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Private Farmers in Slovakia: Genesis, Composition, Conflict

Introduction

This paper** provides an overview of the situation of private farmers in Slovakia after 1989: their origins, internal composition, and conflicts for resources. The first section begins with a discussion of legal and statistical problems associated with identifying private farmers and government policy towards them. The second section uses research results to subdivide private farmers into a number of smaller groups and to consider more fully the operation of the farms and the social origins of those who farm them. The final section then addresses the conflicts with cooperatives that private farmers have experienced, both over cooperative assets at the time of cooperative restructuring, and, after restructuring, over access to other resources such as land and cheap credit.

Genesis

PROBLEMS OF DEFINITION AND NUMBER

The basic legislative framework for private farming in Slovakia was established by Act No. 229 of 1991 (although Act 114 of 1990 had already permitted the return of land for farming purposes, and Act 42 of January

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1992 further clarified the conditions for withdrawing property from co-operatives). Act 229 enabled all entitled persons to request the return of their land and other property, with the proviso that they register as private farmers and engage in farming. Only those registered as private farmers had the right to withdraw land from the cooperative within three months of the date of application. (Other applicants had to wait for up to seven years from the transformation of the cooperative.) Not only did they have to register, landowners (or those renting it) were under an obligation to care for the land and cultivate it, which tended to discourage some from embarking on private farming.

Despite the duty to register, the legislative framework regarding registration was rather unclear, especially for those on the borders between self-supply and commercial farming. Act 219/1991 defined private farmers with a duty to register as those who produced 'agricultural output for the purpose of generating income.' This tended to inflate the number of private farmers, even though the Commercial Code, by obliging all registered private farmer-entrepreneurs to keep accounts, pay mandatory insurance and file tax returns, suggested that registration should be restricted to larger-scale farmers. Their number was further inflated because many holders of shares in agricultural cooperatives registered although they were not farmers at all. They did so simply because registration was a prerequisite for taking land (and other assets received as their cooperative share) out of the cooperative.

One result of the confusion surrounding the legal status of farmers is that statistical figures in this respect are unreliable and contradictory. According to the Green Report, Slovakia had only 1000 private farmers in 1991, which mushroomed to 13,700 in 1992, 17,400 in 1993 and 19,720 in 1994. Figures in the Regional Statistics showed 19,599 registered private farmers in 1995, and 21,016 in 1996. Data from the Agricultural Census, generally considered to be more precise (Table 1), put total farm land in 1994 at 2,191,302.63 hectares, of which 114,738.23 was farmed by 7572 private farmers 'not incorporated as legal entities,' and 592.84 hectares by nine private farmers who had incorporated their businesses and were registered in the Companies Register. Together they accounted for a total of only around 5.2 per cent of the total land area.

Whatever the statistical source used, private farmers clearly made up a rather small part of Slovak agriculture in the late 1990s. The size of farms within this small group varied considerably. Some farms were very small, too small to provide a living for those who farmed them; others were extremely large. Numerically, the biggest group was small farms of up to two hectares, but their operators could not be considered to be farmers in the true sense. Farming did not usually represent their sole source of income. People often turned to farming of this type in times of existential hardship,

such as after losing their jobs. They farmed on their own, seldom marketed their output, and sold occasional surpluses either directly or through wholesalers in order to cover farm maintenance costs. Larger farms were farmed 'full time', typically with the help of hired labour. Although larger farms might extend over several hundreds of hectares, only a rather small proportion was usually owned by the farmer, the rest was rented. In 1994, according to the Agricultural Census, as much as 74 per cent of all agricultural land was farmed under rental agreements. In some instances, farmers rented the entire area of land that they farmed. The three main types of lessor were: private landowners, the various churches which received the right to their land under restitution in 1994, and the Slovak Land Fund, made up of land for which there was no identifiable owner.

Table 1

Legal forms and business entities in agriculture

Type of business entity	Number of entities	%	Agricultural land in ha		
			area in 1000 ha	%	Average per farm
Private farmers not registered	7572	84.78	114.74	5.24	15.15
Private farmers registered	9	0.01	0.59	0.03	65.87
PLCs.	1	1.10	NA	NA	NA
LTDs	98	1.01	63.67	2.91	649.68
INCs	29	0.33	36.85	1.68	1,270.81
Cooperatives	961	10.76	1,531.15	69.87	1,593.24
State-owned companies	211	2.36	425.31	19.41	2,015.67
Govt. subsidized organizations	48	0.54	18.67	0.85	388.96
Other	2	0.02	NA	NA	NA
Total	8931	100.00	2191.3	100.00	245.36

Source Year — Agricultural Census to 31/03/1994.

Part of the reason for this small private sector was government policy. Before the 'velvet divorce' with the Czech Republic, during the prime ministership of Ján Čarnogurský, there was generous support for private farmers, such as a five year 'tax holiday' for new farmers. But the agricultural strategy of the first Slovak governments under Mečiar appeared to favour the preservation of the cooperative type of farming. Concessions were removed and the government commonly argued that the concept of family farms was pure 'sentiment' and that 'if we were to switch, in the entire agricultural sector, to the system of family farms, it would cost 250 to 300 billion crowns which we do not have' (Rolnicke Noviny, No. 67, 1996).

Composition

GENERAL

The remainder of this paper is based on in-depth interviews with 24 private farmers. The respondents were mainly farmers from highly productive areas of southern and western Slovakia, but six respondents from mountainous locations were also included. Our questions were structured around the position of private farmers within the agricultural sector, and their opinions about their current problems. Our point of departure was the hypothesis that there were certain identifiable groups of private farmers who shared something in common in terms of their reasons for embarking on private farming, such as a strong family tradition, previous farming or business experience, work in the management of a cooperative, or the experience of some hardship such as unemployment that forced them to embark on something new. The most important factors considered were: the existence of a farming tradition, political affiliation or activities both now and in the past, the availability of start-up capital, and contacts and connections currently at their disposal. The decision to begin farming was, in most cases, influenced by the presence of a family tradition of some kind: the vast majority of our interviewees, both 'farmers' and 'farmer-entrepreneurs' (see below), had grown up in families where parents or grandparents had owned larger stretches of land, and, in most instances, respondents who started to farm on their own had also worked in agriculture in the past.

This common family tradition apart, the farms of interviewees fell neatly into two major sub-groups in terms of size of farm: eighteen 'farmers' with areas between fourteen and 220 hectares, and eight 'farmer-entrepreneurs' with areas between 300 hectares and 1800 hectares. The latter were truly commercial farmers who had nothing in common with 'sentimental' traditional family farms.

'FARMERS'

FARMS

The group of 'farmers' more or less equates with farms of a scale on which family farming is possible, although the smaller farms within the category were nearer the traditional concept of a family farm than the larger. In our sample this group corresponded to farms of up to approximately 200 hectares. Within it, there were several two-generation farms (father-son), in other cases, siblings acted as partners, and yet others operated as something very close to classic family farms, integrating other family members, although there were fewer family farms than in the past. Wives often helped their farming husbands with administration and bookkeeping. For some, succession was a real concern, especially for older farmers who often did

not know who would take over the farm once they retired, and whose children often lived outside the village, with their own professions and jobs and usually no intention of changing them.

Within this group of 'farmers,' three distinct sub-types could be distinguished.

'Family farms' on the borders of profitability

All but one of the farms in mountainous locations fell into the 'farmer' category, and, inasmuch as they could not rely on farming alone and were dependent on supplementary sources of income, fell into the sub-category of those on the borders of profitability. All had livestock as their core business, usually specializing in beef, dairy or sheep farming, with crop production as only supplementary. The size of farms ranged from 14 to 96 hectares (mainly pasture). For reasons of space, the examples will be restricted to farmers in mountainous regions.

In the village of T in Brezno district, a young farmer and his wife kept a highly productive dairy herd of 30 and grew fodder for them on 40 hectares. His father, mother and brother helped him, but agriculture alone was not enough to make a family living in the mountains. Farming was supplemented by two non-agricultural activities. The grandfather was active in timber-working and specialized in wooden roof tile production. This was an area that they wanted to expand if they could find the right person, because it could guarantee employment throughout the winter. In addition, the husband and his brother gained additional income by buying up old machines, repairing them, and re-selling them, on a 'grey economy' basis. The wife planned to use her computer skills to do the accounts for neighbouring farmers (in addition to those for their farm which she already did) when she returned from maternity leave.

In Kežmarok district, the smallest family farm in the sample (14 hectares originally, but three were returned because their quality was so poor) was run by the wife and her younger (fourteen-year-old) son, while the husband worked as a forestry worker and was away from the farm for most of the week. They could not survive without his salary. It had been, in fact, the grandmother who had insisted on getting the land back, but the mother continued to farm it after her death, both because of a sense of duty and because she had a love for farming. They knew well that the farm was too small to make a living, so they reared horses for which there was a growing demand among the many small-scale farmers in the region, and they developed plans to move into agricultural services by buying combine harvesters which the elder son had a licence to drive.

'Restituants'

It might seem illogical to have a separate category of 'restituant,' since almost all of the farmers in our sample obtained some of their land as

a consequence of the provisions of Act No. 229/91. However, a separate category is required to identify those who, because of the opportunities provided by restitution legislation, came into agriculture anew, after either a long period in other sectors of the economy or with no background in agriculture at all. They were people for whom a stroke of fate had offered the chance of farming. They also differed from other groups in that their focus, in many cases, was on righting the injustices of history rather than embarking on private farming as a business. Restitution enthusiasm affected mostly people in their sixties and older, who were very emotional about the injustices of the past and who, in their memories, often over-idealized the life they had lived before collectivization (Danglová, O., 1992; Petráňová, L., 1996, p. 67; Ratica, D., 1992).

Mr H from the village of B is a good example of those who, out of nostalgia and a sense of injustice, decided to resume farming. He was enthusiastic and had rather ambitious plans. Aided by his wife and brother, he reared 12 cattle and 27 sheep (kept by a village association of which most sheep farmers in the village were members) on a full-time basis on 30 hectares of land in all, 14 hectares of which he owned, and 16 hectares he rented. They hired no outside labour. His marketing situation was difficult: he had already given up keeping pigs because it did not pay, and when the meat processing plant refused to accept his cattle, he had to kill three cows himself, pack the meat in six pound packs and sell it off in the village and surrounding towns. Larger slaughter houses were simply unwilling to accept smaller quantities of cattle. Both of his daughters lived in the local town and visited regularly at weekends, but neither had any intention of moving into farming.

Successful 'family farms'

Farms in this sub-category were a common feature of the fertile south of Slovakia, where larger farms were also more common. They usually concentrated on cropping, to which the land is suited, rather than livestock farming. Their non-engagement in livestock farming, however, was as much to do with difficulties they encountered obtaining adequate buildings as it was with the greater profitability of arable farming.

JG, whose wholly arable operation covered 204 hectares, is a good example of a successful family farmer of this type. From rather difficult beginnings, he built up a well-equipped and expanding farm. A farmer on a similar scale was Mr F from the village of K who farmed on almost 200 hectares, 140 hectares of which was rented, the remaining 45 hectares having been restituted by various family members. He had two full-time employees and was a 'hands on' farmer rather than a manager. He involved himself in farming activities, especially in peak periods, and his wife, who had attended an economic secondary school, helped with the accounts and administration. They had wanted to buy, as part of its privatization, a State

Farm cattle shed with 600 cows, but they were effectively excluded by the anti-private farmer, pro-cooperative climate of the time.

FARMERS

This section considers not farms but farmers, and examines the social backgrounds of the those among this group who can most clearly be categorised as 'farmers,' the third of the above sub-groups. Whilst the social backgrounds of the 'restituants' (necessarily) and the smaller farmers were rather mixed, although, as already noted, all had had some tradition of farming, the social origins of the more successful family farmers appeared to be two-fold. They stemmed either from cooperative middle-management, or from people who had been quite intensively active in the socialist 'second economy,' or from a combination of the two.

Cooperative middle management

Perhaps the dominant social background of the more successful farmers in this category was middle level cooperative management, usually specialist managers from either the cropping or livestock units of cooperatives. JG is the best example. He had worked as a machinery unit manager and one-time unit party head for a cooperative in DZ. In 1991, when the cooperative transformation legislation was being discussed, he decided to launch his own business estimating, wrongly as it turned out, that he could make a profit by renting as few as 50 hectares. As we have seen, his business was a success, to which his long experience in cooperative middle management contributed. Experience of management gave him the confidence which others lacked:

To raise funds and start the business, I had to sell my car, for which I got 80,000 SKK. That was all I had. [...] I took out a loan of 1.5 million SKK which, in those days, took some courage. My wife did not talk to me for a month.

It also meant that he had had good contacts in the past (which had provided the possibility of a visit to the US), and access to good contacts for the future:

In the first year of my private farming I hired an agronomist. [...] I paid him 1,000 SKK per hour but he had good contacts and it really paid off. In the second year, when I got out of the worst, I no longer needed him. [...] I also made good use of the knowledge I had picked up on a 30-day study trip to the US.

Via the 'Second Economy'

As is well known, although the 'second economy' existed in the former Czechoslovakia, just as it existed in all socialist countries, it was never encouraged in the way that it was in Hungary (Swain, 1998, 1999). The path

from successful 'second economy' farming to independent private farming in the post-socialist world was therefore less common in the Czech Republic and Slovakia than in Hungary; but it was not unknown, as the case of Mr F from the village of K illustrates.

Although branded as a 'kulak' in the 1950s, Mr F's father was eventually allowed to join the cooperative and remained a member until 1977. F himself was allowed to attend higher education and studied at the Agricultural University in Nitra. He then started working for an agricultural services company in the nearby town. But the family always maintained its 0.5 hectare of household plot, beside which they also kept livestock. They normally had 2 dairy cows and fattened 6–7 beef cattle. From the 1970s onwards, conditions were favourable for such activities. Inputs were cheap, if you contracted to sell to the state, and incomes were high. So when the opportunity came to reconstitute the family land, F felt that he was not embarking on something new so much as increasing the scale of his existing activities. Mr F was one of the lucky ones who started early and benefited from the government generosity of 1991.

'FARMER-ENTREPRENEURS'

FARMS

The second major grouping in our sample, the 'farmer-entrepreneurs,' had more than 300 hectares of land. They deserved consideration as a separate group because of the scale of their operations and their greater integration into the market economy. They too mainly specialized in cropping rather than less profitable livestock farming. Substantial investment and the use of efficient machinery enabled them to achieve high levels of production. Some had their own storage facilities and were thus able to hold back some of their produce in anticipation of better market prices. Our sample also revealed rather stark differences with national statistics in terms of educational attainment: these private farmers were highly educated. In the sample generally, there was a high number of farmers with university education, and these were concentrated especially in the larger farms: most of the latter tended to be run by university graduates.

MC farmed 550 hectares, both his own and leased land, and he was considering the expansion of up to 1,000 hectares. He was primarily oriented towards crop production, but he also had 60 head of cattle, a dairy herd and a beef herd, both of 30 animals; and, as a hobby, he had also reared two stallions. He began his business without any start-up capital and usually hired the machinery that he needed from the cooperative, thanks to the mediation of friends who worked there. The liquidator of the local state farm, whom MC knew personally, helped him obtain machinery at very low prices. In addition to his wife, who did the 'paperwork,' and his brother,

who was a tractor driver, he employed 15 people and, during the main season, hired an additional 15.

The farm of 54-year-old PT was slightly bigger, approximately 600 hectares, in the village of K, mostly rented from the local church. He had started with 'bare land' only, because the church provided nothing but land, and he had to contract for machinery from the local cooperative or private farmers. Gradually, through bank loans and retained profits, he became almost self-sufficient in machinery, even renting it to others. He employed an accountant, an agro-technologist, a tractor driver cum mechanic, and three watchmen cum general labourers.

PB (aged 60) was quick to move into private farming and began leasing 100 hectares as early as 1990. He received 150 hectares in 1992 and ended up with a farm of around 800 hectares. Despite his early start, the beginnings were not at all easy. He rented buildings from the local state farm which was, at the time of the research, in the process of liquidation. At the end of the liquidation process, he would be obliged to buy and refurbish the buildings since their condition was not suitable for housing machinery, let alone grain. Under restitution, he obtained some machinery but, it was *old junk*, requiring him to hire most of his machinery until 1993. His original ambition had been to set up a family farm, but he recognized that this had not really been achieved.

My wife helps me where necessary, our daughter keeps the books, our son organizes the work and drives the tractor. But on a real family farm, members of the family farm the land which, except for my son, is not our case.

In addition to his family, PB seasonally employed between 10 and 14 outsiders.

The biggest farm in our sample was run by the 48-year-old PR. In the early days of his venture, he farmed 1,400 hectares of land, but by 1997, in addition to land of the private owners, he had added land from the State Land Fund and had expanded the farm to 1,810 hectares. In addition to arable farming, he kept poultry (22,000 laying hens, because rearing chickens for slaughter 'does not pay') and beef cattle. He employed a total of 24 people: an accountant, six watchmen, four warehouse workers and 13 working for a beef farm unit. He also hired (but did not employ), on one-year renewable contracts, the services of an agronomist and a cattle-breeding specialist. He mostly rented the machinery that he required from ten independent sub-contracting units which operated with former cooperative assets, and thus did not have to pay for the maintenance of the machinery that he used. (He also promoted the development of these businesses by buying new machinery and leasing it back to them.)

FARMERS

Cooperative top management

Nearly all of the farming enterprises in this category had one thing in common: their operators used to hold key positions in agriculture under the former regime, either in cooperatives or state farms. They obtained their farms by maximizing the power that they held within the cooperatives and using it during the process of cooperative transformation to their private advantage.

PR, for example, the biggest of our farmers was a graduate in cattle-breeding from the Agricultural University. In 1989 he was the chairman of the biggest agricultural cooperative in the former Czechoslovakia, a merger of three smaller coops. When this cooperative split again into three smaller cooperatives, PR became the chairman of one of them, and it was from this position that he launched his career as a private farmer. PT had similarly had a long career in cooperative management and had been made chairman of his local cooperative in 1992 before embarking, somewhat later than most, on his career as a private farmer.

The social background of PB was also in top cooperative management, but not the very top. He came from a 'kulak' family whose property had been confiscated, and, due to his 'class enemy' origin, he should have been excluded from obtaining more than primary education. Nevertheless, he managed to falsify the record of his origin and thus graduate from a secondary school before a career first in agricultural research and later in a cooperative as a cattle-breeding specialist. In the 1980s, when his class origin was no longer much of an obstacle to professional advancement, he was promoted to the post of chief agronomist. A member of the Party, he later benefited from study visits to western Europe and the United States. In 1988 he left the cooperative in frustration and worked as a bee-keeper for a state farm. In 1989, he became actively involved in politics, but it was his experience gained from his socialist past rather than his new political contacts that helped him with his business career.

'Second economy'

Although this group of new farmer-entrepreneurs was mainly formed from amongst the former very top management of the socialist cooperatives, the group which tended to have the necessary knowledge, expertise and contacts to farm on a large scale in the post-socialist world, the 'second economy' path also allowed a few to reach such heights. During the previous regime, thanks to his managerial skills, MC progressed from being a motor mechanic to the post of technical director of a company in the town S. But he had always sought additional sources of income. In 1986-1987 he acquired a single hectare of land on which he grew garlic and horse-radish. In 1988, he quit his job and registered as a private farmer; but he only

became a real businessman in 1992. Initially, he leased 15 hectares, but, year by year, he kept adding more land, and in 1996 he purchased a farm of 130 hectares from restitnants of a 'residual estate' to bring the farm to its final 550 hectares.

'Restitnants'

There were 'restituants' too amongst the farmer-entrepreneurs, those who, thanks to the serendipity of history suddenly found themselves owners of 'residual estates' which were generally big enough to be viable in modern conditions, such as Mr S, from the village of C. His grandfather had built up a farm of 320 hectares in C which was confiscated in 1948, and in the 1950s the family was deported for forced labour to a remote part of the country. Because of his class background, Mr S could not attend higher education. He attended a secondary school that trained students for the civil engineering and construction industries, and he worked in this field until 1989. In 1991 he began to arrange for the restitution of 280 hectares in the village of C on behalf of himself and his three brothers and sisters who were not personally interested in farming the land. His motives were a mixture of liking the challenge and the variability of farming as a profession, and a sense of obligation to regain the family patrimony.

Conflicts

CONFLICTS ESTABLISHING FARMS

Given the preference for cooperative farming within government policy, it is not surprising that conflicts of interest arose between the cooperative and private sectors. Generally speaking, it was an unequal struggle. The views of top cooperative managers generally prevailed (Swain, 1999), which made it particularly easy if they were the ones who wanted to start farming privately. In order to see how they achieved this power, it is necessary to understand that the membership of cooperatives was fairly heterogeneous, and so were its interests, although in most concrete cases many of these interests overlapped. Landowners were interested in dividends from their cooperative shares. Active members cared about preserving their jobs and pay. Pensioners were interested in their pensions, but also, usually, in maximizing their share income. The 'outsiders,' mostly landowners with permanent residence elsewhere, were also interested in share maximization, but did not have the time or skills to be involved in the day-to-day control of the cooperative. Faced with these disparate and heterogeneous interests, managers were well-placed to play them off against one another, sometimes supporting workers who wanted higher wages, at other times siding with landowners who sought higher dividends. A former manager of a cooperative, subsequently a private farmer-entrepreneur, used the word 'farce' to

describe the general meeting of shareholders under the Transformation Act in the cooperative where he worked before.

The story of PR can serve as an illustration of how to take over a cooperative from the top. PR, who was nicknamed Gorbachev during his cooperative years because of his uncompromising style of management, pushed strongly for the application of the Transformation Act. Before the general meeting of shareholders took place, with the approval of the management board, he terminated the employment contracts of nearly all of the employees of the cooperative, retaining only two from the original 180. He also convinced all those who worked with machinery that they should form ten legally independent businesses and take out individual leases on the cooperative machinery. He next managed to persuade the 400 landowners (a more difficult task as they were not all cooperative members) to entrust their land to him. He also leased from the cooperative the buildings (such as a grain store, a dryer for grain and maize, and poultry barns) and machinery that no one else had expressed an interest in.

He thus ended up running practically the whole of the former cooperative, but as an individual private farmer, and with not a single hectare of land of his own. All that remained of the cooperative was the management board and a committee which, for a modest remuneration, carried out such tasks as registering landowners, managing the assets of the cooperative, and distributing dividends among the landowners. This residual cooperative body also handled the individual rental agreements between the landowners (cooperative members and outsiders) and the cooperative. PR simply rented the land from the cooperative under a ten-year rental agreement.

Not every farm manager was able to put through his ideas and persuade others to follow him. PT, another cooperative chairman, failed to put through his project for cooperative transformation and decided to quit for private business. In 1992, he was appointed chairman of a cooperative in village S. The transformation project which he wanted to implement was rather radical and entailed the creation of independent business entities (profit centres) within the cooperative. Although the management board of the cooperative approved the plan, PT was unable to implement it. By starting private farming in 1994, PT came to it very late, but he benefited from the amendment to the restitution law that allowed churches to reclaim their land, which they were not in a position to farm themselves. He took little from the cooperative, although his standing and contacts as a former chairman doubtless helped him get access to the church land.

These examples have illustrated the power of top managers and the relative ease with which they could establish farms of their own. For the most part, however, cooperative top management acted for the cooperative against private farmers. The first locus of real and potential conflict between cooperatives and private farmers appeared when the latter sought to withdraw

from the cooperative their due share of cooperative assets and begin their private operations. Availability of capital and technological equipment were important prerequisites to the success of private farmers who had an urgent need for new machinery and buildings. If cooperatives and farmers failed to reach an agreement, the cooperatives usually released the land, allowing the settlement of assets to drag on for years.

The case of JG well illustrates the intensity of such conflicts.

In 1991, I managed to rent 151 hectares of land. But some people hated to see the former head of a communist party unit in the village becoming a capitalist. And so they tried to sue me for breaking up the cooperative. [...] The court heard the case in 1992 and it was a joke. The cooperative tried to build its case on ethics rather than the law. [...] In the end, the cooperative gave me three lots of land. Of course, it was the worst land they had.

Generally speaking, despite the JG case, relationships between private farmers and cooperatives appeared to be better in cases where the new private farmers had previously worked for the cooperative. Farmers who had never been members of a cooperative, however, more regularly encountered problems in settling their property claims. For example, Mr H from the village of B who was not, as we have seen, a cooperative member, still had some outstanding claims against the cooperative to be settled in 1997. The cooperative compensated him with some machinery, but it was in a poor condition and had to be repaired, and the barn that he was due remained a promise only.

CONFLICTS OF INTEREST BETWEEN COOPERATIVES AND PRIVATE FARMERS

In addition to the direct conflict between private farmers and cooperatives over restitution and cooperative transformation, there were indirect conflicts between cooperatives and private farms over access to government resources. Primarily, this meant access to credits for equipment, and also, increasingly, access to larger parcels of land. This was mainly a problem for the smaller 'farmers,' for, alongside cooperative assets, the 'farmer-entrepreneurs' also inherited cooperative contacts with the agricultural administration.

Subsidies generally were a matter of contention for our farmers, despite the fact that, according to our calculations, the overall level of subsidies per hectare of land was approximately the same for all types of farm, and the overall level of government subsidy was not decreasing. On the other hand, there were real biases in favour of cooperative farms. First, as noted above, the generosity of the Čarnogurský years disappeared under Mečiar. Second, it was also true that farmers with holdings of over 10 hectares tended to be more subsidy-dependent than smaller farmers; and those who

farmed holdings over 50 hectares depended on subsidies even more, especially in climatically difficult areas where cooperatives predominated. Third, it was only the 'mandatory subsidies' on agricultural inputs that were distributed relatively fairly. The larger farmers (mainly cooperatives) were more likely to receive 'discretionary subsidies' for, for example, the purchase of equipment and machinery.

Most farmers sought such funding from the Support Fund of the Ministry of Agriculture which provided loans for the purchase of equipment at an advantageous 5 per cent interest. The Fund, in theory, made no distinction between whether the loan applicant was a cooperative or a private farmer. But according to our interviewees, getting a loan from the Fund was a question of having good connections, and if you did not have the connections, then you had to give a bribe, which you might have had to do in any case.

When obtaining a loan, I did not have to bribe anybody, frankly. After all, I've known those guys [in the Fund] for a long time, I knew them when I worked for the cooperative.

The problem with the system of machinery subsidies was that the procedures were not transparent. The committee which decided was made up of Ministry of Agriculture officials, representatives of banks (to assess creditworthiness) and representatives of the Tax Office (to check whether tax liabilities have been paid). But it was an open secret that such decisions were made corruptly and not on the basis of merit. The complaint of the private farmer was not so much that there was a pro-cooperative bias in such decisions, but that they were unable to pay the bribes. Private farmers felt that they were under suspicion and were under obligation to conduct their businesses more openly.

A further conflict over access to public resources related to access to large areas of land. The bigger private farmers interviewed were no longer interested in renting an additional few hectares, but an extra 100 hectares was a different proposition. However, only the state and the church had large areas of land for rent and sale, and both were administered by state bureaucracies. Here too, interviewees, such as Mr B from S, told stories of official obstructionism preventing private farmers from acquiring such land. The suspicion, certainly in the minds of private farmers, was that officials wanted to keep hold of the land so that they could use it to reward their friends.

Another dimension to the conflict between private farmers and cooperatives over land was in relation to renting land from the local population. This was particularly the case in mountainous areas, a consequence of the particular pattern of subsidies for such marginal areas which meant that the more land you had, the higher the subsidies that you received. Cooperatives were keen to hang on to as much land as possible, and they exploited

the uncertainty that some villagers felt about renting to the new private farmers. It was not uncommon for private farmers to be unable to rent additional land, they even offered to pay twice as much in rent, because land-owners preferred to rent to the cooperative which, they believed, was likely to be a more reliable source of regular rental payments.

Conclusion

Our research has demonstrated that despite the small size of the private sector in Slovak agriculture, a diverse community of viable private farmers had emerged by the late 1990s which intended to stay in the business. They were not people who saw farming as a temporary stop-gap to cover unemployment or periods waiting for something better to turn up, they were farmers with clear objectives for the future. Year after year, they leased or bought more land and made substantial investments in their machinery, creating what were generally viable and market driven operations, with every prospect of further development.

Our sample fell naturally into two groups: 'farmers,' the larger group, with farms in the region of 60, 100 and 200 hectares; and 'farmer-entrepreneurs' with farms of approximately 500 hectares, but one as large as 1800 hectares. The two groups were rather different in character. While the smaller private farmers had to begin from scratch, the farmer-entrepreneurs were in a much easier starting position. The common denominator in most of their backgrounds was that they had had some business experience before going private, usually as managers of cooperatives. They commonly leased all the land and hired all the labour that they required from the very cooperative that they used to manage, effectively continuing, on their own account, what they had been doing before. Their employees were usually relatively well paid, partly because the artificial employment of the cooperative years had been eliminated. The smaller farmers, on the other hand, enjoyed less favourable start-up conditions, especially after the Čarnogurský subsidies disappeared. They often remained in conflict with their former cooperative over land and especially assets for a number of years, and they felt that they were unfairly treated in the competition with cooperatives for both land to rent and access to subsidies.

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