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## INDIVIDUAL FARMING IN LOWER SILESIA DURING THE ECONOMY RESTRUCTURING PERIOD IN THE LIGHT OF SURVEY RESEARCH

### Introduction

Since the year 1989, which is thought to be the beginning of the transition from centrally planned system to a free-market one, the Polish economy has been currently undergoing important structural changes. Free-market mechanisms have turned out difficult for the agriculture, which entered this period as one of the most under-developed subsystem of the national economy.

The transformation process caused fundamental changes not only in farm production but also in the consciousness of direct producers. The political decisions that were announced during that process, concerning the rural economy system changes, have had important effects, both positive and negative, on the economy and the social sphere.

Despite a number of stipulations the Polish agriculture still lacks the overall but regionally differentiated pro-agriculture policy, which, according to the European Union experiences, should be an integral part of the policy concerning rural areas. As a matter of fact since 1994 the agricultural policy has been gradually included in a widely understood rural policy but was not fulfilled consequently. Hasty decisions dominated, being quite often incomplete and introduced too late or under the pressure of farmers' protests and demands [Szczęsny, 1999, 5].

The agriculture itself is not able to handle the costs of its restructuring and modernization, although it acts as a buffer, soothing the results of introduced changes. Similarly as in the European Union countries an external support is necessary here – support from the remaining fields of the national economy. But our economic activity is limited here. It is also important to delimit the scope of the national interventionism in agriculture. At present that difficult task resembles reconciling the incompatible things. On the one hand, we should protect our own agriculture and, on the other one, it should be adapted to free-market economy and the European Union standards. Obviously the profitability of rural production should not be forgotten, much the same as creating, within the scheme of multifunctional village development, new work places for the farmers who would like to or would have to close down their farms.

The national policy concerning the agriculture and the village, which has been in operation to date, has not included an overall scheme or the proper law to realise the accepted earlier assumptions. Despite this the agriculture and food economy have been slowly accommodating to new conditions of management. Still, there have not been clear answers to a number of questions connected with the undergoing accommodation or even to the most important one: to what degree have the changes in agriculture been caused by free-market mechanisms and to what extent by the rural policy? [Szczęsny, 1999, 5]

The national economy concerning the individual farming, which was formed according to the centrally planned system, is called 'repressive tolerance' [Gorlach, 1989; Halamska, 1992, 165]. During the system transformation and the agriculture restructuring period [called by Woś "the transformational dualism"; 2001, 5] it resulted in choosing even by well-doing farmers the so-called strategy of survival. This was due to the assumption that time of clear and stable rural and agricultural policy would come. Otherwise, the farm production cannot be planned because of long production cycles and the free capital circulation.

In this context the farmers' behaviours and behavioural motives during the transformation and restructuring of Polish agriculture period have received special meaning. They are reflected in the structural changes currently taking place in this field of economy. The aim of the present study is to show those behaviours and behavioural motives of the Lower Silesia individual farmers. Survey research conducted before the General Agriculture Registration of 1996 are connected with this problem and should be repeated in 2–3 years' time.

## The research method

The research was conducted in 20 purposively chosen local communes,<sup>1</sup> which represent functional classification of rural areas of Poland proposed by Stola [1993, 46 ff.]. Class G (with the predominance of forestry and other non-agricultural functions) was not included because it was represented by only one local commune (Fig. 1).

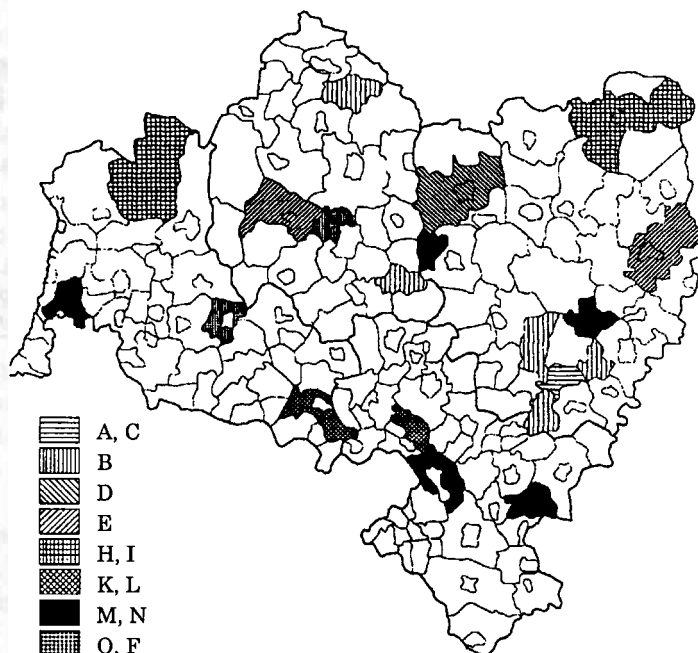


Fig. 1. The functional classification of the investigated rural areas in Lower Silesia: classes of the predominance of: A, C – individual farming; B – agriculture with the vast share of state-owned farms; D – farming and residential functions; E – various functions (no predominance); H, I – forestry; K, L – tourist-recreational functions; M, N – techno-productive, industrial functions; F, O – urbanised or semi-urbanised areas

Source: own study based on: Stola 1993.

The questionnaire contained questions connected with:

- demographic characteristic of farm holders,
- level of their education and the way of acquiring and supplementing knowledge on farming,

<sup>1</sup>To read more on the purposive approach and sample size see *e.g.* Klepacki 1987; Steczkowski 1995, p. 41 ff.

- reasons for taking up the farm and ways of acquiring it,
- their work place before taking up the farm or possible later joining farming with working beyond the farm (the question of bi-occupation),
- farm land structure: the surface of arable lands, production profile of the farm, the surface and structure of crops, the number and kind of livestock, farm products sale, agricultural equipment,
- impact of the system transformation on the way of running the farm,
- plans for future of the farm holders.

A total of 1,894 farmers were surveyed, who – according to rural services recognition – have been good farmers. They constituted 23% of the total number of individual farmers from the surveyed communities. 723 of them (32,5%) answered the questions (Table 1). Such a way of con-

**Table 1.** The Respondents' Spatial Structure

	Number of Respondents	The Percentage of Respondents in Sample
Borów	51	34.9
Chojnów	23	21.3
Domaniów	45	34.3
Grębocice	27	24.8
Kamieniec Ząbkowicki	32	39.0
Kamienna Góra	43	31.0
Kobierzyce	52	37.7
Kondratowice	34	42.0
Malczyce	37	34.6
Milicz	39	26.5
Miłkowice	26	25.2
Nowa Ruda	28	35.4
Oleśnica	23	20.7
Osiecznica	18	26.0
Sulików	54	45.4
Święta Katarzyna	38	35.8
Walim	37	40.2
Wądroże Wielkie	41	31.3
Wleń	22	31.0
Wołów	53	31.2
In total	723	32.5

Source: own study based on survey research.

ducting the research was verified before [Hasiński, 1995] and its outcome differed only slightly from the outcomes obtained when all the community farmers were surveyed [Będzikowska, 1995].

## The research results

1. The surveyed farmers are mainly middle-aged and married men, showing small spatial mobility who very seldom used to work in agriculture before taking up the farm. Their general education and professional knowledge, as well as the way of acquiring the farm, are inversely proportional to their age: the higher the age group, the lower both general and professional education and also the lower the proportion of farmers who received farms from their parents or parents-in-law. It is their family who help them to manage the farm, which is well-founded as regards economic reasons. Changes in the labour market that have been taking place in the recent years have caused severe reductions in the employment rate of farmers working beyond their farms. Thus, it is reflected by seasonal work undertaken by individual framers mainly abroad. Another consequence seems to be the growing tendency of rural population coming back to work in the field, which results in further increase of hidden rural unemployment.

2. The respondents have relatively large farms and the majority own (they do not rent) their farm land where dominate arable grounds. The structure of farm lands and land turnover are strongly dependent not only on the farm location but also on age, level and type of education of the owner. Young farmers having a broad professional knowledge are developing farm production, they do not reduce but enlarge the area of their farms mainly through renting land. They accommodate the structure of their grounds to the specific specialisation of production. Over the recent period preceding the survey, the purchase of land surpassed its sale by twelve times.

3. The economic situation of the farms surveyed is not satisfactory. Among bad symptoms are decreasing outlays on not only building investments but also purchase of new equipment and mineral fertilisers and crop protection chemicals. The farmers surveyed have often faced the dilemma: how to, notwithstanding huge needs, distribute the funds on their farm? Most often it was not new investments that was preferred but repairs and modernisation of fixed assets. In tens of cases a deviation from this rule meant enlargement of the farm area through purchase of arable land.

4. Slightly more than 44% of the farms surveyed were related to plant production, while those specialising in breeding animals were a lot less

numerous (by four times). 45% of the farms did not specialise at all. According to the owners of the latter ones, managing a specialist farm is too much dependent on an economic risk affected by both the unstable rural policy and a lack of its regional differentiation. According to them this is manifested in the inefficient activity of the Farming Market Agency (*Agencja Rynku Rolnego*), expensive bank credit and limited system of the assured minimal purchase prices. Over the last five years this situation resulted in almost 15% of farms changing the sort of production. In the examined period, the area of crops grew by 27% while livestock fell down in the case of sheep by half, cattle by 30% (including cows by one third), whereas the number of pigs grew.

5. The respondents, while talking about their plans for future, most often relate to the problem of succession. The other difficult task is a change in the hitherto existing state policy toward agriculture. The majority of them state that in the present situation they do not see any opportunity to introduce quality improvements in their farms because of all the difficulties they perceive mainly in the environment of their work place. Deprived of the support offered once by the state and facing a lack of consistently realised policy concerning agriculture and rural areas sometimes even well doing farmers choose the so-called strategy of survival. Although they claim that they can invest in a versatile development of the farm they do not do it because they wish to know, even a few years in advance the strategy in relation not only to agriculture but the whole provision business. The lack of this information results in excessive risk which they would prefer to eliminate while undertaking economic decisions. Thus, the economic reserves existing in the majority of surveyed farms await all the time to be launched. Farmers wish to work and develop their farms but they also wish to be well 'managed'. This expectation does not surprise and is related to their mental sphere, created at the time of centrally-planned economy which cannot change quickly.

6. The research undertaken indicates also large capacity of farms to accommodate and survive in unsuitable conditions which is supported by e.g. sale of attractively located farm grounds to non-farming aims or seasonal work beyond the farm which is undertaken mainly abroad.

To conclude, it is worth mentioning that so much required structural changes in the Polish agriculture can be activated through e.g. an appropriate system of farmers retirement benefits and pensions, which would encourage mainly older farmers, but not only them, to sell out their farms in entirety and not by parts and through creation of new work placements in the environment of agriculture and beyond it in the countryside. The latter could help develop multifunctionality of the country.

All the above-mentioned undertakings concern huge investments. The agriculture itself would not manage to handle them, which fact has already been proved by the experience of the West European agriculture.

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