

Helena Hudečková, Michal Lošťák

Privatization in Agriculture

In 1990, the Department of Rural Sociology of the Agricultural University of Prague carried out a research on attitudes towards privatization in agriculture. The research was composed of two parts. The first part was a pilot study of topical problems of the agricultural cooperative system carried out in four agricultural cooperatives in the Czech Republic in September 1990. The technique used was a standardized interview with a recording sheet; the interviewers were professional sociologists and trained agricultural specialists. The processing was done by computer, using a special programme for social data.

A representative sample of respondents was selected in the cooperatives from their permanently employed workers according to sex, age and profession; it amounted to 12.5% of the selected sample. The investigated sample of cooperative farmers included 185 persons. In general, its structure corresponded to that of workers in agricultural cooperatives in the Czech Republic with regard to sex, age, education, profession and the nature of work.

In 60% of these cooperative farmers' families, work in agriculture prevails over work outside agriculture. The absolute majority of them live in family houses and/or in agricultural homesteads, but only in less than 30% of the cases do agricultural buildings belong to the dwelling place. Only 14% of the respondents own some agricultural means of mechanization. A high share of these cooperative farmers' families (nearly 90%) is engaged in self-sustaining agricultural activity, but only in isolated cases is market activity also concerned. Almost 90% of respondents prefer to live in the countryside. But less than two thirds would choose again work in agriculture again, and most of these are non-manual workers. Three quarters of the respondents prefer the cooperative form of farming, as far as work in agriculture is concerned. But this preference is frequently accompanied by a desire to change the cooperative. In light of this fact, and based on further results (discussed later), we may denote the sample of cooperative farmers in our working language as 'little ready for private farming'.

The second part of the research forms an inquiry on basic problems of privatization and forms of farming, published in *Zemědělské Noviny*, Octo-

ber 6, 1990. The processing was again carried out by computer technique. A common (simple) inquiry was not concerned — by the scope of its contents it equals a mid-sized questionnaire, it remains an inquiry by way of distribution only. This method could be used owing to the experience gained in the first research action. Our inquiry made it possible to collect a relatively large amount of generally unavailable information in a short time. The power of evidence is limited due to the form of inquiry sample. A comparison of the characteristics of inquiry sample with the agricultural population, and taking into account the differences in interpreting the inquiry results, are therefore important. After having checked the inquiry sheets, we processed 2506 of them; there were:

- 476 (19.00%) from economically non-active agriculturists
- 68 (2.71%) from private agriculturists
- 1146 (45.73%) from cooperative agriculturists
- 326 (13.02%) from the employees of state enterprises of agricultural primary production
- 184 (7.34%) from other workers in agriculture
- 306 (12.21%) from economically active workers outside agriculture.

The part of inquiry sample dealing with people engaged in agriculture forms 0.3% of the agricultural population of the Czech Republic.

Three quarters of respondents from the inquiry sample live in the countryside. Half of them inhabit the less- and moderately industrialized areas in Bohemia and Moravia. The inquiry sample is characterized by a strong relationship to agriculture — almost half of them remained in agriculture for more than 25 years; more than a quarter worked in agriculture before collectivization, and more than three quarters of the respondents had some experience with private agriculture (either as an adult or in childhood). There are 67% of cases in the sample in which two family generations have worked in agriculture and a further 22% of cases in which three family generations have worked in it. With regard to these characteristics and to the results mentioned below, we may denote the inquiry sample in our working language as 'a sample of those who are more ready for private farming' (compared to the total agricultural population).

On the basis of the results of both research actions, we can state that in the autumn of 1990 the readiness for private farming in the agricultural population moved within 3% to 20% of the total, above all depended upon the ownership of land, dwelling conditions, the financial means of the agriculturists' families, the experience with today's forms of farming, personal experience and education in the original family of present agriculturists. In a marked way, it also depended on the judgement of today's situation in our agriculture, on the state's agrarian policy and on the overall situation of the agriculturists' families.

The agriculturists' attitudes to the re-establishment and development of family farms

Although most respondents are closely linked with agriculture (or perhaps just for that very reason), they consider the overall conditions for the development of private farming in family farms to be unfavorable.

With regard to ownership, the situation is as follows:

— the number of landowners is very different according to the region and it varies approximately from 20% to 70% of the residents in a community;

— 50% of the respondents own land up to an area of 10 hectares, a further 21% up to 15 hectares, 13% up to 20 hectares and only 16% own land over 20 hectares;

— between a quarter and a half of the respondents assume that the area of their own land is not sufficient for sustaining their family; the idea of a size of a farmstead which would not only sustain the family, but which could also form the basic elements of expanded agricultural production was very vague at the time of our research.

Many obstacles which can be found in any region and which are decisive for the re-establishment and development of family farming in agriculture are presented.

a) With regard to basic equipment the following facts are relevant:

— 41% up to 83% of respondents assume that it is not possible to get suitable agricultural technical equipment for small-scale production and that this situation will last for a long time;

— 41% to 76% of respondents lack money for starting private farming;

— 32% to 56% of respondents lack farm buildings.

b) Certain important obstacles are related to the family's structure:

— for 23% up to 57% of those respondents who own land, it holds that there are not enough people in the family who could start private farming, or there is no successor who would take charge of the farm.

c) The broader framework of acquired life habits also share in the creation of obstacles to the re-establishment and development of family farms in a significant way:

— in this sense, the habits of life and daily regime is given by 45% to 52% of respondents;

— the family members' disagreement with private farming was recorded with 14% to 54% of respondents;

— 36% to 61% of respondents expressed their fear (connected with age, health, and the like, but also with the novelty of the situation and

insufficient orientation in it) that they would not master the respective tasks;

— satisfaction with the present job is given by 22% to 68% of respondents.

The most important place among the obstacles to private farming is occupied by the problems related to the state agrarian policy:

— 47% up to 78% of respondents consider the laws as vague in a long-term view;

— the risks connected with today's vague and uncertain situation are seen as an obstacle by 49% to 72% of respondents;

— 54% to 64% of respondents assess the state's financial policy with regard to private enterprise in agriculture as unfavorable;

— about one half of respondents are lacking professional services which are badly needed by private farmers for their activity.

These obstacles consequently are seen in the fact that nowadays the interest of farmers-landowners is concentrated particularly on the return of approximately 1-2 hectares for expanding the family's self-sustaining activity which is performed at a simultaneous employment of the most economically active family members in another enterprise. Nowadays, such a model is considered to be a greater security than the agriculturists' family farming in a bigger farm where practically all would be employed and agriculture would be a single or prevalent source of the family's income.

There is also, however, a relatively large amount (17%) of those who assume that this way of farming will expand under economic pressure, as a necessity (for instance, as a consequence of the loss of employment or of disproportionately high prices of foodstuffs which burden the family's financial situation to a great extent). It is interesting that this opinion is most frequently shared by those who are ready for private farming. It is therefore supposed that the rather harsh assessment and expectation of future reality also has an effect on the readiness for private farming — apart from certain objective favorable facts (with some respondents it is land, with others, money or dwelling conditions or the whole situation of the family) as well as apart from the confidence in one's own abilities and in overcoming the above-mentioned obstacles.

Only 9% of respondents assume that a sufficient number of private farmers will be found before long and the same percentage of respondents believe that only a few of those who will be ready for private farming will be found; and these people will be rather 'adventurers' who do not know what is awaiting them. 20% of respondents assume that there will be a few private farmers in the near future., i.e. those who continue to own fields and buildings and possess money for the start-up. 45% of the sample inquiry

expressed their opinion in the sense that people are not ready for private farming because they are lacking necessary things and because they have become used to another way of life.

On the one hand, we recorded an 'internal', psychologically motivated, inclination of a relatively large part of respondents to family farming as a form which has been familiar to them (one may express it such: mutual trust among the family members and possessing one's own property are the best guarantees for good farming). On the other hand, however, there are the above-mentioned obstacles, as well as the factor of economic instability and reduced ability to compete in the case of family farming which is reflected in the fact that at most 8% up to 28% of respondents give some chance to family farming as the future form of agricultural economy.

The workers outside agriculture who are often above-average landowners belong to the group of those who are 'ready for private farming' with significant frequency. Such persons are often those whose parents do not work in agriculture (to all appearances they are the descendants of those people who, either voluntarily or under constraint, left the countryside during collectivization). There remains the question of whether this group (which forms 20% of all those who are 'ready') is prepared for farming. The former farmers themselves say that one cannot be 'trained' as a farmer, that one must be educated for farming in the family and by one's own work in agriculture.

The agriculturists' attitudes to the collective form of farming

The results of the question dealing with realistic and reasonable ways of privatization in agriculture are expressed in the simplest way. The respondents from both samples see them primarily in the cooperatives (41% from the inquiry sample inclusive of the non-agriculturists and 86% from the cooperative farmers' sample). Why is this so?

According to the respondents' opinion, cooperative farming facilitates a profitable specialization and finalization of production, a reasonable division of labour with a mutual substitutability of workers. These facts, together with the social conditions of work in the cooperatives, are generally appreciated, i.e. not only by the cooperative farmers themselves. The preference given to the cooperatives is further supported by the attitude that such a form corresponds with our conditions, traditions and development in the best way, while the respondents frequently proceeded from reflections considering the development of agriculture in West-European countries as well. The cooperatives are considered to be 'perspective', relatively stable production units, suitable for market economy, less vulnerable

and more able to meet the needs of today's market. Their chance lies in the advantages of concentrated production and effective utilization of production potential.

For the sake of their becoming a prosperous and attractive type of agricultural enterprise in the future, it is necessary to perform an internal transformation of the current nationalized and bureaucratized cooperatives, according to the respondents. 3/4 of those who see the perspective of agriculture in the development of cooperatives present the condition of an internal change. The cooperatives are to be owners cooperatives based not only on their property, but also on their participation in work, which has a significant role in the creation of values. It is necessary to re-establish the cooperatives' democracy and principles of farming, and to remove bureaucratic management, excessive administration, and a large number of supervisors. It is important to look at things from a professional viewpoint and to link work with rewards by applying output orientation.

For an absolute majority of cooperative farmers (89%), the member's own working participation is the basis of his relationship to the cooperative. We found a strongly negative attitude to the possibility of unearned profit (annuity). The respondents believe that the state will permit it and they have a still greater fear related to the eventual possibility of the partakers to make decisions on cooperatives matters according to their property (but without participation). They think that it would just be to get even with the original owners who are not ready for work in the cooperative. As far solving ownership relations by imposing rents, the present cooperative farmers would consider it as an equally great injustice as forced collectivization.

The cooperative farmers judge viability to cooperatives with an area of 501-1000 hectares worked by 51-100 members and operating in one community (at most in 2-3 smaller communities). They still admit the variant of a larger cooperative with the area of 1001-1500 hectares, with 151-200 members. They consider their activity as mostly specialized, usefully combined agricultural production with working up the produced materials, trading activity (in the home and foreign market), tourism, provision of technical services to the community and further industrial production (of smallwares) as well as provision of services in the communal sphere.

The agriculturists' attitudes to other forms of agriculture

The respondents see the real future of farming in the following type of enterprises:

	this type was chosen by the share of respondents of the:	
	inquiry sample	cooperative farmers' sample
1. In the cooperatives of different types*	41.0%	85.9%
2. In family farms	28.0%	7.6%
3. In the state agricultural enterprises with their employees' co-partnership	15.0%	1.8%
4. in larger private non-family farms	12.8%	not investigated
5. in agricultural joint-stock companies	3.2%	4.7%

*I.e. in the cooperatives transformed into the landowners' cooperatives which will be substantially smaller, will perform specialized production and finalize it, in the cooperatives trading with their own production or trading only with the production of other cooperatives, in the cooperatives directed towards the provision of different services for agricultural production.

Most respondents have no doubts about the necessity of changing the present state farms (i.e. the most widespread form of farming in which the state is the landowner), on the one hand. On the other hand, a full quarter of respondents were not able to estimate at the time of investigation what direction the privatization of state farms will take. About a fifth of respondents assume that the main role in the transformation will be played by local conditions (e.g. the changes in the borderland will occur in another ways than the changes in the vicinity of urban agglomerations). One third of respondents puts the transformation of state farms into the cooperative form of farming, one quarter respectively assume the transformation into the state enterprises with their employees' co-partnership and/or into agricultural joint-stock companies. Only 13% of respondents believe that there will arise family farms on the land owned by the state (explanation — in the regions in which state farms are prevalent the landowners are more frequently absent).

As far as it can be supposed that the selection of perspective forms of farming was chosen by a reasonable and prudent consideration, without an excessive number of subjective factors (which can be confirmed by ourselves

as inquirers), one can see in our future, according to the respondents' opinions, the larger private farms of non-family type as perspective ones. The selection of such a form was not frequent indeed but in its justification psychological motives were present (linked with ownership, responsibility and mutual trust between the cooperators), economic motives (stability of the production unit, rentability and effectiveness of production, and the like) as well as broader socio-historical motives (referring to the development of agricultural production and its organization in our country but also in the international context) in a relatively more proportional way (in contrast to the selection of other above-mentioned types of enterprises). The signal can signify a chance for the viability of such form of farming in the ČSFR¹.

The internal differentiation of inquiry sample

There is presented an orientation survey of the characteristic groups of the agricultural and non-agricultural population in 1990 in relation to land ownership, readiness for farming on this land and the so-called semi-professional status (which encompasses the appurtenance to employment in and outside agriculture; to the sector of farming — private, cooperative and state, divided into work in the primary production and others; family origin — agricultural or non-agricultural). This typology is supplemented by an other tabular summary. The inquiry sample was denoted as more open towards the acceptance of family farming. In our opinion, this openness was one of the reasons for answering the inquiry. On the basis of our findings and comparison with the results of other research actions, it is estimated that the number of landowners in the total agricultural population, ready for farming, is approximately half.

♣ Type 1 (547 persons; 22.6% of the sample)

LANDOWNERS, READY FOR PRIVATE FARMING

All private agriculturists logically belong to this group; significantly often those working outside agriculture stemming from an agricultural family; a part of cooperative farmers (approx. a quarter of those who own land) and of state agricultural enterprises (approx. one third of those who own land) — both of agricultural origin.

♣ Type 2 (146 persons; 6.1% of the sample)

NON-LANDOWNERS, READY FOR PRIVATE FARMING

This group is formed particularly by the workers of state agricultural enterprises and those working outside agriculture — both with agricultural

¹Such a hypothetical statement is also justified by the results of further interviews which we implemented within the framework of discussions with the students participating in the continuing courses at the Agricultural University of Prague.

origin; by a part of cooperative farmers (approx. 1/3 of those who do not own land) and of those working outside agriculture (approx. 1/2 of those who do not own land) — both without agricultural origin.

♣ Type 3 (1005 persons; 41.6% of the sample)

LANDOWNERS, NOT READY FOR PRIVATE FARMING

To this group there often belong often cooperative farmers (approx. 2/3 of those who own land) and a part of those working outside agriculture (approx. 1/2 of those who own land) and other persons working in agriculture (approx. 2/3 of those who own land) — all of agricultural origin.

♣ Type 4 (461 persons; 19.1% of the sample)

NON-LANDOWNERS, NOT READY FOR PRIVATE FARMING

This group is formed above all by cooperative farmers and other persons working in agriculture (in both cases approx. 3/4 of those who do not own land) — both regardless of agricultural origin; partly also by the workers of state agricultural enterprises and by those who work outside agriculture (in both cases more than a half of those who do not own land) — both without agricultural origin.

♣ Type 5 (257 persons²; 10,6% of the sample)

LANDOWNERS, IRRESOLUTE IN THE ISSUE OF PRIVATE FARMING

To this group there belong again cooperative farmers regardless of agricultural origin and partly also other persons from an agricultural family who work in agriculture.

The results of both our research actions confirm the validity of viewing the farmer as a conservative, thoughtful man who will think over a question for a long time and from all possible viewpoints before he decides to change anything. In the case of cooperative farmers this 'conservatism' manifested itself by a strong aversion to change the forms of farming. We are also familiar with the fact that (although most people call for an internal change of cooperatives) the present situation in the cooperatives indicates that 'new people' and 'new elements' assert themselves with difficulties for setting radical changes inside into movement. Moreover, the situation became intricate in that sense that even the most well-founded specialists can hardly cope with the cooperatives' present problems of subsistence.

We can ask the question — to what extent does such an opinion depend on the 'inertia' of thinking, on being accustomed to the hitherto known form? Do our results testify more to this inertia or is it really a matter of opinion which was thoroughly considered by the practitioners' brain? The answer can be given by the observation of development of opinions for a longer time, in relation to the transformation of cooperatives and the

²There are 90 respondents missing from the total number of 2506 respondents

development of further forms of farming. It is, however, indisputable that the opinion on the future connected with the cooperative forms of farming is not typical for the cooperative farmers only.

As far as the persons ready for private farming are concerned, these people belong rather to older age brackets; in their case one can speak about the inclination to 'conservatism' in the sense of the following words: 'We must return there where natural development was interrupted and then things will turn out'. As a matter of fact, these people are mostly not pioneers who would like to implant their family farm adequately into our present situation. Rather 'historical returns' without any great regard to the existing conditions are concerned. There are really few genuine pioneers so far.