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New Landholders in Poland

The main aim of the authors of this book¹ was to make a "sociological portrait of the new landholders of former state farms."

The book consist of 11 chapters.² In the first chapter, Aleksander Lutyk presents numerical data concerning the process of conversion of the property of former state farms and the activities of the Agency for Agricultural Property at the State Treasury (AAPST), a state fiduciary institution, which the State has entitled with the right and obligation to dispose the property, is discussed. First the property was taken over and then disposed of, according to the appropriate laws and executive provisions. By the end of 1996 the AAPST took over 4.5 million hectares of land and disposed of it by selling it, leasing, gratuitous conveyance of management or perpetual usufruct, handing over to companies, and setting up State Treasury Farms. The author presents the numerical data on the extent to which the property has been disposed of and discusses the respective forms. He also deals with the problems of employment and unemployment of the workers of former state farms.

¹ Krystyna Łapińska-Tyszka, Barbara Fedyszak-Radziejowska, Barbara Perepeczko: *Nowi gospodarze dawnych PGR. Przekształcenia państwowego rolnictwa* (New Landholders of Former State Farms. Transformations of State Farming). Polska Akademia Nauk. Instytut Rozwoju Wsi i Rolnictwa, Warszawa 1997, p. 195

² Aleksander Lutyk: *Activities of AAPST as regards taking over and management of the property of the former state farms and creation of new jobs*; Krystyna Łapińska-Tyszka: *A profile of large farms being analysed*; Krystyna Łapińska-Tyszka: *A demographic-social profile of the new landholders. A differentiation according to forms of possession*; Krystyna Łapińska-Tyszka: *The financial situation and social position of the new landholders of former state farms*; Barbara Perepeczko: *The standard, quality and improvement of qualifications of the new landholders*; Barbara Perepeczko: *The market performance of new landholders*; Edward Majewski, Barbara Perepeczko: *Views on production — modern agriculture and certified agricultural production according to the new landholders*; Barbara Perepeczko: *The attitude of new landholders to the restructuring of former state farms and to the AAPST*; Barbara Fedyszak-Radziejowska: *New landholders of the former state farms and their employees. The attitude towards employees and the preferred style of people management*; Barbara Fedyszak-Radziejowska: *The attitudes towards property ownership and market principles of the new landholders of former state farms*; Barbara Fedyszak-Radziejowska: *A typology of attitudes and a self-identification of the landholders of former state farms: owner, manager, businessman.*

The next chapters present the results of sociological research conducted at the beginning of 1996. 700 persons selected from among 5500 new landholders and representing all forms of holding — owners, tenants, chairmen of companies, temporal managers — were investigated. In the first of those chapter the following selected features of these farms were taken into consideration:

1) the size: the farms were ca 500 ha, analysed in the context of the form of holding and type of region in which they were situated. Larger farms were located in the northern and north-eastern macroregion; 27% were over 1000 ha;

2) the soil was mainly IIIrd or IVth class quality productivity and fertilization usually exceeded 200 kg NPK per hectare;

3) 83% of farms dealt with plant production: mainly corn, rape, or sugar beet; animal production was less frequent (69%) and this is also the present tendency;

4) only 20% of the farms dealt with food processing and 26% with extra-agricultural activities;

5) 65% of farms made investments, particularly in machinery rather than in buildings, due to unfavourable legal regulations;

6) ca 30% of the new landholders did not employ anybody, while those who did, employed no more than 4 people per 100 ha. This resulted in a considerable decrease in employment in comparison to the period before the transformation of property, when 10—12 people per 100 ha were usually employed, which indicates an improvement in this sphere;

7) the farms were usually taken over in bad condition but at present their state is seldom estimated as bad.

The new owners of former state farms considered as a social group are discussed by Krystyna Łapińska-Tyszka, who found a great deal of homogeneity as regards their main demographic and social features. The typical user of a large farm was a man, 34—44 years old, usually from a rural or small town milieu (80%), most often from a farming family (70%), rarely inheriting his social status from his father, who belonged to the managerial staff of a former state farm, with higher (54%) or secondary vocational education, mainly in agriculture. Most of these men were married to a professionally active person (farmer, economist, accountant, teacher, clerk, etc.) and had children.

The homogeneity becomes illusory if the form of holding the farm (on this basis the sample was made and, at the same time it proved an important factor differentiating the new landholders and their farms) and the career of the investigated people preceding the holding of the farm are taken into consideration. Four types of careers have been distinguished: 1) farmers (owning private farms), 2) managerial staff of former state farms, 3) entrepreneurs and non-technical specialists, 4) managerial staff and technical specialists.

The area of the farm only slightly differentiated the features of both the farms and the owners, which seems to concur with the present tendencies recognized by many specialists in rural economy.

In the next chapter Krystyna Łapińska-Tyszka analyses the financial, occupational, and social status of the new holders of former state farms. The financial status, as in many other sociological studies, includes such aspects as income, living conditions, possession of durable goods (including a car). The analysis also embraced the assessment made by the respondents of their financial status and its change after taking over the farm. The financial status was considered at the background of the forms of holding the farm. The majority of respondents had good living conditions: lived in their own flats, (60%, detached houses); the durable goods and other aspects of financial status were similar or better than in comparable socio-professional groups analysed cross-nationally.

The new holders of former state farms very seldom assessed their financial status as bad; half of them claimed that it was good. Half of them estimated that their financial status had improved. The increase of financial status was generally perceived by the managers and chairmen of companies, and less frequently, by owners and tenants.

The survey also proved that half of the respondents felt that their new status brought with it professional advancement. The sense of degradation was marginal. In particular, the sense of advancement was experienced by the chairmen of employees' companies and by the owners. Ownership, the possibility of fulfilling one's plans, and independence, were the main components of the sense of advancement. The analysis of their own social position at the background of five other selected groups indicates that the new holders of former state farms located their position close to that of an owner of an average firm (mainly owners and tenants) or a director of an average enterprise (mainly managers, provisional administrators, chairmen of the companies of the Agency). Mayors and doctors had a higher social status.

The chapter also discusses the problems connected with the life style, leisure time, holidays, reading habits, and hobbies.

The next four chapters by Barbara Perepeczko, deal with the following problems: the qualifications of the new landholders of former state farms and their improvement, market orientation, the attitudes towards the conversion of state farms and towards the AAPST. A number of the activities of the new landholders indicate their market orientation. They study the prices, possibilities of selling their products, market conditions, and take decisions concerning production and trading, mainly on the basis of this information. In the case of taking wrong decisions about the production profile, they are aware of their error. In order to develop their farms they seek additional funds (bank loans, Polish and foreign partners). The majority of new landholders have regular buyers for their products and try to

accommodate their demands. As many as 26% of the new landholders make additional profit from extra-agricultural activities, especially those with smaller farms. The most market-oriented are those landholders who used to be entrepreneurs. The new landholders were trained in agriculture (80%). This concerns mainly the managerial staff of former state farms, and to a lesser degree, the entrepreneurs (1/3), who are represented principally by people with higher non-agricultural education.

The new landholders are aware of their shortcomings in their new socio-economic role and strive to alleviate them. If they do not have the time and possibilities to do that, they employ specialists to run their farms (1/3 of former entrepreneurs), or advisers, or they are aided by members of their families. The new features which, in their opinion, are necessary to run a large farm are: courage and ability to take risks, power and experience, predilection for working in agriculture, managerial skills, responsibility and drive. The configurations of these features differ according to their source (career).

The new skills necessary for running large farms indicated by the new landholders reflect the demands of the market economy and managerial functions: predicting the demand, selling at favourable prices, selecting and managing the staff, managing finances and obtaining loans. The respondents mentioned the sources of obtaining these skills and the most helpful educational and advisory institutions. Everybody is learning and gaining the necessary skills; otherwise they may be eliminated from the market.

Approximately 3/4 of the respondents believe that the transformation was necessary. Critical opinions were expressed by the employees of former state farms, but they are not impartial: only they saw more good than bad points of state ownership of farms. The new landholders were more critical of the adopted transformation methods than of the AAPST.

The new landholders' views on production are generally conventional. The majority believe that modern agriculture is oriented towards achieving the maximum of production and profit. The orientation towards increasing quality had fewer advocates than that towards environmental protection. Only 5% of respondents considered certified ecological production the future of Polish farming, but as many as 2/3 of the new landholders expressed a positive attitude towards it.

The attitude towards the employees and management styles belong to the subjects discussed by Barbara Fedyszak-Radziejowska. The author analyses the rate of employment, including the number of employees per 100 ha (70% of the respondents employed 4 people per 100 ha), the respondents' opinions on their staff, on the problem of dismissing and employing staff, and the attitude of new landholders to unemployment. In the analysis of these and further issues the author used a variable consisting of two variable components: "career" and "form of holding the farm." Several

points are made on the subject of the connection between the role of manager and that of a holder. Managers perceive their social role as that of hired workers, yet they are willing to use autocratic methods of management. Holders and tenants employ fewer workers — only the necessary ones — and they intend to hire more people if they expand. Like managers they are not willing to allow their employees to participate in running the business, but they seem to apply the autocratic methods of management less frequently.

The attitude to property and market mechanisms — a key problem for the processes of transformation, i.e., making state farms part of the market economy — is dealt with in the next chapter. The main variable is the type of career of the respondents. With that in mind, the author analyzes the attitudes to former state farms and to reprivatization — fully accepted only by 25% of the respondents, formerly mainly farmers and entrepreneurs.

The next issue is the way of perceiving their own and their children's future by the respondents. The majority, mainly farmers, connect it with the farm. As many as 61% of the respondents perceive their children as future proprietors. The analysis of the attitude to property by self-identification has revealed the need for having property especially in farmers and entrepreneurs, and, far less frequently in the managerial staff of former state farms.

The majority of the principles of market economy were accepted by the new landholders of former state farms. The former farmers were least in favour of the principle discharging the state from the duty of regulating the prices.

The following conclusions of the analysis are particularly worth noting:

1) Private property seems to be treated instrumentally, rather as "my property," than as the fundamental value of market economy realizing the natural human rights. The latter understanding of this notion is more frequently mentioned by the respondents who used to be farmers or entrepreneurs.

2) The better adjustment of managerial staff of former state farms to market play and liberal principles of economy in agriculture may result from the fact that they take less risk as they are generally managers of farms which do not belong to them.

The final chapter of the book is devoted to the typology of attitudes and types of self-identifications of the new landholders of former state farms. Barbara Fedyszak-Radziejowska deals here with the important problem of the determinants of new identities. She analyses and interprets self-identifications made by the respondents (farmer-specialist, peasant, farmer, landowner, continuator of the landed gentry tradition, businessman, manager). In order to establish the determinants of identity the author analyses such issues as the motivations to enter into farming, the state of the farm at the moment of takeover and today, the attitude to transformation of the former state farms (73% accepted the transformation) and, finally, the attitude to reprivatization of property, liberal principles, market economy,

and integration with the European Union. On the basis of the above-mentioned and further analyses the author created a typology of attitudes of the new landholders and distinguished three types: holder, entrepreneur, manager. These attitudes are determined by the experience gathered before taking over a large farm to the same extent as by the capacity in which the new landholders run their farms. The views and attitudes of the managerial staff of former state farms change and become similar to the views held by entrepreneurs and farmers, when the former become owners and tenants of the farms they run. Finally, the author puts forward a hypothesis that a middle class has appeared, not fully aware of its identity which will be shaped by the three large and valid traditions of the peasants, the entrepreneurs, and the managers.