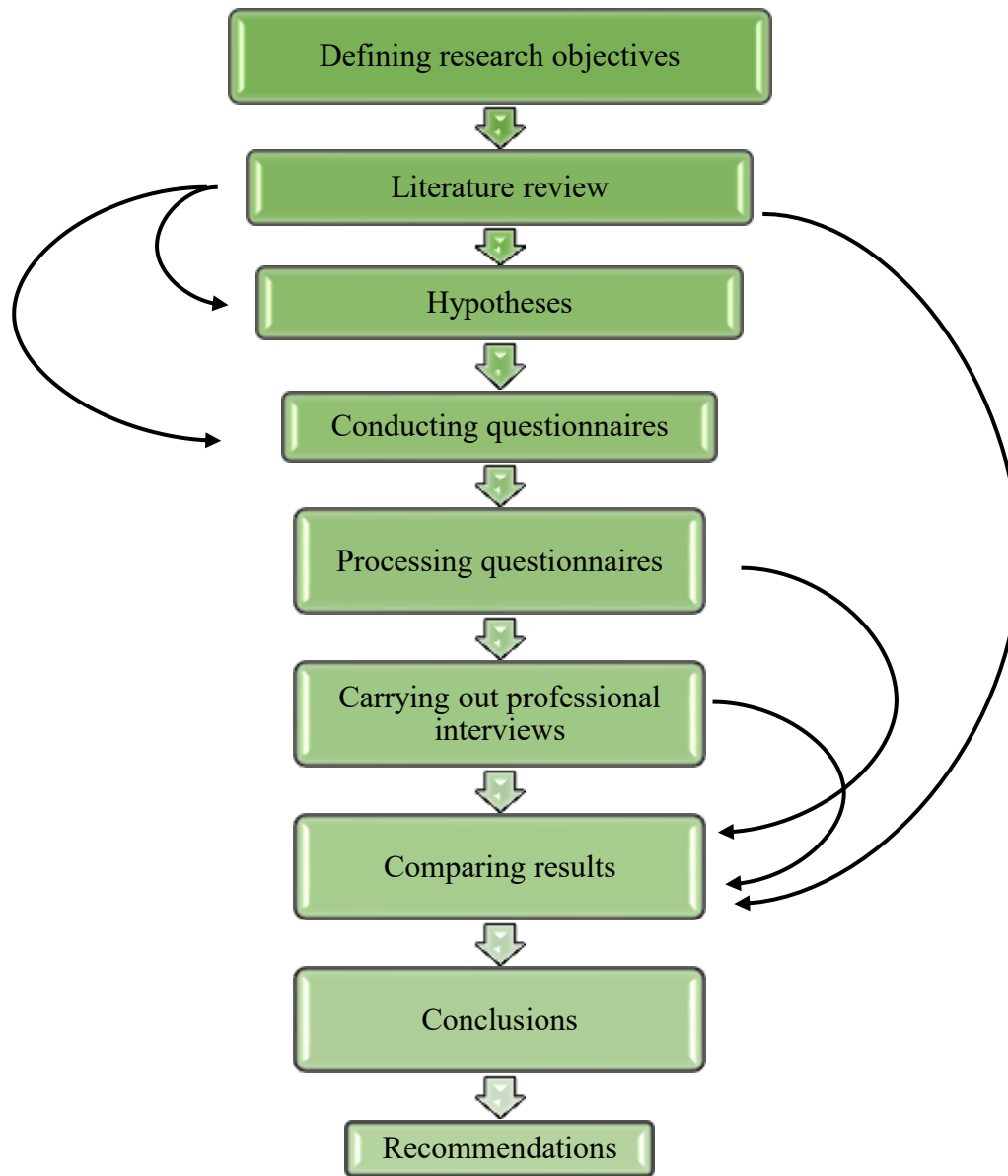


Figure 1: The research process

Source: Own edition (2021)

My research and analysis have covered the following areas:

1. I have **organised and processed** national and international literature on the topic. **I have compared** varied definitions of family farms given by different researchers and **distinguished between family businesses and family farms**. I described the characteristics of family farms, as well.
2. I delved into the succession process, its definition, types, and stages, and compared continuous and life-cycle models. Finally, I presented the role of the family in generational change. Afterwards, I **discussed succession difficulties of family farms and how to deal with them**, as well as problems that may arise during farm transfer, the conditions for successful succession and people to whom young farmers can turn.

3. Based on literature, I **compiled a questionnaire** involving family farms in Karcag as respondents, where generational change is a current issue.
4. Based on the results, I **visited several successful family farms** and interviewed the predecessors and successors. Based on the results of the questionnaires and the interviews, I **consulted experts** on the topic, during which they expressed their opinions therefore my evaluation became more complex.
5. I **compared and contrasted** the results of the questionnaires and interviews with the literature. Based on farmers' opinions, I **summarised** the problems encountered during generational change and the factors necessary for a successful farm transfer. On this basis, I made recommendations for a successful succession of family farms.

2. DATABASE AND METHODOLOGY

In my research I conducted both primary and secondary research. In my secondary research I analysed national and international statistical databases. Based on the results of the secondary data exploration, I opted for professional interviews and questionnaires as my primary research methods.

2.1. Description of the questionnaire

I contacted family farmers in Karcag who are due to or have already undergone generational change. I strived to collect data directly, as I intended to interview both the predecessors and the successors concerned. I thought I could inform more farmers about my questionnaire than in electronic form. Furthermore, other questions may arise when completing the questionnaire face-to-face. My basic objective was to interview each family farm in Karcag and thus to obtain representative sample. I tried to interview a predecessor, a successor, a farmer who had already had both roles, and a farmer who had not succeeded in changing generations. However, there were some farmers who unfortunately refused to be interviewed despite repeated requests. Generational change is a sensitive issue even within successful farms. Therefore, it is not easy for farmers to open when it is not really discussed even within the family. I think that in family farms where the successor is involved in agriculture but does not want to continue that, the predecessor perceives it as a failure and has a negative social image, therefore he or she is reluctant to talk about it. My future plans include continuing my research in this area.

There were further obstacles in carrying out my primary research. 'Stay-at-home' restrictions, quarantine, and farmers' fear of COVID-19 coronavirus (primarily among the older age group) complicated my research to a large extent. In view of the situation, I was forced to suspend both the questionnaire and the interviews based on personal enquiries. I tried to conduct the interviews by telephone and to fill in the questionnaire online, but I had difficulties in reaching the sample. Despite repeated requests, a total of 36 farmers completed the questionnaire. As I tried to be representative in my research, I continued the survey face-to-face, but due to the epidemiological situation, I could start again at the end of November 2020. I was able to carry out my research only in a limited range. However, I believe that it has generated results from which appropriate conclusions can be drawn for

the population under study. Due to the relevance of the subject, I would like to continue and expand this research in the future to explore national trends in a meaningful way.

I could not find any data in the database of the Central Statistical Office in Hungary on the exact number of family farms in Karcag. This may be due to the fact that it was previously a separate tax form, but a latest law will clarify this. The National Chamber of Agriculture and Karcag Land Registry assisted me. According to their database, there are 82 family farms in Karcag, and they have an average of 3 employees. There are therefore approximately 246 family farmers in the municipality. However, with respect to data privacy, the list of family farmers could not be published. I was therefore obliged to filter the list of names by area-based subsidies from the database of the Hungarian State Treasury. The local farmers' expert and my family assisted me. In my research I finally reached 143 farmers. It is important to note that, according to SAJTOS-MITEV (2007), although each representative research is quantitative, not each quantitative research is representative. A sample can be considered representative along defined variables if the number of items (respondents) included in the sample matches the population. Although my sample cannot be deemed to be representative, it may still reflect the real opinion of family farmers on the generational change in the municipality, as I was able to reach almost 60% of family farmers in Karcag. However, it is not representative at a national level. I constructed the model using an EXCEL spreadsheet, and I performed non-parametric tests, cross-tabulation analysis, Spearman and Pearson correlation.

I divided the questionnaire into three main groups; questions about the own farm, the family farm and factors for a successful generational change and finally questions about the farmer. The first two categories were compulsory for everyone, and then farmers could choose the role they played on the farm. It was the section where my questionnaire was split into questions on the predecessor and successor. Among the questions about the own the farm, I inquired about the size of the farm, the labour input, the use of land and the animals reared. Finally, how the farmer sees the future of his or her family farm. In the next section, I defined statements related to my hypotheses about family farms and factors that are necessary for generational change in general. On a 5-point Likert scale, farmers were asked to rate how much they agreed with a given statement (1=not agree at all, 5=absolutely agree). In this section, I provided the farmers with opportunity to give their views on 2 questions:

what other factors are needed for a successful succession and what are the difficulties that may arise during the generational transition. Surprisingly, I received a lot of responses, which I processed. This was followed by questions about the farm leader. There were several questions in the questionnaire that were the same for both groups, such as gender, age, education, generation, motivation for starting the farm, number of years spent in the farm. In the section on predecessors, I had questions specifically about succession (whether he or she has a successor, who he or she would like to be responsible for the management, whether he or she intends to continue farming, how long it will take to train and hand over, and what his or her biggest fears are about generational change. In the successor section, my specific questions included; from whom he or she takes the farm over, who is in charge of leading the business, which stage the farm transfer is, what is the predicted time of takeover, which stage the training to lead the business is, what proportion of the decision-making process he or she can participate in and what are his or her major fears about the takeover. I defined the fears of predecessors and successors based on literature, which they could rate on a Likert scale as to how much they agree with them.

One of my objectives in conducting the questionnaire was to have questions that were easy to understand (in some cases, to decide). However, direct data collection allowed me to supplement the answers with farmers' opinions and comments. I processed the farmers' responses with Microsoft Excel 2019 and IBM SPSS 26. For testing the normality of the scales in the research, I used Kolmogorov-Smirnov test. In the test, I accept the null hypothesis (i.e. that the sample is normally distributed with respect to the factor) if the significance is greater than 0.05. If the significance is less than 0.05, the sample is not normally distributed and I have to reject the null hypothesis (MALHOTRA, 2008). In the test, the null hypothesis (that the sample is normally distributed for a given factor) was then accepted. To examine the relationships between categorical variables, I used Pearson's Chi-square test. In this test, the null hypothesis is that the estimated and measured data are the same, i.e., there is no correlation between the two variables. This test can only be applied if the frequency of data in each cell of the table constructed on the basis of the two characteristics is at least two and if less than five data are allowed in at most 20% of the cells (SAJTOS - MITEV, 2007) if the significance is greater than 0.05. If the significance is less than 0.05, the sample is not normally distributed, and I have to reject the null

hypothesis (MALHOTRA, 2008). To detect differences between several groups, I performed a median test with median of all the data arranged in magnitude. If there is no difference at all between groups, data in each group are distributed approximately equally both above and below the common median. The median values of the test factor in two independent groups are compared with Mann-Whitney test. In order to do so, all the data are first ranked according to their magnitude, afterwards data should be replaced by their rank numbers. In case of two or more identical data, it is their mean rank (MR). The ranks are broken down into their original groups. If both groups have low and high ranked observations and the average rank is approximately the same, there is no difference between the median of the two groups. Otherwise, the average rank will be higher in one group than in the other. We need to calculate the sum of the ranks for both samples. A significant difference between the sum of the ranks may be found if there is also a significant difference between the groups (FIDY - MAKARA, 2005). If more than two groups were examined, the Mann Whitney test had to be extended to Kruskal-Wallis analysis. It can be applied to examine whether the quantitative evolution of the test factor differs within a given grouping. The null hypothesis is that the means are the same within groups, which can be accepted above a significance level of $p=0.05$ but must be rejected below this level. If null hypothesis is rejected, this means that there is a significant difference in the perception of the test factor for the grouping criteria (LEARD STATISTICS, 2016). It was applied in one case but did not lead to significant results.

2.2. Professional interviews

Following the questionnaire, I had a number of ideas about succession that needed further investigation. Therefore, I considered it important to conduct professional interviews. This method is more informal than the questionnaire. It allows for a more in-depth exploration of the issues under investigation. Another advantage is that it allows for immediate feedback and reactions (Yin, 2009).

I conducted a total of 16 interviews in October 2020, face-to-face and via phone. The interviews were based on a pre-conducted draft interview. In each case, it took approximately 1.5 hours. During the professional interviews, I tried to approach the topic from several perspectives, both from the family farms' and experts' point of views. During

the interviews, I planned to visit family farms where succession had failed. I was able to reach several farms where the successor did not wish to take over the family farm, but in neither case did the predecessors or successors wish to comment. It proves that the issue of generational change is a taboo. Consequently, I ended up interviewing only successful family farms. I thought it was important to talk to the predecessors and successors separately, so that they could give me their honest opinions. Fortunately, I was able to talk to several farmers who had been in both roles, therefore they had a much more complex view of the subject.

My first interview included the Kun family: Kun József, his children Jr. Kun József, Ternovánné Kun Erzsébet, and their spouses, who are also farmers. It was obvious that I interviewed my own family, namely my father, Kovács István, my mother, Kovács Istvánné Zabolai-Mikes Éva Katalin and my brother, Kovács István Lajos. It was essential to ask their opinions on the issue, as our family farm has been running successfully for 5 generations and my brother and I both intend to continue this tradition. Finally, I interviewed the Hubai family, including Hubai Imre, their children Jr. Hubai Imre Csaba, Hubai Erika, Hubai Margit, and Imre's daughter Hubai Boglárka. Although they run a limited liability company, I thought it was important to involve them because they set a very good example for other farms on how to run a family farm successfully to the point where it may become a company. Consequently, out of the 13 farmers I interviewed there were 2 farmers in the role of successor, the rest of them had already gone through a generational change.

For a more complex approach, I conducted 3 professional interviews. Firstly, with Dr. Czibalmos Róbert from the Research Institute of the Hungarian Agricultural and Life Sciences University in Karcag (hereinafter: Research Institute), about the situation of generational change and family farms in Karcag, as they are currently investigating the situation of family farms in Jász-Nagykun-Szolnok County and the North Great Plain region. Afterwards, I contacted Spisák Dezső, Deputy Director of the Szentannai Sámuel Secondary School of Agriculture with questions about the agricultural department of the school. Finally, I contacted Dr. Weisz Miklós, co-president of the Hungarian Young Farmers Association, registered consultant, and former assistant professor at the Georgikon Faculty. I discussed the situation of generational change in Hungary and the functioning of

Agrya. During the interviews, I asked longer, open-ended questions based on the results of the farmers' opinions.

3. MAIN FINDINGS OF THE THESIS

The aim of my research was to investigate the process of generational change in family farms in Karcag in a complex way, and to identify the difficulties encountered during the process and the factors necessary for its successful implementation. As a consequence, I conducted a comprehensive national and international literature search on the subject. Afterwards, based on the secondary research, I had the following research questions and hypotheses. Figure 2 also shows my research methodology.

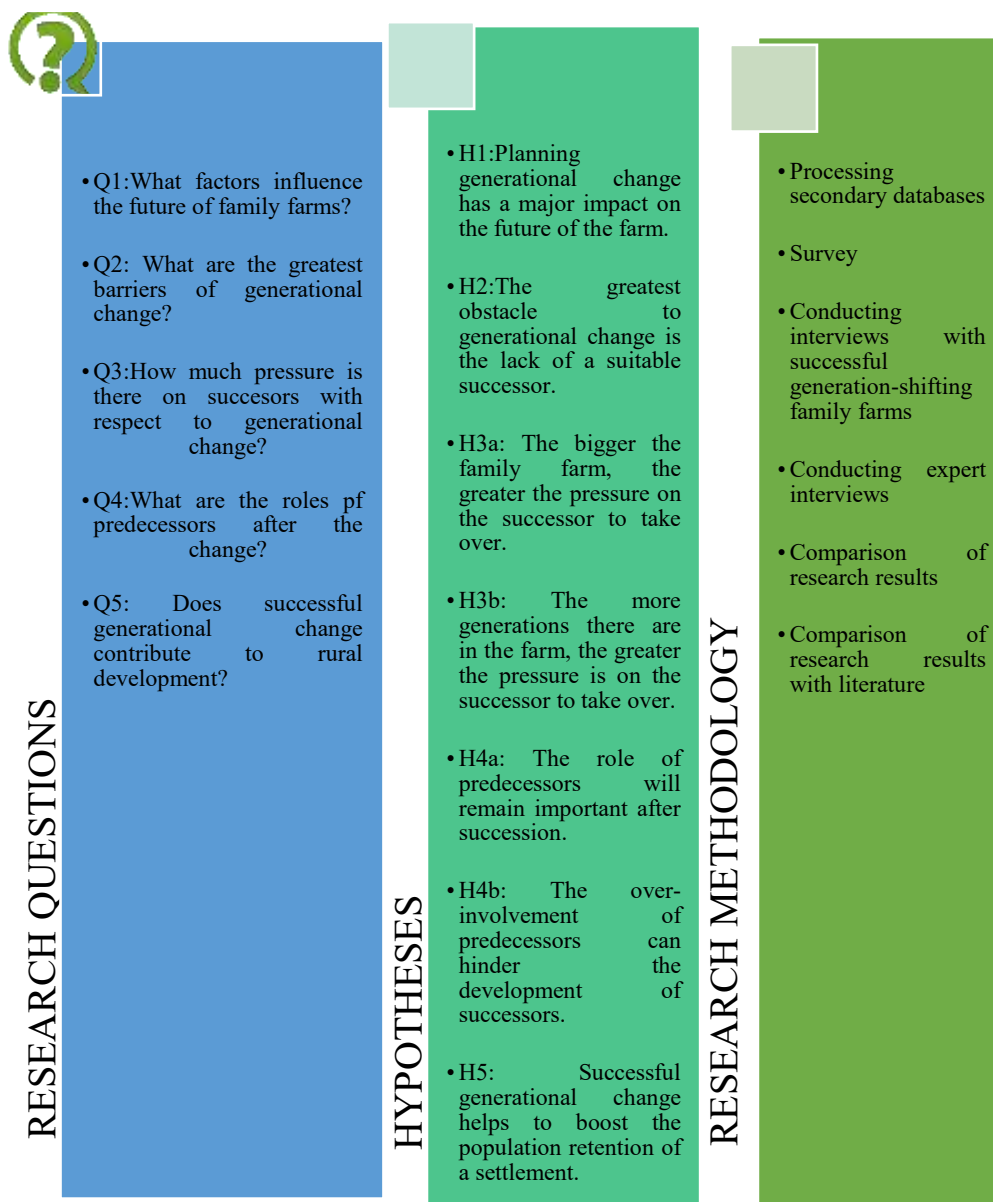


Figure 2: Defining the objectives and methods of the research

Source: Own edition (2021)

In my first research question, I intended to find out **what factors influence the future of the family farm**. In particular, I was interested in **how the process of generational change influences it and what factors are necessary for a successful farm transfer**. Based on these questions, I defined my first hypothesis, that **the planning of generational change has a significant impact on the future of the farm**. During the questionnaire survey, I examined a number of influencing factors that I had identified (based on the literature) as having an impact on the future of the business, which I explain in detail in the results section.

In analysing the responses to the questionnaire, I found that the future of the farm is most influenced by the smoothness of the farm transfer and education. Those who consider education important are those whose farms are growing and expanding strongly. Smoothness also has a positive impact on the future of the farm. Furthermore, the degree of smoothness improved with the involvement of a consultant. There is also a link between smoothness and education. The optimal situation is when both factors show a positive trend. If the farmer does not consider education important, even if the transfer is smooth, the future of the farm will stagnate. In other words, a smooth farm hand-over is not necessarily a guarantee of a stable future, but both are necessary. Education has a direct effect on smoothness and, as a mediating effect, it leads to the development of the farm.

Planning includes preparing the successor and preparing for the handover of the farm, as well. The results of the questionnaires show that the time needed for training is equal to or more than the time needed for handover. According to the majority of the predecessors, these two processes can take 5-10 years or even more than 10 years. In none of the farms interviewed had an actual farm handover, therefore farmers were not able to give precise answers. They all agreed that the handover of the farm and training are long-term processes. According to the predecessors, a minimum of 10 years is needed for handover and training combined. All the successors had made a fully conscious choice to take over the farm and had enrolled for the necessary training on their own initiative. They realised that acquiring the right skills was essential to run and take over a successful farm. According to AGRYA, planning is a perennial problem that affects farmers nationwide. They agreed that where preparation is not completed properly, often constraints often arise. They see plenty of negative examples. It is common for farms in Hungary that the control is solely in the hands

of the predecessor. However, if the predecessor unexpectedly leaves, the functioning of the farm is threatened. Therefore, it is essential that the younger generation should be involved in the running of the whole farm, not only in part-work. Such emergencies also mean that it is important to give successors a view of the whole farm.

In all the cases, interviewees considered the cooperation within the family to be smooth. Consequently, they believe that there will be no problem with the farm handover. The answers to the questionnaire on smoothness also show this tendency. In most farms, handovers are perceived as smooth. On those farms where there was a problem with generational change, the problem was mostly due to over-attachment of the predecessor, inadequate education, and inadequate successor. It can be concluded that the education of the successors and the handover of the farm is a long-term process, the planning of which has a major impact on the success of generational change. Proper education contributes significantly to the smoothness of the farm handover. This smooth succession is also facilitated by advisors. A smooth farm handover has a major impact on the future of the farm. **My first hypothesis was confirmed; generational change practices have a significant impact on the future of the farm.**

My suggestions for the first research question:

On the whole, successors are satisfied with the way their parents educated them. They think they did very well to involve them in farming from a young age. I therefore believe that education should start at an early age, gradually introducing successors to the complexities of the farm. Based on the opinion by successors, I think it might be worth giving young people a little more freedom to learn more at their own expense, even by providing a small area of land entirely to the successor. I mean that successors would basically do that using the family farm's own resources, but the predecessors should give higher independency in decisions and the work processes.

And a few years after high school or university, it would also be useful to involve successors in management and hand over the family farm completely, thus bringing about a generational change sooner.

It would be crucial for predecessors to consider that the younger generation intends to adopt more modern technologies, therefore mechanisation and innovation are inevitable. It could be an incentive to develop fixed salary for successors, the level of which would be linked to the profitability of the family farm, as this is not feasible in each case. As adequate preparation for generational change is lacking on most farms, I think that short and concise guides for farmers would be helpful. They would provide answers to all the questions that may arise during generational change. It would involve a collection of contact details of those they can turn to with their problems.

I think it would definitely be worthwhile to have farmer forums where there would be discussions specifically about generational change. These forums could showcase both good and bad examples of farms that are changing generations. In addition, in case of interest, it could be useful to organise training courses to prepare people to deal with succession. In Hungary, universities could even offer a separate subject on farm succession management.

It may be worthwhile to develop a farm handover plan that sets the steps of the generational change in general terms, even over a period of years. This could be useful as a guide for farmers. A mentoring network would be worth whereby farmers could have access to an adviser to help them make the generational change, possibly accompanied by grant. In this context, an online forum could be developed where an expert adviser could answer questions on generational change. I shared suggestions with experts after drawing my conclusions and they all thought these were relevant and feasible.

My second research question; **what farmers think the greatest barriers to generational change are.** In H2 I theorized that **one of the greatest barriers to generational change is the lack of adequate successor.** I considered it important to approach the issue from the perspective of both the predecessors and successors. It was observed that farmers who have a successor within the family have a positive view on the future of the farm. Those who do not have successors tend to see their farm as stagnating or being liquidated. Thus, a positive vision of the future is only characteristic of those with a successor within the family, therefore the successor is indeed an important factor in the success of generational change.

However, from the experts' point of view, there are 2 main obstacles to generational change: the predecessor and the successor! Furthermore, succession often poses administrative problems, which I explained in the results section. From an expert's point of view, the problem of generational change is not necessarily the lack of a potential successor, as many of the interviewees mentioned during the interviews, it is a very complex set of problems. Accordingly, **I can only partially support my hypothesis H2.**

My suggestions for the second research question:

In practice, despite the existence of successors with vocational and higher education qualifications, family farms can still have problems with farm handover. Therefore, I think it would be crucial to motivate the successors with:

1. Suggestions listed earlier in the first research question,
2. Flexible correspondence courses offered by universities,
3. Greater involvement in decision-making by predecessors,
4. The development of a financial package for young farmers by the state. Similar to area-based payments, this could be a normative non-reimbursable grant, which could be used as a salary to secure their livelihoods and cover their own (private) costs.

In my third research question, I intended to find out **how much pressure there is on successors to take over the family farm.** In this context, I defined two hypotheses, **namely (H3a) the larger the farm is, the greater the pressure on successors i to take over and (H3b) the more generations there are in the family farm, the greater the pressure on the successors is to take over.**

It can be concluded that there is not much difference between the responses of predecessors and successors. For most of my respondents, taking over their farm was not a big burden at all, as it was clear that they intended to work on their family farm. This may be due to the fact that the choice of career was their own independent decisions, and they were not forced by their parents. There was broad agreement that the more generations there are in the family farm, the greater the pressure is on the successors. However, it is more likely to be perceived as pressure by successors than by predecessors. Surprisingly, there is more pressure on the 2nd generation. Generations 3-4 tend to take it for granted that they will run their family farm. Interviews with farmers and experts did not confirm these

assumptions. Consequently, **H3a hypothesis is not supported**, as there is no correlation between the size of the family farm and the extent of pressure on successors. **H3b hypothesis was only partially supported**, as although it was considered as a pressure in several cases in the questionnaire, it does not seem to be a real burden to take over the farm when looking at the generation and opinion of successors.

My suggestions for the third research question:

Since successors had a positive view of taking over the family farm from their predecessors and didn't really feel pressure, I think they should be the best example for other farms to follow. I would suggest where the successor is under pressure that the predecessors should not force takeover. Instead, they should try to make the successor like farming, and they try to work with the successor through good communication. It would be important to communicate the positive aspects of farming. The key word here is also to be prepared and to recognise the problem. If you know that it is going to happen anyway, you have to be consciously prepared!

My fourth research question concerned **the role of predecessors after succession**. In my hypothesis H4a, I assumed that the **role of predecessors remains significant after succession**.

In most cases, the predecessor manages the farm alone or jointly with his or her successor. 85% of the successors can participate in decisions, but their average participation rate is not outstanding. It can be observed that the older the successors are, the higher the participation rate is. However, there have been several cases where the successor, despite his or her senior age (over 50), has not been allowed to participate in decisions at all. A general characteristic of predecessors is that, irrespective of age, almost no one intends to pass on his or her farm without actively continuing it. According to the Research Institute, most people aged between 60 and 65 do not feel that they intend to leave. This is backed by the questionnaire responses and interviews, as farmers over 80 also want to continue farming. Consequently, **the role of predecessors will remain important after succession**. **Thus, my hypothesis H4a is supported**.

Hypothesis H4b suggests that **the over-involvement of predecessors may hinder the development of successors**. Overall, 37.9% of successors believe that they cannot

achieve their plans because of over-attachment. 32.2% believe their predecessors do not trust them to hand over the farm completely. However, it can be observed that the more advanced the stage of farm transfer, the greater the autonomy for the successor. Fears of backwardness are strongest when generations run the farm in parallel. In addition, successors are more likely to fear that they will not be able to implement their plans. While if predecessors are co-managed, the successors are afraid that they will never be given full management of the farm.

However, in interviews, successors said that they had been involved physically and mentally in the work since childhood and had been constantly consulted by their predecessors. On the other hand, it was not always listened to. Successors believe that even after the handover, they will only have an opinion, their own decision is not certain. This is not a problem currently. They intend to become a bit more independent. It is evident that the predecessors do play an important role in the life of the farms (even after the generational change). In most cases, this does not bother the successors at all, as they need the professional experience of the predecessors, therefore they consider it as a help rather than a hindrance, with one or two exceptions.

Experts tell me it is often a nationwide problem on farms that those taking over are ready for a generational change, while those handing over are reluctant to lose control. In many cases, they are too attached to the farm. It suggests that over-attachment of predecessors is a real phenomenon on farms. However, based on the majority of the responses from my interviewees, this is not necessarily a problem if the predecessor can keep a moderate opinion in decisions. However, if it is overdone the predecessors, they may hinder the successors in their plans. In the worst case, this could lead to the successors losing interest in the family farm and leaving it. Therefore, my hypotheses **H4b have been partially confirmed.**

My suggestions for the fourth research question:

It is important to realize that sooner or later the leadership has to be handed over to the predecessors. This would require a collection of good examples from which both predecessors and successors could draw inspiration. Publications and example-setting mentioned earlier could also help. Based on expert advice, generations should work together

for a few years and afterwards the predecessors should be able to step back. But until they feel this is due, persistence and patience of their successors is needed. In the meantime, it would be useful for successors to have a small plot of land where they could practice. And for the predecessors to retire, they should provide their successors with a standard of living to which they have become accustomed during their lifetime. A pension-like amount per month or year would be appropriate. A possible solution could be to buy out the predecessor or lease the land.

In my last research question, I investigated **the impact of successful generational change on rural population retention**. In my hypothesis H5, I hypothesised that successful generational change contributes to increasing the population retention of a settlement.

The majority believe that a successor will actually stay if they see a secure livelihood in farming. It was very surprising that it was mainly the successor who thought so. It means that as long as they make a good living from their family farm, they are more likely to start a family and not to leave their homeland. However, when I looked at the motivations of the successors, I found that even if they cannot find a job out of agriculture, it is not a guarantee that they will stay. Surprisingly, those who are not only familiar with agriculture believe that the family farm ties them to the settlement. My experts are unanimous in their opinion that successful generational change is crucial in rural development and boosting population retention of the settlement. In their opinion, if the successor finds his or her way in the settlement, there is no reason to move away. Overall, **hypothesis 5 is confirmed; successful generational change contributes to boosting population retention of a settlement**.

My suggestions for the fifth research question:

It can be concluded that if the operation of the farm and the generational transition is smooth, emigration can be greatly reduced, therefore farmers should strive for this smoothness. I believe that the suggestions I have put together earlier will be of great help in this respect.

The hypotheses that motivated the research and their results are summarised in Table 1.

Table 1: Summary of research hypotheses based on questionnaires and professional interviews

Research question	Hypothesis	Result
1.	H1: Planning of generational change has a major impact on the future of the farm.	Confirmed
2.	H2: One of the major obstacles to generational change is the lack of a adequate successor.	Partially confirmed
3.	H3a: The bigger the farm, the greater the pressure on the successor to take over.	Not confirmed
	H3b: The more generations there are in the family farm, the greater the pressure is on the successor to take over.	Partially confirmed
4.	H4a: The role of predecessors will remain important after succession.	Confirmed
	H4b: The over-involvement of predecessors can hinder the development of successors.	Partially confirmed
5.	H5: Successful generational change helps to boost population retention of a settlement.	Confirmed

Source: Own edition (2021)

Finally, based on the conclusions, I summarised the main recommendations drawn from my research, which can lay the foundations for a successful generational change for each family farm (Figure 3).

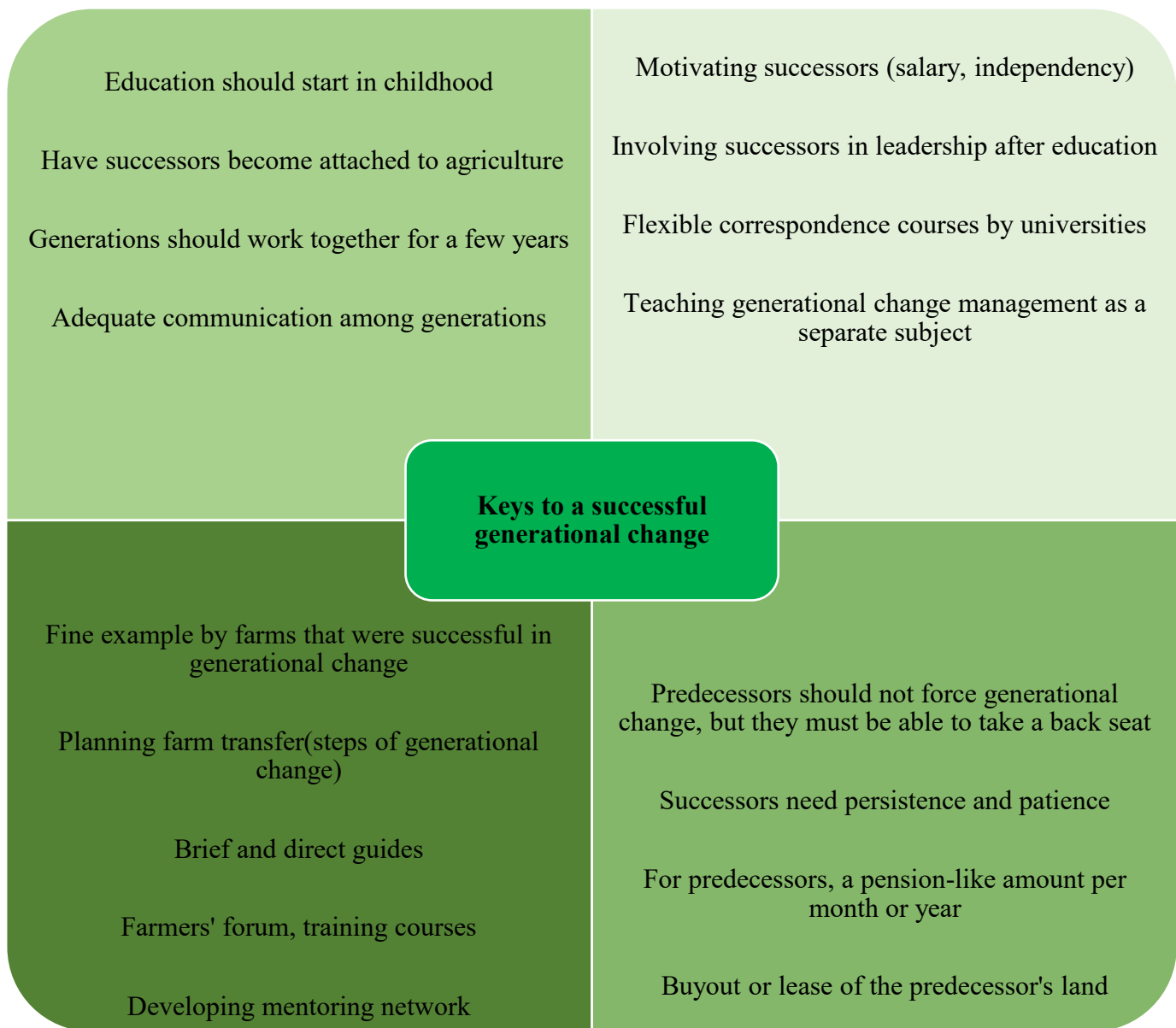


Figure 3: Key pillars of a successful generational change

Source: Own edition, based on own research (2021)

4. NEW OR NOVEL RESULTS OF THE THESIS

Based on the results of the primary research, I believe that I succeeded in tackling a taboo that is due to arise sooner or later in each farm. However, it is very difficult for farmers to get themselves to communicate, even within the family, when it comes to generational change.

In most cases, the predecessor takes it for granted that his or her successor plans to continue the family farm, while the successor's plans may be different. Therefore, the predecessor may eventually be unpleasantly surprised when he or she realises that there is no successor. The sensitivity of the issue is illustrated by the fact that I visited several farms where they face the same problem, but in none of them were they willing to comment.

I believe that such cases highlight the importance of being prepared for generational change. Predecessors need to be aware that their farms will be sustainable in the long term if their successors are involved in its operation and management. And when time comes, they must be able to retreat. Where the predecessor can keep a sense of proportion in decision-making and provide independency to successors, it is not necessary to retreat completely. The interviews showed that three generations can work together successfully without major disagreements, provided that communication is proper. However, this requires the patience of successors and the trust of predecessors. If the family farm runs along the proposals put forward, I believe that it can remain in the family in the long term, thereby helping to boost population retention capacity of the municipality. My new and novel results are summarised in 5 points:

1. I synthesised and evaluated national and international literature on the topic. Afterwards, I distinguished between family farms and family businesses. On this basis, it can be concluded that family farms are a subset of family businesses where agricultural activities are performed, and a higher proportion of family labour is applied. I found that one of the most significant pillars of generational change on family farms in Karcag is the development of a good parent-child relationship.
2. Based on literature, I summarised the succession difficulties of family farms and the conditions for successful generational change. These were examined in practice through questionnaires and interviews. On this basis, I concluded that the most crucial

problems in succession are the lack of adequate successor, excessive predecessor attachment and excessive administrative burdens. As a conclusion, it is essential to have the right attitude and patience on the part of the predecessor and successor, to prepare consciously for the generational change and to educate them properly.

3. I visited several family farms where generational change had been successful. I thus collected good examples, from which I have drawn up a diagram with summary suggestions (*Figure 3*). This could create a good basis for a programme booklet. This could be fed back to farmers in forums and agricultural events to promote successful generational change within families. This can facilitate successful generational change within the family through forums and agricultural events.
4. I compared and contrasted the results of the questionnaire and interviews with literature and, where I found discrepancies, I analysed the possible reasons. Regarding my sample, I found the following 3 discrepancies with literature:
 - The sibling rivalry involved in literature, which may pose a problem on farms, is not a problem among people I interviewed because of their upbringing. Rather, siblings rely on and complement each other.
 - Compared to literature, I found a difference; the predecessors preferred to hand the farm over to their sons, as in many cases farmers interviewed preferred to hand the family farm over to their daughter. I think it can be due to the fact that there were more daughters' successors in family farms.
 - I would highlight one case of deviation from literature in terms of innovation. In a family farm, older generation is much more innovative than the younger generation.
5. I examined the issue from a complex perspective, from both the predecessor and successor perspectives, and finally I sought the views of experts on the results. I compared these perspectives and summarised the problems of generational change and the factors necessary for a successful farm transfer based on farmers' views. On this basis, I made recommendations for a successful succession of family farms.

5. PRACTICAL USE OF THE RESULTS

I think I have managed to tackle a taboo that affects each family farm. One of the objectives of my doctoral dissertation was to raise awareness among family farmers in Karcag with respect to the importance of this topic and to motivate them not to avoid communication within the family.

Since this is not often discussed within the family, I think studies, articles, and publications born from the comparisons of opinions between predecessors and successors can be instructive. I believe that there are areas even in successful family farms where sensitisation from both sides may still be necessary. Thus, it can be useful for the predecessors and successors to see each other's views even if they no longer necessarily talk about them.

My long-term goal is to become an expert adviser specifically on this topic and to develop a mentoring programme to help farmers deal with the obstacles they face during the generational transition.

I would like to extend my research to Jász-Nagykun-Szolnok county and collect more good practices (possibly bad ones, if farmers are open). I intend to share these ideas to farmers at national and international farmers' forums, conferences, and agricultural events. I have a great desire to organise a training course in the municipality, which could be attended not only by family farmers but also by anyone who is due to deal with the issue. I would like to share the secret of successful generational change.

6. LIST OF OWN PUBLICATIONS

1. Sándor Ágota Ildikó –Pető Károly – **Kovács Éva Katalin** (2021): Az ökológiai gazdálkodás megítélése a szeghalmi gazdálkodók körében. *GAZDÁLKODÁS*, Megjelenés alatt.
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5. **Kovács, Éva Katalin** (2020): Az idősebb korosztály szerepe a családi gazdaságok generációváltásában. *MAGYAR GERONTOLÓGIA* 12 : 39 p.
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10. **Kovács, Éva Katalin** (2017): A családi gazdálkodás megítélése a karcagi gazdálkodók körében. In: Gál, Zsuzsa; Vathy, Veronika (szerk.) *VII. Kerpely Kálmán Szakmai Napok a Gyakorlatorientált Oktatásért*. Debrecen, : Debreceni Egyetem Kerpely Kálmán Szakkollégium, (2017) pp. 28-28., 1 p.
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List of publications related to the dissertation

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1. **Kovács, É. K.:** A generációváltás megtervezettség és a családi gazdaságok jövőképe közötti összefüggések.
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