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Homo agricola considered as homo economicus and homo politicus

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**„Institutions in Transition –
Challenges for New Modes of Governance”**

IAMO Forum 2010, 16-18 June 2010 | Halle (Saale), Germany

Homo Agricola considered as Homo Economicus and Homo Politicus

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Abstract: The paper is of descriptive character and is based on literature review. It reviews the concept of *homo economicus* and *homo politicus* in the history of economic thought and tries to discover their characteristics in *homo agricola*. As demonstrated, one component of *homo agricola* can be of economic and another one of political nature. Those components can be separated or can be together. Agricultural economists, however, in their sophisticated mathematical models seem to reduce farmers' behaviour to economic behaviour or rather to self-interested *homo economicus*.

Institutional economics, social economics and socio-economics are closer to actual human nature, than *homo economicus*. The further research challenge before agricultural academia is to develop the model that will be able to fully explain the questions involving all human behaviour of *homo agricola*, that is farmer or rural man with set of different objectives.

Keywords: agriculture, economics, politics, history of economic thought

JEL codes: Q1, A13, P4, B0,

“The capacity of the human mind for formulating and solving complex problems is very small compared with the size of the problems whose solution is required for objectively rational behavior in the real world.”

Herbert Simon (1957: 198)

1. INTRODUCTION

In an economic profession, it has been generally accepted that economics is the science that studies how societies use scarce resources to produce valuable commodities and distribute them among different people (SAMUELSON 1948) or examines human behaviour as a relationship between given ends and scarce means which have alternative uses (ROBBINS 1932).

It has been claimed that economics consists of a set of purely descriptive hypotheses explaining regularities in the behaviour of producers and consumers (VARIAN 1992). Opposite to this argumentation, I consider economic theory as an essentially normative discipline that cannot be separated from ethical (ETZIONI 1988) and political considerations.

In mainstream economy, behaviour is often formalised following the rational actor-approach. Some economists regard economic man as a construct or abstraction useful for getting definite theoretical results, a concept they use largely since its consistency with their deductive mathematical models or since believed usefulness in generating successful predictions even if is not realistic (TOMER 2001). Economists may consider the character of economic man to be close to human reality in certain spheres of activity such as when dealing with anonymous transactions in competitive markets but not descriptive of human behaviour in other spheres (VINER 1991: 75-76).

The successes achieved by mathematical and statistical methodology as well as computer programming tools over the course of the 20th century seemed to justify unlimited faith in the ability of optimization models to explain all economically significant forms of human behaviour. As a result, in core economic journals the material relates to economic theory, and “economic theory itself has been continuously more abstract and mathematical” (STIGLER et al. 1995: 339).

After reviewing recent literature, it becomes appear that the majority of agricultural economists are possibly not interested in going beyond the boundaries of conventional neo-classical economics. For example, VON CRAMON-TAUBADEL and NIVYEVSKIY (2009), taking a sample based on complete coverage of 11 peer-review journals in agricultural economics from 1989-2008 concluded that farm size/structure, reforms/policy and productivity/efficiency had been the most important subject categories of 200 articles dealing with transition or transition countries. Also ZAWOJSKA (2008) when examining thematic profile of 392 papers published in the proceedings of the latest 12th EAAE Congress „People, Food and Environments: Global Trends and European Strategies” revealed that the most studied topics covered: trade/competitiveness, efficiency/productivity and consumers/consumption. In both cases, method-driven research and sophisticated quantitative and qualitative techniques were dominated.

We are witnessing that mainstream economics and its models are unable to solve the most

urgent societal and political challenges. It seems important for agricultural economists to aspire to an integrated approach that incorporates the best of all the different schools of economics thought, not limiting themselves to the conceptions of any specific school, and particularly to a value-free neoclassical economics. Hence, there is a great challenge for integrating economics with both moral and political considerations. According to Theodore Schultz, the Nobel Prize winner in 1979, in traditional¹ agricultural settings farmers are not responsive to normal economic incentives but instead often respond perversely with the implication that the supply curve of farm products is backward sloping (SCHULZ 1964: 81) as well as they often have no profit opportunities.

In the literature of economics, sociology and politics much has been written about different models of man, however relatively little has been said about man named by ancients “*homo agricola*”.

The aim of this study is to consider the economic, moral and political aspects of farmers’ life in different epochs of economic thought and in today’s days. The paper is of descriptive character and is based on literature review.

The remainder of this paper is organized as follows. The second section reviews the models of humanity in the history of economic thought. Afterwards, *homo agricola* is examined through economic, moral and political lenses. The paper ends with concluding section that summarizes previous sections and proposes recommendations for further research.

2. THE IMAGE OF MAN IN DIFFERENT THEORIES OF ECONOMICS

When trying to discover *homo economicus* (*homo oeconomicus*), my search of the economic literature uncovered many replacements and supplements such as, for example, *homo faber* (BERGSON 2005), *homo politicus* (NYBORG 2000; FABER et al. 2002; BECKER 2006; GRANT 2008), *homo sociologicus* (PODGÓRSKI 2008; NG and TSENG 2008), *homo socio-economicus* (TOMER 2001), *homo moralis* (ZAK 2008; DEN UYL 2009), *homo reciprocans* (GINTIS 2000; BOWLES and GINTIS 2002; HAGEDORN 2002), *homo sustinens* (SIEBENHÜNER 2000), *homo ecologicus* (BECKER 2006), *homo hierarchicus* (DUMONT 1980) and *homo sapiens oeconomicus* (DOPFER 2004).

Economic theory mainly relies on the assumption that economic agents may be likened to a “*homo oeconomicus*”. *Homo oeconomicus*, the man who acts on pure economic motives alone, is the concept of man at the heart of mainstream economics. He or she is a selfish, rational and utility maximizer. Adam Smith, however, referred not only to selfishness (SMITH 2000a) but also to sympathy as a specific characteristic of the human being (SMITH 2000b). He did not consider self-interest to be synonymous with selfishness and thus devoid of ethical considerations. Self-interest is a very significant motivation but it is not enough. Beyond self-interest there are other critical missing variables, such as ethics, for instance.

Many heterodox economists are not strictly anti-mainstream; they generally wish go beyond the mainstream in order to develop an economics with a better conception of how the economy is integrated with society.

[Table 1](#) presents one by one the main characteristics of economic man in different economic perspectives.

¹ Farming based wholly upon the kinds of factors of production that have been used by farmers for generation can be called traditional agriculture.

Table 1: Characteristic comparison of the economic man

Mainstream economics		Heterodox economics	
<i>Homo economicus</i>	<i>Homo institutional economicus</i>	<i>Homo social economicus</i>	<i>Homo socio-economicus</i>
Self-interested: has well-defined preferences for things and experiences that provide satisfaction for the self	May be self-interested, but what he wants is mainly determined by institutions and societal evolution	Oriented to striving for individual economic betterment like <i>homo economicus</i>	Self-interested and oriented to obtaining pleasure
Rational (i.e. perfectly adaptive); he makes decisions that lead to his maximum utility or output under the given conditions (optimizing behaviour)	Is not rational in the manner of <i>homo economicus</i> ; he is not a lightning calculator of utility, and he does not attempt to maximize utility	Sometimes, he is as rational as <i>homo economicus</i> but more often he behaves non rationally, reflecting both his habits and biases	Is not a rational decision maker. His decisions are sub-rational due to his rather limited intellectual capabilities
Separated from his physical world and from other humans (individuals and collective entities)	Is not separated from his human and physical outer world	Oriented to belonging to communities and institutions. Promotes the welfare of the entire community	Oriented to others, to family, community, society and the obligations and commitments, often moral in nature, that membership involves
Unaffected by culture/values, society, politics, and so forth unless these enter his preferences	Behaves in line with habits and rules, is strongly influenced by institutions, and learns from his social experience	Acts out of a concern for justice, human dignity, duty, loyalty and other moral and ethical considerations	He chooses largely on the basis of emotions and value judgments, and only secondarily on the basis of logical-empirical considerations
Has given, unchanging character which is not an object of theoretical and empirical study	Does not have a given, unchanging character	Develops his character in order to realize his higher personal potential	

Source: Own compilation based on TOMER (2001), HODGSON (1998), WHALEN (1996), O'BOYLE (1994) and ETZIONI (1988).

Homo institutional economicus or institutional economic man is quite different from *homo economicus* or economic man; with respect to the indicated characteristics, he remedies some deficiencies of economic man and thus, represents an improvement. The character of *homo social economicus* or social economic man includes the higher aspects of human nature than of institutional economic man. *Homo socio-economicus* or socio-economic man, as opposite to *homo economicus*, is not rational or sometimes semi-rational. As said by ETZIONI (1988: 253) his behaviour is determined by two separated and often conflicting parts. The first one is similar to *homo economicus* in that he is self-interested and oriented to obtaining pleasure. The second part is oriented to others as well as to the obligations and commitments that membership involves.

One of the main critiques of the *homo economicus* model is that in some situations individuals do

not behave like economic man, i.e. in real world humans do not always act rationally or in pursuit of self-interest². Additional critique concerns the narrowness of behaviour analysis. [Table 2](#) consists of selected critics of the neoclassical conception of the maximizing man.

Table 2: Critics of the (neo)classic conception of *homo economicus* or rational choice paradigm

Authors	Comments
VEBLEN (1899: 232)	Anthropological foundations of modern economics failed to account for the complexity of human choice in a dynamic world. Economic man “is an isolated, definitive human datum, in stable equilibrium except for the buffets of the impinging forces that displace him in one direction or another”.
MISES (1949: 62, 651)	Rejection of mechanical version of rational choice, <i>homo oeconomicus</i> . “Economics deals with real actions of real men. Its theorems refer neither to ideal nor perfect men, neither to the phantom of a fabulous economic man (<i>homo oeconomicus</i>) nor to the statistical notion of an average man (<i>homme moyen</i>)”.
MASLOW (1971: 310)	Materialist approach: “skilled, exact, technological application of a totally false theory of human needs and values, a theory which recognizes only the existence of lower needs or material needs.”
SIMON (1947 [1976]) SIMON (1986)	Agents often have multiple goals and use these goals to eliminate alternatives from the choice set in order to make choice more manageable. Rather than maximise their utility, they make decisions that are good enough or satisfactory and that represent reasonable or acceptable outcomes. The economic man represents the objective rationality in an ideal model. In reality, no one (individual or organization) can fulfil the requirements in the classic model of decisions processes.
JAGER and JANSSEN (2000: 307)	The unrealism of the maximization model as a description of human behaviour. In real world humans do not always act rationally or in pursuit of self-interest.

Source: review of literature.

The human actor labelled *homo politicus* and developed by FABER et al. (2002: 328) is based on ethical considerations and essentially characterized by its “striving for political justice”. It recognizes this striving as an essential trait of its existence as a being capable of reason.

3. ECONOMIC, SOCIAL AND POLITICAL LIFE OF HOMO AGRICOLA

3.1. The myth of virtuous homo agricola

According to Marcus Tullius Cicero, a Roman polymath, “*homo agricola*” is a country, rustic, rural individual; a peasant or farmer (ROMEO 1979: 7).

The myth of virtuous farmer originates in ancient Greece and Rome. In ancient Greece, where nearly 80% of the population farmed for a living, any study of economics was first and foremost a study of managing a farm. The word “economy” comes from the Greek word *oikonomia* (*oikonomiké*) meaning “household management” or stewardship in the New

² In order to focus attention upon the discrepancy between the perfect rationality assumed in classical economic theory and the reality of human behaviour, Herbert Simon, for example, introduced the term “bounded rationality” (SIMON 1991).

Testament.

Aristotle, usually used word “oikonomiké” (“the economic”) to refer to anything which is related to the use of wealth in order to achieve the Good Life (ARISTOTLE 1995). However, he held that oikonomiké and its related technique, chrematistics³, referred not only to the house but also to the polis.

So, farming is the oldest respectable profession. More than two thousand years ago Cicero wrote: “of all the occupations by which gain is secured, none is better than agriculture, none more profitable, none more delightful, none more becoming to a freeman” (CICERO 1991).

Centuries before Cicero, Xenophon, Greek philosopher, in one of the earliest work on economics “Oeconomicus”⁴, declared that agriculture was a noble profession, the only essential occupation of man and the mother of all arts:

“We went on to determine that for the true gentleman agriculture was the finest occupation and science of all those by which men gain a living. For we came to the conclusion that this occupation was the easiest to learn and the most pleasant to be occupied in, and that it, more than all others, made the body fine and strong, whilst it allowed the mind full leisure to have some care for both friend and country. We decided also that agriculture in some degree was an incentive to bravery, in that it not only produces the necessaries of life, and that, too, where there are no bulwarks of defence, but also maintains those who occupy themselves in it” (RUSKIN 1876: 38). “Agriculture, too, teaches us to help one another; for just as in facing their foes men must join together, so must they in agriculture” (RUSKIN 1876: 33).

Virtues of farming were celebrated by many more recent thinkers, among others by Ralph Waldo Emerson. For example, in his collection *Society and Solitude* under the title "Farming" he says about farmers and farming in this way: (Farmer) “stands close to nature; he obtains from the earth the bread and the meat. The food which was not, he causes to be. The first farmer was the first man, and all historic nobility rests on possession and use of land” (EMERSON 1870).

On the other side of coin, there is an image of *agricola* who operates purely for profit, showing no regard for his impact on the soil, water, air and animals:

“By avarice and selfishness, and a groveling habit, from which none of us is free, of regarding the soil as property, or the means of acquiring property chiefly, the landscape is deformed, husbandry is degraded with us, and the farmer leads the meanest of lives. He knows Nature but as a robber.” (THOREAU 1854).

Certainly, the economy of those times differs from contemporary economy but there are still people who view farm profession and the family farm as an important, not only economically, but morally and politically.

3.2. Homo agricola as homo economicus

What motivates economic activity of peasant or farmer? Obviously, a first response might be

³ Chrematistics “is a form of acquisition which the manager of a household must either find ready to hand, or himself provide and arrange, because it ensures a supply of objects, necessary for life and useful to the association of the polis or the household” (ARISTOTLE 1995; *Politics* I, 8, 1256b: 26-30).

⁴ Xenophon’s Socratic dialogue on household management was translated by Cicero into the Latin *oeconomicus* (BOTLEY 2004: 9).

the self-interest pursuance or seeking whatever is beneficial or advantageous for him. Self-interest is primary motivation grounded in the material necessities of self-preservation, thus pursuit of self-interest is natural, ubiquitous and necessary to keep us alive (see for example GRANT 2008).

AS VAN DER VAART et al. (2006: 750) say: *“To us modern agriculturalists, “Why farm?” seems like a non-question. Intensive food production is what supports our large, complex societies. It frees many of us to become specialists, enriching life in ways beyond mere provisioning: as doctors, entertainers, scientists. Without crop cultivation, our current population densities and growth rates would be impossible to sustain”*.

If we assume self-interested behaviour of farmer, it is possible to change what he/she does by rewarding some responses and penalizing others. Individuals will obey the rules if marginal costs of not doing so outweigh the marginal benefits. In like fashion, they will curtail behaviour which is levied and increase behaviour which brings subsidies⁵.

For when the liberal state makes policy, it is the stereotyped “economic man” which it has in mind. Indeed, it was also true for the former Central and Eastern European countries, which in the 1990s implemented liberal or neo-liberal reforms, including domestic and external liberalization of agriculture. During transition period the main emphasis was on successful market agriculture and more liberal market policies. Such approach to transitional agriculture was applied among others by LERMAN et al. (2002: 5) according to whom: *“Transition in agriculture includes abolishing central planning; reducing government intervention; eliminating price controls; developing functioning market services; and encouraging the emergence of rural credit institutions, technological improvement, new capital investment patterns, and agricultural labor adjustment. The most visible and widely debated component of this process, however, is land reform, that is, the transformation of farms operated on traditional socialist principles to operations based on market-oriented principles”*.

In many developed countries, economic efficiency arguments (maximization of productivity /and labour efficiency) resulted in the dramatic expansion of industrial agriculture, which, on a one hand, provided benefits such as lower-cost foods, but on another hand made it increasingly hard for small family farmers to stay in business, so both the number of people engaged in agriculture and the number of farms has declined sharply. When all we have is a couple of industrial farms, it's no longer a lifestyle, they are not farming for the joy of farming or feeding, the factories are farming for profit.

Self-sufficient, subsistence farming is often viewed by governments as an indication of economic inefficiency, and its eradication is perceived as a sign for a modern economy.

Family-owned and managed farms still play a vital role in many countries, including my homeland Poland. Interactions in family farms are distinctive because they are embedded in identity of household and farm thus in the parent-child relationships found in the household, and therefore are characterized by altruism.

Through analogy to any family unit of production, altruism makes each family member employed by the family farm a de facto owner of the farm (STARK and FALK 1998). An interesting, in this context, are results obtained for Northern Ireland by JACK and her colleagues (2009) indicating that small-scale farm household behaviour is influenced not just by current farm income, but also expected capital asset returns. Increased wealth, associated with continuing land ownership and off-farm income remove the pressure from farming income to fund all

⁵ As a good example can serve higher incentives for farmers to grow non-food biofuel crops, which combined with other factors caused food shortages (and even food riots) in several countries as well as boosting food prices around the world in 2007 and 2008.

family consumption needs. This enables households to sustain low-income farming activities in order to pursue other objectives such as wealth management (including tax efficient transfer of wealth) and lifestyle. Consequently, the results indicate that the survival of small-scale family farms may be much less sensitive to agricultural support policies than has been commonly suggested.

According to SIMON (1993: 160) appropriate attention to altruism substantially changes theories of the economy. Economists generally model altruism as a utility function in which the welfare of one individual is positively linked to the welfare of others (BERGSTROM 1989).

Liberal and neo-liberal policies stimulating efficiency-driven agriculture have also resulted in problems of rural community decline and disconnect between farmers and their community. MINTZ (2006: 5), for example, identifies this problem as follows: “Every day more and more people eat more and more food that has been grown, processed, or cooked for them by fewer and fewer others”.

The findings of the GOLDSCHMIDT⁶ (1947), LOBAO (1990) and MCILVAINE-NEWSAD et al. (2008) indicate that large-scale industrial style agriculture is generally related to worse socioeconomic conditions for rural communities than smaller-scale family based farms. The former has harmful effects on many indicators of community quality of life, particularly those involving the social fabric of communities (LOBAO and STOFFERAHN 2008).

Given the shifts in the structure of agriculture towards an extremely large-scale, economically dominated system, an important step in modern agriculture transition is rebuilding direct links between farmers and consumers. An alternative farming type operation there may be small-scale civic agriculture. LYSON (2004) defines this form of agriculture as a locally-based agricultural and food production system that is closely linked to a community’s social and economic development. Some examples include farmers markets, pick-your-own operations and community supported agriculture operations. LYSON (2004: 93) argues that, “*As social institutions and social organizations, farmers’ markets can be important components of civic agriculture. As bridges between the formal and informal sectors of the economy, they enable individual entrepreneurs and their families to contribute to the economic life of their communities by providing goods and service that may not be readily available through formal market channels. They embody what is unique and special about local communities and help to differentiate one community from another*”.

The rise of civic agriculture coincides with the rise of the post-productivist slow food movement, which arose in Italy, but has now spread around the world (MCILVAINE-NEWSAD et al. 2008). According to DELIND (2002: 217), “*civic agriculture can (and should) promote citizenship and environmentalism within both rural and urban settings not only through market based models of economic behavior, but through common ties to place and physical engagement with that place*”.

3.3. Homo agricola as homo politicus

For David Hume, moral and political philosophy are a single enterprise. In his view, *homo economicus* and *homo politicus* were identical twins (HARDIN 2008: 463).

Homo moralis, sometimes substituted by *homo reciprocans*, differs from *homo economicus* in that it takes into account the ambivalence of human morality (HAGEDORN 2002: 38).

David Hume, a Scottish philosopher, in his *Treatise* (HUME 1737, book III, part II, section 5)

⁶ The Goldschmidt in his original study put forward the hypothesis that rural community welfare is negatively associated with the scale of farms surrounding them.

provides one of the clearest illustrations of the problem of morality, namely trust (between farmers). He writes of two farmers:

“Your corn is ripe today; mine will be so tomorrow. Tis profitable for us both that I shou'd labour with you today, and that you shou'd aid me tomorrow. I have no kindness for you, and know that you have as little for me. I will not, therefore, take any pains on your account; and should I labour with you on my account, I know I shou'd be disappointed, and that I shou'd in vain depend upon your gratitude. Here then I leave you to labour alone: You treat me in the same manner. The seasons change; and both of us lose our harvests for want of mutual confidence and security”.

The pursuit of economic interests by farmers explains not only their economic but also political activity which arises in order to protect and promote various interests. Let me cite an evidence of public conflicts among stakeholders of Common Agricultural Policy. In 1971, one of the largest farmers' protests in post-war West Germany took place; in Bonn about 50 thousand farmers gathered to demand continued price supports to prevent “further injustice in agriculture” (PETRICK 2008: 249). Also Poland is a good example of collective action among farmers to protest the government's policies and bring about more favourable policy outcomes including tax policy and social, particularly farmer retirement, policy (see ZAWOJSKA 2006).

According to political psychology, however, there are interest independent passions that motivate political behaviour. Those passions revolve about issues of status, justice as well as community and solidarity (GRANT 2008).

Status passions (such as competitiveness, ambition, vanity and the desire for honour) aim at esteem, distinction or recognition relative to others. Justice passions, such as anger and pity, as reactions to perceived injustice, can motivate people to act politically on behalf of others in an attempt to restore justice. Community and solidarity passions (such as loyalty, attachment and opposite to them enmity) are tied to psychological process of group identification.

The above mentioned passions usually combine together to produce political conflict and political mobilization. These passions overcome collective action problems. There is little temptation to be “free rider” if an individual really wants to assert his dignity or express his outrage, his hatred and his sense of solidarity and nobody else can do these things for him. When taking into account the operation of the passions, explanations of politics based on economic models which assume the rational or *homo economicus* behaviour are particularly weak in explaining social movements (GOODWIN 2001; GOULD 2004) and economic interests alone are not sufficient for explanation farmers' motivations for any political action.

Within post-communist Europe, the Solidarity movement in Poland may exemplify this better than anything else. Independent Self-governing Trade Union of Individual Farmers “Solidarity” established in 1980 was a part of growing Solidarity movement (CIRTAUTAS 1997) and represented at least half of Poland's 3.2 million smallholders. The organization and mobilization of anger was instrumental in orchestrating fundamental sociopolitical change, in providing a new social and moral order and also in restoring trust and solidarity in society (see DONSKIS 2007). Another example of such social movement can be farmers' riots in the Chinese countryside, from the dramatic events of 1989 to more recent stirrings (O'BRIEN 2009).

3.4. Homo agricola “lives” in governance structures

Governance is about achieving coordination between actors with divergent interests,

ambitions and perceptions. Probably most recent frequently cited governance author, Williamson, identifies three efficient governance structures: via market, via contractual rules or bilateral governance and via hierarchy or hierarchical governance (WILLIAMSON 1975). All three forms are characterized by enormous incentive differences. I look at the governance from a different perspective, following THOMPSON et al. (1991) and POWELL (1990) who distinguished hierarchical governance, network governance and market governance.

In present policy processes, for example with regard to rural development, there emerged a fourth type of governance, namely knowledge governance (VAN BUUREN and ESHUIS 2008).

The differences between the four models of governance are summarized in [Table 3](#).

Table 3: Modes of governance for different *homines*

	Market	Network	Hierarchy	Knowledge
Basic principle	exchange	reciprocity	power	cognition
Mode of calculation	<i>homo economicus</i>	<i>homo politicus</i>	<i>homo hierarchicus</i>	<i>homo sapiens</i>
Coordination principle	price	collaboration	rules	argumentation
Roles of government	service supplier, contract partner	partner or network manager	principal ruler	knowledge, infrastructure, developer
Key value	public choice	public value	public goods	public ideas

Source: MEULEMAN (2008) and VAN BUUREN and ESHUIS (2008).

When we assume that *homo agricola* acts as *homo economicus* and reacts to such tendencies in the agricultural sector as economic efficiency growth through scale enlargement as well as internationalization, markets seem to be the most proper mode of governance. Market coordinates then through “the invisible hand” of the price-based exchange between self-interested actors.

In cases where different stakeholders have come together to effectively deal either with agricultural or social problems and dilemmas (to act as *homos politicus*), network governance is recommended. Social networks can be even more essential than the existence of formal institutions for effective enforcement and compliance with regulations. However, a history of bad relationships and distrust can hinder a cooperative/collaboration process, taking Poland’s agricultural cooperatives as a good example (see for example CHLOUPKOVA et al. 2003).

4. CONCLUSIONS

This paper highlights the concept of *homo economicus* and *homo politicus* with an attempt to discover their characteristics in *homo agricola*. As demonstrated, one component of *homo agricola* can be of economic and another one of political nature. Those components can be separated or can be together.

Hence, the question arises whether agricultural economists, as profession, should reduce farmers’ behaviour to economic behaviour or rather to self-interested *homo economicus*, obsessive benefit-maximising prototype whose mainstream economic theory takes for granted. In other words, should we, agricultural economists, believe in the myth of *homo economicus*? If so, should we suppose that any stakeholder in agri-food sector behaves like an econometrician or a statistician in order to predict economic events?

Each of the *homines* at the heart of institutional economics, social economics, and socio-economics are more realistic, that is, closer to actual human nature, than *homo economicus*, partly since the each embodies non-economic incentives and influences. Analyzing agriculture in transition we should go beyond productivity, efficiency, technical change etc. as measures of agriculture and rural performance.

The challenge for further research is to develop the model that will be able to fully explain the questions involving all human behaviour of *homo agricola*, that is farmer or rural man with set of different objectives: instrumental (ex. maximizing income), intrinsic (ex. enjoying the farming), social (ex. gaining recognition, belonging to the community) and personal (ex. achieving self-fulfilment and personal growth).

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