MARIE-CLAUDE MAUREL[1]

FROM DISAPPEARANCE TO RECOVERY: FAMILY FARMING IN CENTRAL EUROPE. QUESTIONING THE PATH DEPENDENCY HYPOTHESIS

Abstract: Family farming is organized in different forms in the countries of Central Europe where collectivisation had been implemented. Many of these forms are different than seen in other parts of Europe. The reprivatisation and revival of family farming systems has been seen to be a complex process dependent on many determining factors. This article addresses why the various types of farms have arisen, why they survive or fail as a result of a process of de-collectivisation. The inheritance of the organisational of farms from parent to child has had to be replaced and questions arise about historical ownership and how this explains present forms. Small and large farms are generally dominate the agrarian structure. In a number of countries the family farms of a medium and a large size is less significant. To explain this situation a re-evaluation of institutional changes must be conducted, especially in light of both historical and current bifurcation where smaller smooth changes to the system caused sudden 'qualitative' or topological changes. Institutional change has to be considered and analysed as a moment of gradual elimination of the collectivized system through a number sequences of causally related events, each at a different pace. The absence or the weakness of modern family farms is the result of an unfavourable mix of both informal and formal institutions that put pressure on the revival of family farming. The political and economic environment created during transitional periods gave an obvious comparative advantage to large-scale farms. These same institutional changes had no particular limiting effect on the survival of small subsistence farms.
Path dependent mechanisms, as they can effect to outcomes at a single moment in time or to long run equilibria of a process, are not absolute and policies implemented by reformers tend to lead to path diversion creating a plurality of structural arrangements often inefficient. New structural dichotomy has appeared between agricultural systems based on a high concentration of land and the use of paid labour (the Czech case), and agricultural systems with more dual configurations that combine family and non-family labour (Hungarian and Lithuanian cases). Path shifting mechanisms have been in favour of the continuity of large farms being transformed into corporate holdings or partnerships. They consequently have inhibited the setting up of a sustainable family farming model. Dismantling collective farming might open

[1] Ecole des Hautes Etudes en Science Sociale, Paris.

different pathways, and these pathways from collectivism to post-collectivism are not straightforward. Consequently any consolidation of family holdings characteristic of market societies has been slow and is incomplete.

Key words: de-collectivisation, revival of family farms, consolidation of family farming, similarities and dissimilarities between the farm structures of CEECs small and large farms

INTRODUCTION

Family farming which is dominant production model in most market economies of the European Union was expected to emerge rapidly in transitional countries [Swain, 1993, 2013]. Contrary to expectations, however, large farms continue to dominant in certain Central Eastern European Countries (CEECs), such as Czech Republic, Estonia, Hungary, Slovakia, and still maintain a presence in Lithuania, Romania, Bulgaria. In most CEECs, the number of small farms of a subsistence type is overabundant and the number of family farms of a medium size is only marginal. Two decades after large-scale de-collectivisation, the dual character shaping agrarian structures remains a peculiarity, and its persistence defies expectations. The paper attempts to explain the reason for a difficult and still uncertain recovery of family farming in selected CEECs.

The genuine question has to do with the nature of identifiable forms of production in post-collectivist agriculture, how these are related to earlier forms, and in what way they demonstrate continuity or discontinuity. Trajectories of transformation must be placed in the socio-historical context specific to areas in which agrarian structures, which were historically shaped by large estates, went through agrarian reforms in the twentieth century before being transformed during the collectivist period. The filiation of organisational forms has to be replaced in this specific historical perspective. Taking in account the assertion that "history matters", the paper would like to discuss the weight of determination of the past and the way in which this past is supposed to count.

The first part of the paper provides a description of the similarities and dissimilarities between the farm structures of selected CEECs. In some countries, large farming prevails, though in a new social format, while in others, they were broken down and divided during the time of institutional change. The relative importance of large and small farms in Central European agricultures is examined and the limited place for medium size holdings is highlighted.

The second part of the article investigates a hypothesis that agrarian structural evolution is a path dependent process[2]. This suggests that initial environmental conditions leave a persistent mark (or imprint) on organisational collectives, thus continuing to shape behaviour and outcomes in the long run. The extrication paths from a previous collectivised structure are considered to assess the causal influence

[2] Path dependence explains how the set of decisions one faces for any given circumstance is limited by the decisions one has made in the past, even though past circumstances may no longer be relevant.

of an institutional context – which is generally country-specific – on the transformation of farm structures. Small differences in the implementation of privatisation laws could explain a disproportionate cause of later circumstances. These effect is that amplifications of a few processes may have repressed the process of consolidation for family farming. To account for the weakness of family farming, the whole process of institutional change must be re-contextualized both in its previous historical bifurcations and in its more recent pathways. Institutional change plays a key role in determining new organisational forms.

The third part attempts to outline future challenges. This includes a perspective for the recovery of family farming and addressed whether small family farms will be able to fit within a new institutional environment which is partly embedded in a national context and also partly influenced by the European CAP. It also addresses economic and social challenges facing the development of family farming in these CEECs.

1. STRUCTURAL AGRARIAN DUALISM, AN UNCHANGING FEATURE IN SELECTED CEECS

1.1. Family farming as the weak link in post-collectivised agricultures

Common Agricultural Policy (CAP) provides no universal definition of what should be considered as a genuine family farm, and yet, its importance is mentioned in a large number of reports[3]. There is large diversity in family farms in the EU, in terms of their size, activities they engage in, their availability of resources, their degree of market integration and competitiveness[4]. Family farms operate at different scales of production and in different economic, agro-ecological and social contexts and, consequently, it is hard to describe what family farming, per se, is. Definitions can be based on farm labour (the share of labour provided by the family), on ownership (and thus inheritance of business assets) on managerial control (as a farm business where the family bears the business risk), or on their legal status (sole holder). Each of these definitions will present a different picture of what is family farming. A recent report (published by the DG for Internal policies, Policy department B: Structural and cohesion policies), discussed these definitions and embraced the whole range of diverse family farming within the EU:

Family farming covers a wide range of farm types and sizes, with both full- and part-time farmers, and farmers with and without other gainful activities. The objectives of some family farms are focused on commercial farm business operations, while others produce mainly to satisfy household food needs, the so-called semi-subsistence farms (SSFs). In the EU, there are also many "lifestyle"

[3] When launching the UN's International Year of Family Farming 2014, Dacian Ciolos, the Commissioner emphasized that over 95% of farm holdings in the EU are family farms, and that *family farms are the foundations on which Europe's CAP was built. They continue to stay at the heart of European agriculture as robust generators of competitiveness, growth and jobs, of dynamic and sustainable rural economies.*

[4] Conceptual and statistical definitions of "family farm" vary within the EU. The choice of definition greatly affects the numbers of holdings, land areas and economic significance.

(sometimes called "hobby") holdings, belonging to families with substantial non-agricultural income. Commercial farmers have different sizes expressed in area or in Standard Output1 (SO); they can be large, medium or small. The majority of SSFs and lifestyle farms are very small in land area and often output. Often, but not always, they are run by pensioners. Many family farmers and members of their households are working part-time on-farm, or have other gainful activities. In such cases, family labour may play a minor role, at least in terms of income returns to the household. [Davidowa, Thomson 2014].

This complexity of observing and identifying family farming in the CEECs requires taking into account the heterogeneity of criteria (size, economic and social roles, and relative position in the total agrarian structure of a country) and the great diversity of organisational forms. Various farm types are present in the Central Eastern European agricultures but not in the same proportions as in the EU-15. For instance, subsistence farm and semi-subsistence farms, very small and small farms, are overrepresented in the agrarian structure while the significance and number of family farms of medium and large size is smaller. Commercial family farms in the countries of this study are generally few in numbers. Agricultural census and national surveys classify them as "individual" or "private" holdings run by a sole holder with the help of the family members or not[5]. They can be characterised by the sales of production, their business management, their use of a family work force, and utilise family assets (land, building, cattle and technical equipment). This is often in contrast to family farms, which have had property passed down from one generation to another, thus enhancing a strong link between land and capital property and family(often seen in Old Member states or in Poland), and in CEECs where family farms have been recently established and their future sustainability is not secured.

Large scale commercial family holdings are often missing in the agrarian mix as this kind of organisation have encountered to many obstacles and difficulties to recover after a long period of collectivisation. Family farming is considered to be an evolving and polymorphic form of organization, with its own running patterns and its own social characteristics, in the context of the contemporary agrarian structures among CEECs. In most post-collectivised agricultures, the structural issue cannot be analysed in terms of family *versus* non-family farming, but as large *versus* small farms, which are overwhelmingly in family ownership.

1.2. Large and small farms

There are specificities and singularities of post-collectivised agriculture that have to be underlined. Dual profiles of agrarian structures are characteristic of Central and Eastern European Countries that experienced collectivisation. Under defined production systems the coexistence of large farms and small farms is a persistent and common feature. Data collected by Eurostat, using a methodology common to the entire European Union (EU), can be used to identify the specific traits of farm structures in the New Member States and to identify what differentiates them from

[5] The share of family labour in total regular farm labour varies according to the size of the farm, decreasing on the largest ones.

each other and from the older Member States (the EU-15). The use of this data allows for the resolution of a problem of using a categorisations in each country that designated the new legal forms that emerged after privatisation. To calculate the size of farms, several indicators can be used, including an economic dimension, the labour force recruited, agricultural outputs, and the utilised agricultural area. The perspective adopted requires addressing the issue of the degree of land concentration, with an emphasis on utilised agricultural area (UAA).

The criteria used for defining very large farms is relative and requires assessed country by country. Data provided by the Farm Structure Survey (FSS), formed the basis of a study published by Eurostat and highlighted their role and characteristics [Martins and Tosstorff 2011, p. 1–7]. In order to compare the weight of the largest units in Europe, the authors classified the farms by size, which allowed them to differentiate between two groups: the smallest farms, occupying 80% of the UAA, and the largest group, which represented 20% of the UAA. However, the threshold for defining very large farms was not uniform since it took into account the statistical distribution of farms in each country. Thus, its value varies from more than 2,782 ha in Slovakia, 2,500 ha in the Czech Republic, 1,868 ha in Hungary, 1,814 ha in Bulgaria, 1,178 ha in Estonia, to 832 ha in Romania (see Table 1).

TABLE 1. Very Large Farms
TABELA 1. Bardzo duże gospodarstwa rolne

Country	Number of very large farms	Minimum threshold (in ha)	Average size (in ha)	Average SGM per farm (in €100)	Average number of workers in AWUs	Workers as % of total	ha per AWU
Bulgaria	195	1,814	3,128	718	38	2	82
Czech Republic	199	2,500	3,531	1,973	117	17	30
Estonia	91	1,178	1,988	530	50	14	40
Hungary	267	1,868	3,164	1,467	87	6	37
Latvia	420	384	844	217	16	6	54
Lithuania	574	369	923	272	25	8	37
Poland	12,392	74	250	140	5	3	50
Romania	1,526	832	1,802	257	13	1	140
Slovakia	1,675	27	58	58	3	6	19
Slovenia	98	2,782	3,934	1,220	125	13	32

Beyond this threshold, all farms cover over 20% of the UAA of the country.

SGM=Standard gross margin.

Source: C. Martins and G. Tosstorff, 2011: Large Farms in Europe. Eurostat, *Statistics in Focus* No. 18/2011: Agriculture and Fisheries

Źródło: C. Martins, G. Tosstorff, 2011: Large Farms in Europe. Eurostat, *Statistics in Focus* No. 18/2011: Agriculture and Fisheries.

The presence of very large farms (over 1,000 hectares)[6] is a characteristic of agriculture in certain CEECs. These farms are small in number, in both absolute and relative terms (under 0.5%). This distinctive structural characteristic concerns only

[6] Over 3,000 hectares in area on average for large farms in the Czech Republic, Bulgaria, Hungary, and Slovakia, 1,800 in Romania, and 1,000 in the Baltic countries.

agricultural systems formerly dominated by the collectivised model of land consolidation. Data shows a sizable gap between very large and average-sized farms in each of these countries. These very large structures concentrate a significant portion of paid labour in agricultural employment. They employ 16.9% of the agricultural workforce in the Czech Republic, 14.2% in Estonia, 13.4% in Slovakia, 7.9% in Lithuania, 6.3% in Latvia, and 5.7% in Hungary, or slightly more than the known percentage for the entire European Union (5%). Agricultural paid labour retains a dominant position in the most concentrated agricultural systems, namely in the Czech Republic and Slovakia, and to a lesser extent in Hungary. The volume of the labour force (166.5 annual work units – or AWU – in the Czech Republic, 125 in Slovakia, and 86.6 in Hungary) is much lower than that of the former collective cooperatives and State farms, which gathered together several hundred workers[7].

In most CEECs countries the number of small and very small farms is substantial. Despite the on-going consolidation process, farming is still carried out primarily on small or very small holdings[8]. In a number of countries this majority of holdings are small and they cover only a minor part of the agricultural area.

A commonly agreed definition of small farms does not exist even though they received increased attention in the European political debate following the accession of New Member States (NMS), in particular of Romania and Bulgaria. Different criteria can be used to describe small farms. The threshold for any given criterion should reflect a great diversity of structural patterns throughout the EU-28. This threshold can be designed in absolute and relative terms[9]. Relative values show which share of farms would be considered small if a relative threshold is applied to cover the smallest farms whose combined UAA (or AWU or ESU) makes up 10% of the total UAA in the Member State.

From a conceptual and methodological point of view, the meaning of "smallness" is not about the size of the farm *per se,* but about the objectives small farms should fulfil from a political point of view including what is to be expected of these farms and what purpose do they fulfil [Hubbard 2009]. Many of these small farms may be characterised as being semi-subsistent, meaning that more than 50% of their output is for own consumption. The large majority (86% of all semi-subsistence farms) are located in EU-12 (NMSs) of which 62% are in Romania. Many observers may view family farms as being synonymous with smaller farms. In political debates confusion arises because the term 'family farms' is used as being synonymous with small farms rather than as a conceptual definition of this category of holding. All small farms are family farms but all family farms are not small.

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[7] The AWU measures the quantity of human labor provided on each farm. This unit is equal to the labor of one person employed full time for one year.

[8] A threshold is defined under which a unit is too small to be counted as an agricultural holding (e.g. 1 hectares of UAA, a minimum of 5 pigs, 50 m2 under glass or 100 m2 under vineyard). Each Member State defines its own set of thresholds in order to meet the targeted coverage. This means that the smallest farms (under the threshold) are not surveyed. To obtain the 98 % coverage of the UAA and the Livestock most countries set the threshold to include farms with a UAA over 1 ha. The Czech Republic has set the thresholds to the maximum allowed in the FSS 2010: 5 hectares.

[9] http://ec.europa.eu/agriculture/rural-area-economics/briefs/pdf/02_en.pdf

TABLE 2. Small farms (Share of farms which would be considered small by applying different size criteria to NMS, 2007)
TABELA 2. Małe gospodarstwa rolne (udział gospodarstw określonych jako małe, zgodnie z kryteriami przyjętymi w krajach nowych członków UE, 2007 r.)

Criterion	Hectares of UAA			Labour input in AWU				Market participation	Economic size in ESU			
threshold	Absolute	Abs	Relative	Abs	Abs	Abs	Rel	Abs	Abs	Abs	Abs	Rel
	<2	<5	UAA at 10%	<0,5	<1	<2	AWU at 10%	More than 50% self-consuming	<1	<4	<8	ESU at 10%
CZ	34%	50%	87%	25%	41%	71%	61%	31%	34%	63%	72%	88%
EE	13%	36%	69%	13%	26%	46%	43%	46%	45%	82%	89%	77%
LV	17%	41%	53%	42%	70%	90%	39%	72%	59%	90%	95%	64%
LT	14%	61%	48%	8%	19%	40%	36%	54%	63%	92%	96%	57%
HU	82%	89%	93%	32%	56%	87%	41%	83%	78%	92%	95%	84%
PL	44%	68%	56%	8%	15%	29%	47%	38%	53%	80%	90%	66%
RO	65%	90%	59%	15%	32%	59%	42%	81%	78%	98%	99%	47%
SL	25%	59%	40%	43%	68%	92%	32%	60%	18%	68%	84%	48%
SK	76%	87%	97%	33%	50%	70%	54%	93%	77%	93%	95%	95%

Source: EUROSTAT, *Farm Structure Survey,* 2007, Selected from http://ec.europa.eu/agriculture/rural-area-economics/briefs/pdf/02_en.pdf (p.10).
Źródło: EUROSTAT, *Farm Structure Survey,* 2007, Selected from http://ec.europa.eu/agriculture/rural-area-economics/briefs/pdf/02_en.pdf (s.10).

1.3. The Diversity in Post-Collectivised Profiles

New structural distinctions have appeared between agriculture systems based on a high level of land concentration and the use of wage labour and those agricultural systems with a more dual configuration that combine family and non-family labour. There are illustrated in Czech agriculture, in which farms are mostly of a very large size, in Hungarian agriculture, in which farm size categories are more diverse and in Lithuanian agriculture in which small and medium family farms are more numerous.

In the Czech Republic, 90% of the UAA is cultivated by holdings of more than 100 hectares. Numbering 4,420 in 2010, these make up 19, 3% of the total. These large areas (averaging 788 hectares) are mainly farmed by tenants. Of these, a half are large family- or non-family-managed farms, while the other half consists of corporate farms. Over two-thirds of these large farms employ more than three AWUs. Labour productivity in these systems, which tend to focus on arable crops (such as grains, oilseeds, and industrial crops) rather than on animal production, remains low. These large farms, moreover, develop complementary activities (particularly contract work) in order to make full-time use of a still large workforce. Comparing with other CEECs agricultures, Czech small farms are few in number (15, 5% of holdings) whilst medium-sized farms (10–100 ha) account for 47% of the holdings. In this latter group, a sub-group of farms of 10–50 ha is significant and represents more than a third of these holdings and 5,5% of the total UAA. (See figure 1).

Hungarian agriculture is characterized by having a more diversified agrarian structure. In 2010, of 576,990 production units surveyed by a FSS investigation, around four-fifths are very small farms (less than two hectares) occupying only 3% of the UAA. Holdings under ten hectares account for only 10 % of the UAA but they provide security for a large family-based labour force (72% of the people working in agriculture). Medium-sized farms (10–100 hectares), which number 7.1 % of holdings account for about 17% of the UAA. Meanwhile, the large and very large farms, more than 100 hectares, represent 1.3% of holdings and account for 64.2% of the UAA. They employ, however, only 6.5% of the labour force working in agriculture (See figure 2).

Lithuanian agriculture has a wider distribution of small, medium and large sized farms. (See Figure 3). According to an Agricultural census in 2010 the majority of the agricultural holdings (58 %) were found to be less than 5 hectares of UAA. These small farms account for less than 12% of total UAA, however they employ a significant percentage (38, 8%) of the AWU. Farms in the range of 2 ha to 4.9 ha UAA are the most common, accounting for 42 % of all agricultural holdings, 10% of UAA and 28% of the agricultural labour force. The importance of this particular group is a feature specific to the Lithuanian agrarian structure. 78% of holdings have less than 10 ha (UAA), these employ two thirds of the agricultural labour force but account for only 22% of total UAA. Medium sized farms (10 ha to 100 ha) equate to 19% of the total number of holdings, employing 28.9% of the agricultural labour force and encompass 37% of the UAA. As in other post-collectivist agricultures,

most of the agricultural land (42% of the UAA) was controlled by a small number of large farms (2%) with 100 hectares or more of UAA.

Agrarian restructuring had taken different pathways. In Czech Republic, the revival of family farming has been a limited phenomenon, whereas in Hungary and in Lithuania, the reshaping of agrarian structures has seen the emergence of very small family farms and of a limited number of medium sized holdings individually or family managed.

These dissimilarities have lead to retracing the relations between the initial conditions of exit from collective farming (the "extrication paths") and the results these paths were supposed to lead to.

2. DEPENDENT TRAJECTORIES: THE LIMITATION OF A FAMILY FARMING MODEL

2.1. Institutional change in context

A question arises why certain types of farms evolve, survive, or disappear when the institutional environment changes, and in which way do the post-collectivist social forms demonstrate continuity – or conversely, discontinuity – with preceding ones. With the break-up of collectivised structures, the process of converting State and cooperative farms took multiple paths, via transitional forms, that in a way prepared a softer exit for agricultural producers who were not prepared for such a wide reaching restructuring process.

The main aim was to change the institutional environment; the economic, political, and legal institutions[10], that define formal rules and influence the conversion of inherited organisations into new versions. Institutional change may be viewed as a complex nexus of dynamic processes operating at different paces. To understand the diversity of post-collectivist social forms, it is necessary to retrace complex institutional changes that take place in the agricultural sector. To transform the collectivised structure a set of legislative measures aimed at re-establishing individual property rights over farm capital assets (land, machinery, buildings) through privatization, were adopted. These were established over a relatively short period of time. These new legal mechanisms fully transformed the relationships between land property, capital and labour and formed the basis for new organisations to emerge. Institutional mechanisms, however worked in favour of structural continuity or discontinuity, with the result that the hypothesis of a path dependent dynamical process can now be questioned. It raises the issue of how institutional change occurs through sequences of causally related events[11]. The decade following the change of regime was a time of gradual elimination of the collectivist legacy and

[10] We understand here the term "institution" in the sense defined by Douglass North: *Institutions are humanly derived constraints that structure human interactions. They are made up of formal constraints (such as rules, laws, and constitutions), informal constraints (such as behavioral norms, traditions, and self-imposed codes of conduct), and the characteristics of their application* [North 1994, p. 361].

[11] Path-dependent process deals with "reactive sequences" where a primary event sets off a temporally-linked and causally-tight deterministic chain of events.

progressed at various paces according to the local, regional and national situation. The historical and geographical context determined in which the strategic choice of dismantling collective farms and has oriented the "extrication paths".

2.2. Mental models as a kind of cultural path dependency

Under forty years of a communist regime, collectivist-based attitudes, behaviours, norms of conduct became firmly embedded in mental models. *Mental models are the micro-level basis of culture because they described the underlying beliefs that influence the way people behave and how they think the world works* [Koestler 2005, p.107]. *Mental models are crucial in understanding the willingness of people to change. They can only suggest the effects of embedded informal institutions*[12] *on the restructuring process. These mental models, which were shaped by collectivist ideology, influenced the attitudes of farm workers relative to the transformation of property rights either on land or assets and to the strategy they have to think about in a new and uncertain institutional context.*

Farmers, new farmers had to cope with critical choices, every person having to learn to *play a new game* without any real knowledge and experience. The ability to adjust a strategy to these new conditions was embedded in mental models and was dependant on family history (former peasant origins or not), their social position in the hierarchy of the former collective farm, as well as their level of education and training. [Halamska, Maurel 1997][13]. Studies were conducted in 1991 among workers and management staff on several collective and state farms highlighted values attached to collectivist social relations [Maurel 1994b][14]. A large number shared attachment to collective property, security of employment, and social protection as both employees of State farms or members of cooperatives. In contrast, the concepts of a market economy, labour efficiency, profit-sharing, private appropriation, and responsibility were not met with much enthusiasm. Supporters of the collectivised model – or at least of a revised version of the neo-collectivised type-were in a large majority on the eve of de-collectivisation [Lamarche, Maurel 1995]. This state of mind made it difficult for them to adjust to the formal restrictions resulting from the re-establishment of property rights, because it encouraged relative inertia on the part of workers of the de-collectivised farms.

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[12] We adopt here the distinction established by Oliver Williamson between informal institutions (first level) and formal institutions (second level) [Williamson 2000]. According to Williamson, second level institutions are formal rules that are to say laws, property rights. Once established they contribute to make individual behavior predictable.

[13] The collectivist rural societies were made of separate groups having different positions in the technical division of labour and correlatively in the social hierarchy of the enterprise. The most important social divide was between the managing staff, the so-called "green barons", and the group of performers, with personnel of the middle level belonging either to the first or the second group.

[14] A survey was conducted among 367 persons working in cooperative or state farms in Poland, Hungary and the Czech Republic. This field work has brought to light the ideal models borne by workers as well as the characteristics and modes of operation of the new social forms of production.

At the beginning of 1990's, only a small number of people were ready to become family or independent producers. The mental model suggests that peasant type were not among those determined to become private farmers and have concrete plans to set up an independent farm. Adaptation to the new context requires specific attitudes and abilities to set up and to run an independent holding. Some of these required aptitudes are listed:

Required aptitudes:

- Openness to change.
- Acceptance to bear the risk of starting a new activity.
- Preference for self-reliance as opposed to collective action.
- Preference for being self-employed.
- Attitude in favour of private land ownership.
- Belief in comparative advantage of family or independent work.
- Understanding of the formal rules.

The number of potential entrepreneur-farmers was limited. A small group decided to become private farmers (no more than 10%), a second group, not fully prepared, wanted to have their own farm but their plans were to have smaller farm either subsistence type or as a commercial enterprise. A third group consisted of those who did not intend to be real farmers but wanted to keep a food-producing activity on a small plot. The fourth, and the most numerous group, was composed of workers rejecting any proposal connected with land property and were disinterested in running a farm. These groups were represented in quite similar proportions in the Czech Republic and Hungary on the collective farms in which investigations have been made [Lamarche, Maurel 1995]. A similar remark could be made for Lithuanian *kolkhoz's* on the eve of de-collectivisation [Maurel 2002].

2.3. Changing land property relations

The basis of de-collectivisation is the change of property rights in agriculture. The restoration to private property made legislators confront two tasks of utmost importance, namely defining the terms for the redistribution of land and the means of production. Two choices were available: either organise this redistribution to original landowners and their heirs, or favour those who through their labour, had contributed to the accumulation of farm capital (managers and workers). Depending on the country, the methods of granting property rights combined these two principles in various ways: "to each according to his contribution," and "to each according to his labour." The restitution of lands confiscated by the Communist regime was settled differently in each country. In Hungary, all forms of automatic re-privatization of land were ruled out by granting the former owners compensation vouchers that allowed them to bid for land, and farms were required to put up for auction. In Czech part of the Czechoslovakia Federation, the preferred method was to give back land and inventory[15] to the former owners in kind. Finally, new laws[16]

[15] The inventory included livestock and agricultural equipment handed over to the cooperative by peasants.

[16] The December 21, 1991 law in Czechoslovakia, and the January 17, 1992 law in Hungary.

ended collective appropriation by distributing the cooperatives' common assets (such as buildings, equipment, and livestock) among the beneficiaries. Czech legislation indicated who could acquire property rights and the allowed deadlines to lay claim.

In Lithuania, following independence, a set of acts was adopted giving the legislative basis for new agrarian reforms re-establishing the rights to private property and returning land to their former owners, privatizing the assets of *kolkhoz* and *sovkhoz,* regulating conditions of land division and settling the creation of agricultural partnerships. Two years later, amendments were taken to address limitations hindering the restitution process to landowners and allowed them to lease the land. In 1994, a new act was introduced, which among its clauses, was the critical actual allotment of a plot (2–3 ha) to every rural household even to those who had never owned land before. Thousands people wanted to take advantage of the new law allowing them to own land. After the return to power of the Conservative and Christians democrats, in 1996, new acts were adopted removing limitations on the land restitution process. The lawmakers have obviously favoured private interests of former landowners, individual holders and plot users to the detriment of developing agricultural partnerships.

In the three principle countries of this study, privatization of land and assets led to the development of a new situation in agrarian relationship. This included greater fragmentation of land ownership and a split of capital property from labour. The stage of legal appropriation produced a large and very heterogeneous category of landowners[17]. Some of them were ready to engage in effective production (economic appropriation) while the great majority was passive and only interested by the land and assets they received with the purpose or hope of later renting or selling it. This initial phase, termed "primary appropriation," was followed by a secondary appropriation sequence (also known as a "second wave of privatization") in which control over management of the assets was at stake. Two main types of deliberate action prevailed: the implementation of control strategies (internal or external) within inherited farms, and the creation of new enterprises with different legal status based on the redemption and acquisition of privatized assets. The main beneficiaries were a group composed of former managers of state and collective farms. At this time, many employees and cooperative members were unemployed and were left without any source of income apart from their subsistence plot[18].

In Lithuania, through new legislation, adopted in 1996, a "second wave of dismantling" the partnerships (successor of former collective units) took place. In 1999, the government then decided to implement an agricultural policy supporting and protecting "farmer's farms and family farms". Despite political instability, the strategic choice in favour of private farming (family type or entrepreneur type) was reinforced by the adoption of a normative framework guarantying their development.

[17] However, the nominal allocation of property rights was not enough to restore property's role as an economic mechanism. In most cases, there was no real appropriation of assets by their holders, who were quickly confronted by economic, social, and psychological barriers that restricted their freedom of use.

[18] The break-up of relations between large farms and household plots negatively affects the incentive to become a private farmer.

TABLE 3. Procedures of privatising land and assets
TABELA 3. Procedury prywatyzacji gruntów i aktywów

Procedures of Land Privatisation	Czech Republic	Hungary	Lithuania
Appropriation or re-appropriation	Cooperative's members are allowed to withdraw their land if they are ready to cultivate it (1990–1989)		Allocation of land to independent "peasant holdings" (1989)
Restitution or compensation	Restitution to landowners dispossessed of their land and assets after February 1948	Former landowners had to be partially compensated for the value of land lost, converted in vouchers. Land auctions for getting land with vouchers	Restitution to the former landowners of land and assets that were nationalized
Allocation	Transformation of agricultural cooperatives. Dividing capital shares between beneficiaries according to contribution in land, assets and work.	Allotment of a plot to cooperative members and employees without land	Allotment of 3 ha to every rural household
Procedures of assets privatisation		Cooperative Transformation law defined those who had the right to participate in the "naming" of cooperative property (members, heirs of members), distribution of shares according to length of membership and to the value of the property contributed to the cooperative	Law about Privatization of state-owned farms regulating the ways and methods of dividing large farms into smaller units and their sale to groups of people (with vouchers).
Legal transformation of former collective farms (status)	Cooperatives of owners, corporate companies		Agricultural partnerships

Source: The author.
Źródło: Opracowanie własne.

The institutional change concerning property rights opened up a range of opportunities. Under various legal forms, the privatization of land and assets permitted the redeployment of the main factors of production (land, capital and work) by converting pre-existing organisations or creating new organisational structures[19] (See Table 4). Legal appropriation gave rise to many different strategies of becoming producers. A new structural diversity of social forms emerged from this privatisation reshaping process. These can be defined by their material and technological dimensions, the way in which they combine the factors of production (land, capital, and labour), and the systems of values and representations that are linked to them (relation to the land, to capital, and to labour).

[19] The restructuring occurred through adaptation to these changes on the part of both formal and informal institutions operating at their own pace. This process was spread out over the entire decade of the 1990s.

Based on different intentions, there was an orientation towards family-based farming either as the subsistence-micro farm[20], or the independent family holding (or sole holder farm[21]). The first one was the most widespread and adopted by a large number of rural households, the other one turned out to be highly selective.

TABLE 4. Post-collectivist Social Forms
TABELA 4. Inne (niż gospodarstwa rodzinne) formy gospodarowania po transformacji

Social forms of production	Legal entity	Land assets	Assets Farm capital	Labour	Relation to the market
Production cooperative	Cooperative of landowners, agricultural association	Leased from a large number of small landowners	Members' ownership stock	Wage workers (employees and members of cooperatives)	Dominant market orientation
State-owned enterprise	Dependent on State agencies	State ownership (lease)	State is the major stockholder	Wage workers	Dominant market orientation
Companies (corporate farming)	Joint-stock company, public limited liability company	Majority leased, possibility of purchase (depends on country)	Stock (with a majority held by management)	Wage workers (permanent and seasonal)	Exclusive market orientation
Family or non-family--managed farm	Sole holder	Owner and tenant farming	Buildings, machinery, livestock	Mainly family	Dominant market orientation
Small semi-subsistence farm	Mainly not registered	Mainly in Ownership	Work tools, few heads of livestock	Exclusively family Part time and full time	Subsistence main orientation

Source: The author.
Źródło: Opracowanie własne.

2.4. A selection process not in favour of family farming

Newly set up farmers were challenged by having to learn new market conditions. Over a short period nearly all the former supplying and distribution networks disappeared or were radically transformed. At the beginning of the transition period, non-transparent markets relating to the inputs and outputs of food-producing raised information costs. Finally, coordination mechanisms played a major role in determining the comparative advantage of individual types of farm. The system was in favour of large-scale producers able to sell a large amount of

[20] On their small plots, inherited from former collectivist system, with the help of basic know-how and rudimentary tools, the rural households were able to avoid the destructive impact of market competition and to keep a stronger control on the adaptation of their producing activity to their needs.

[21] The criteria of the legal form cannot be used to define accurately family farming. If the family farmer is normally a sole holder, a large number of small farmers are not registered as such. A certain amount of sole holders' farms can be considered as "family farms" even if they don't call on the household members' work and are mainly supplied by hired labour. This is the case of large family-run companies or partnerships between relatives that resemble sole-holder family farmers.

produce to manufacturing or to call down large financial subsidies. In general, at the beginning of the period, following privatisation, inefficient second-level institutions increased transaction costs at the expense of independent private farming. Markets make up a critical second-level institution. Many informal institutions stood in the way of restoring independent or family farming. The sector was reluctant to take credit and becoming indebted. There was a lack of trust in and there badly functioning markets, weak enforcement of contracts, as well as difficulty in selling or leasing land[22]. Some new landholders were unable to become sustainable food-producers, because they lacked the necessary skills to overcome unavoidable learning disabilities. They suffered from a deficit of commercial contacts and they lacked the ability for rational decision-making to look ahead. The badly operating land market and a lack of financial support was a constraint to setting up new family farms. Land and assets privatization may have not been the determining advantage in the performance of the family-based farms[23]. Establishing a family farming was not an easy attainable project. The weak legal framework increased uncertainty for farmers and market activities looked to become less profitable than subsistence production. In the face of such difficulties many farmers saw, after a few years, few alternatives other than to give up farming or to go back to a subsistence farming livelihood. High levels of unemployment that accompanied the change of system had favoured the development and extent of post-socialist subsistence farming [Swain 1999].

The absence or the weakness of medium family farms is, therefore, a reflection of a causal sequence of both unfavourable informal and formal institutions that had put pressure on the revival of family farming[24]. Even if more efficient markets and better environment could later improve the competitiveness of family farms, a path-dependency in the evolution of the agrarian structure would have still been created. The political and economic environment existing during the transition period had given a comparative advantage to large-scale farms. Their maintenance was an inevitable consequence of the embedded institutions and of an inadequate institutional framework. The attitudes of policymakers (often in favour of supporting large farms for political reasons or under the influence of professional lobbies representing the cooperative management as seen in Hungary) were also important in the maintaining of large farms. In Lithuania, in contrast to the Czech Republic and Hungary, the dismantling of the collective

[22] Managers of large farms hindered those who wanted to leave the collective farm taking away their share of assets in nature (machinery or livestock).

[23] Private family farms, which may start with a minimum land endowment, cannot lease or buy additional land because of restrictive land legislation. It applies to the impossibility to give up the land to the former landowners if they are not able to engage in cultivating them (in Czech Republic), or to the cost of land delimitation by professional surveyors for those wanting to take out their parcel of land (in Hungary) or to the difficulty for the heirs of former owners to get evidence of their property rights. Slow process of land registration delay the establishment of family farms.

[24] On the contrary, the same institutional context has had not so hard effects for the survival of small subsistence farms.

farms that had given rise to massive unemployment and the strong ideological and political choice in favour of private landownership have had a regenerative effect on family farming [Alanen 1995].

3. PATH-SHIFTING TOWARDS A SLOW CONSOLIDATION OF FAMILY FARMING?

Path dependent mechanisms are not absolute and policies implemented by reformers tend to lead to path diversion creating a plurality of structural arrangements. New structural dichotomy has appeared between agricultural systems based on a high concentration of land and the use of wage labour, and agricultural systems with more dual configurations that combine family and non-family labour. This is illustrated by Czech agriculture in which farms are mostly of a large size and in Hungary[25], where farm sizes are more diverse and by Lithuania[26] were the three categories of small, medium and large holdings co-exist respectively using 21,5%, 36,8% and 41,5 % of the UAA.

3.1. Dominance of large corporate farms in the Czech Republic

Czech agriculture has seen only a limited revival of family farming. There are a number of reasons why modern family farming did not become the dominant model. Deprived of political support, family farming has made little progress. In the early 1990s, the restitution of the land to its former owners could have favoured the establishment of independent farmers. To start with, this was encouraged by a policy of investment support, but after 1994 the process slowed down. Those likely to become involved in a family farm business were relatively limited. The heirs of former landowners living in cities had little interest in agriculture. The extreme fragmentation of land property, the delay in identifying property rights to the land and in renewing the land register and a lack of start up capital, all impeded the establishment of this type of family farming.

Three different types of holdings can be distinguished: inheritable farms originating from the transformation of the former cooperatives, the size of which has diminished; farms originating in the privatisation of the former State farms; and farms formed on the basis of land restitution or re-appropriation (about 50 000 farms run by sole holders have been established, covering about one fifth of the agricultural area). Almost 78% of cultivated land is leased from a large number of private owners. The structures that were established during the nineties have changed little.

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[25] From the transformation of collective farms two different organizations have emerged: large successor's farms (cooperative of owners and business companies) and family farms which land was acquired with the compensation vouchers.

[26] However, in Lithuania, due to the quick decline of partnerships and to the active policy in favour of family farming, the structural conversion had taken a specific pathway giving a chance to the family farms to overcome the difficult access to land and capital and to thousands rural households to survive when unemployment and rural poverty spread [Maurel 2002].

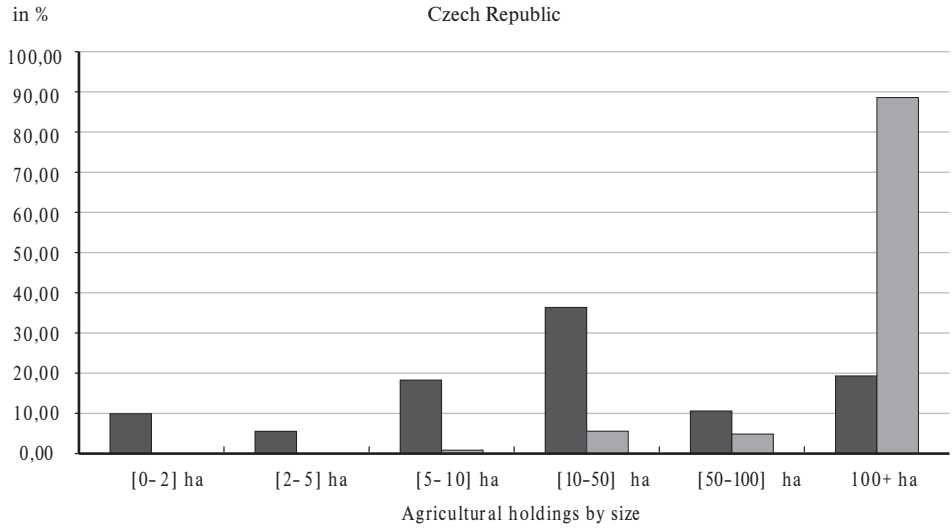

FIGURE 1. Number of holdings and utilized agricultural area by size classes in Czech Republic
RYSUNEK 1. Liczba posiadaczy gospodarstw rolnych i powierzchnia UR ich gospodarstw w ha w Republice Czeskiej

Source: By author.
Źródło: Opracowanie własne.

3.2. A new divide between large and small farms in Hungary

In Hungary, the path shifting mechanisms look different with a more pronounced dualism and a quicker decline of the cooperative form in favour of large corporate farms. Based on the Compensation Act, the privatisation process benefited those who had been capable of implementing active appropriation strategies. Part of the land cultivated by the former collective and state farms was auctioned off and acquired by holders of compensation vouchers. A significant proportion of the land remained in the ownership of cooperative members, who were able either to withdraw them to cultivate them themselves or to lease them. Additionally, plots of land were distributed to employees of the collective farms who did not have any land themselves. The reallocation of property rights resulted in widespread fragmentation of the land among a large number of owners. *What emerged from restitution is not large, privately owned, economically viable holdings, but a myriad of small plots* [Swain, Andor, Kuczi 1995]. This phase resulted in a reversal of the previous proportions of the land farmed by the small individual farmers and the large enterprises (cooperatives and corporate)[27]. These categories cover a great variety of forms in terms of size, status of the workforce, and the aims of the production. In

[27] The former overwhelming domination by the cooperative sector (which held 62% of the land in 1989) and the state sector (26%) has given way to a more equal distribution between the private farms (which utilised 49% of the area in 2000), the corporate farms (30%), and the cooperatives (15%).

comparison with its neighbouring countries, Hungarian agriculture appears structurally more diversified, both in terms of organisation and of size categories. Whilst bipolarisation remains largely present, it does not prevent the emergence of medium-sized structures in the form of family farms or sole-holder farms. More recently, Hungarian agriculture undertook an economic and social reconfiguration characterised by a reduction in the number of farms and an increase in farmed land areas by user. In ten years (2000–2010), the number of private holdings fell by 40%, from 966,900 to 577,000 cultivating an average area of 4.6 ha. After a decrease between 2000 and 2007, the number of agricultural enterprises (8800) appears to be stable while their average area has decreased by 37%. In 2010, their average agricultural area was 337 hectares. What appears to be a de-concentration process is probably the result of over coming legal regulations that limited the size of corporate land ownership.

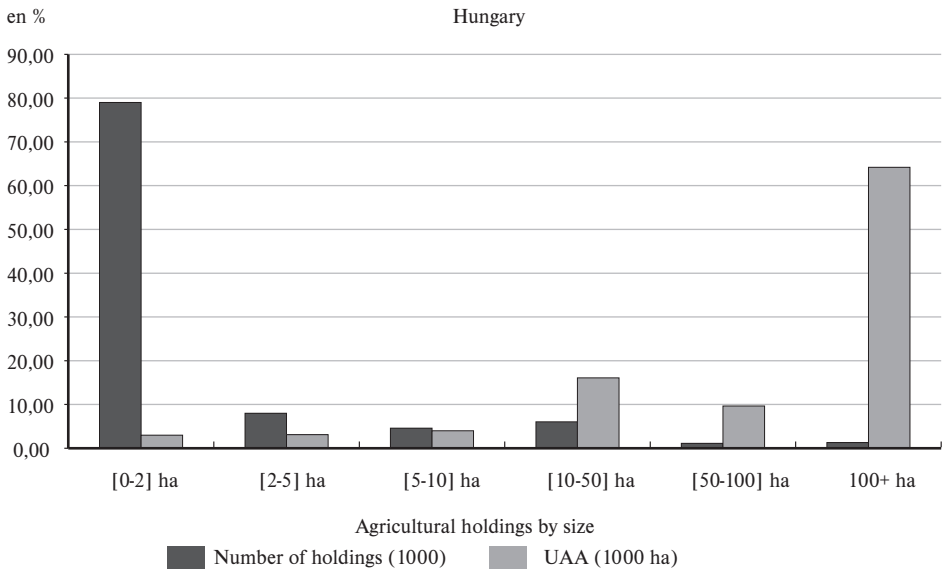

FIGURE 2. Number of holdings and utilized agricultural area by size classes in Hungary
RYSUNEK 2. Liczba posiadaczy gospodarstw rolnych i powierzchnia UR ich gospodarstw w ha na Węgrzech

Source: By author.
Źródło: Opracowanie własne.

Historically Hungarian farming has embraced micro farming enterprises. Very intensively cultivated during collective farming period, these "auxiliary plots" (*Haztaji*) suffered from the break-down of the tight complementary relationship they had with the collective farms (market networks, technical assistance, services, supply of inputs). As many as a half disappeared between 1990 and 2007, a large number withdraw into self-consumption (mainly pensioners and unemployed people), a few micro-farms managed to adapt their production towards direct sale on

local markets. Only a small part of such producers have bought land with compensation vouchers with an aim to build medium size family holding with a diversified production system. These smallest of holdings (less than 2 ha) employ 854,150 workers (72%), although most of them are part time (57 % of the total AWU). For the majority of these small holders, agricultural activity mainly provides an additional income. In 2000, about 60 per cent of private holdings produced solely for own consumption. This situation was practically unchanged in 2010. A significant drop (from 31 per cent to 19 per cent) was seen in the proportion of holders who marketed their surplus (semi-subsistence). A great majority of small family farms are not registered and benefit from a tax system exempting them if their revenue is under a certain threshold.

3.3. Family farming as a regenerated model in Lithuania

In Lithuania, the level of land concentration is not as high as in the two other countries. This feature could be related to an actual development of family farming. The method of privatizing collective and state farms assets opened the possibility to divide them in smaller units often separating enterprises on a technical basis (cultivation and livestock farming). Partnerships of former members and employees (endowed with "green" vouchers) who obtained neo-collectivised holdings, to a great extent downsized, turned out not to be viable[28]. In the short run many went bankrupt or were transformed in corporate farms, and their large labour forces faced unemployment. These people swelled the ranks of small subsistence farms. Inherited from the "auxiliary economy" and enlarged by the allotment of the three ha, these micro family farms, deprived of machinery and technical assistance, were just able to produce for themselves (potatoes, vegetables, milk, and pork meat). These farms that had played a critical social role at a time of growing unemployment and poverty are now on a pathway of marginalization and slow decline.

Most family farms created thanks to land restitution have attempted to build a mixed semi-subsistence farming system combining self-consumption and sale of some production surplus. In 2010, of a total number of 199 267 "farmers' and family farms", more than half of them (114 085) were consuming more than 50% of own production, 72% of these small farms had land areas less than 5 ha. According to a 2010 Census data, "farmers' and family farms"[29] utilized the major part of agricultural land (87 per cent) and produced 77% of the total standard output. Their regular labour is predominantly provided by the landholders and family members (349 592), and most of them work part time (94%). With an average size of 12 ha, this category of holdings is very different from the large agricultural companies and enterprises employing hired workers (seasonal or permanent).

[28] In 2010, 646 agricultural companies and enterprises producing agricultural products with an average size of 573 ha, cultivate 13% of the land.

[29] For the 2010 Census, two main categories of farms larger than 1 ha were defined – farmers' and family farms (199 267) and agricultural companies and enterprises (646). In the category of farmers' and family farms, registered farmers' farms and family farms were distinguished.

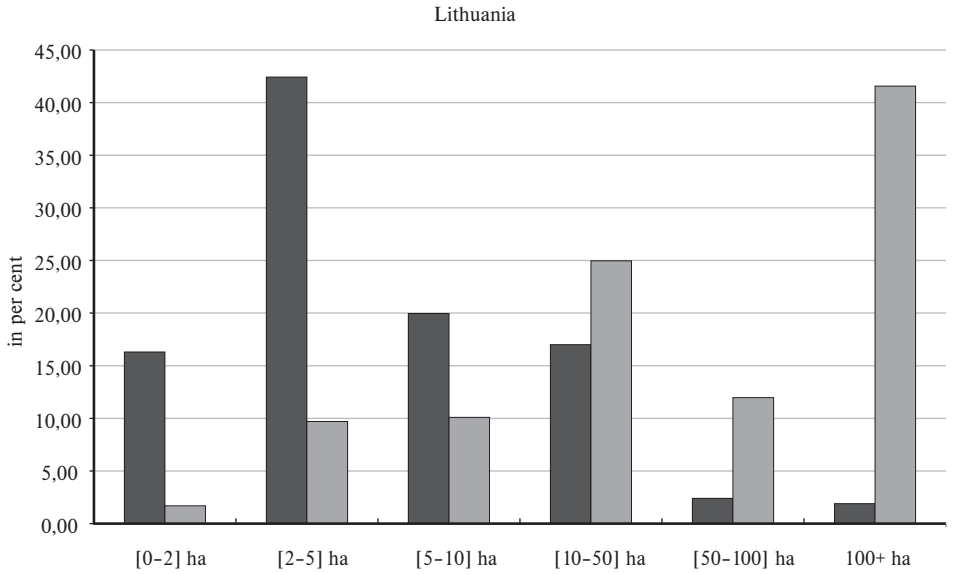

FIGURE 3. Number of holdings and utilized agricultural area by size classes in Lithuania
RYSUNEK 3. Liczba posiadaczy gospodarstw rolnych i powierzchnia UR ich gospodarstw w ha na Litwie

Source: By author.
Źródło: Opracowanie własne.

When comparing the FSS 2003 data with the FSS 2010 data, a general decrease in both the number of holdings and the hectares of UAA can be observed for all the small and medium sized holding (those whose UAA ranged from less than 2 hectares to 29.9 ha)[30]. For holdings with >30 hectares of UAA, the values increased substantially, thus confirming the tendency for the large farms to absorb the smaller ones. Most holdings, even if they are engaged in mixed farming, try to develop specialisation in accordance with their own production potential and with the market demand. The category of holdings above 10 ha and less than 50 ha are preferentially oriented towards Livestock farming (cattle). 25% of the total UAA, supports 31% of cattle. This is the same proportion as seen on large farms above 100 ha. Altogether the holdings between 10 and 100 ha employ 20 % of regularly workforce and mobilize 30% of the effective labour force (AWU). After a slow consolidation process, professional family farming is becoming a more dominant model in Lithuanian agriculture. The strong ideological and political choice in favour of private landownership has had a regenerative effect on family farming. However, the

[30] The 2010 Census showed that, over seven years (from the 2003 Census), the number of registered farmers' farms producing agricultural products grew from 54 to 74 thousand (by 37 per cent). Meanwhile, the number of family farms producing agricultural products nearly halved. The utilized agricultural area of registered farmers' farms grew by 50 per cent, that of family farms – decreased by the same value. In the category of farmers' and family farms, the biggest part (78.5 per cent) of agricultural land was that owned by registered farmers' and family farms.

persistence of a great number of small semi-subsistence farms (under 5 ha) is still a characteristic of Lithuania.

3.4. Path dependent survival of semi-subsistence farming and small-scale producers

There are two explanations why semi-subsistence farms[31] survive and why they evolve so slowly. First, the semi-subsistence farm is rooted in the peasant traditions specific to Central Europe and then it was further embedded in the enforcement of auxiliary plots during collectivisation. Second, there is a reliance, in a number of rural households, on subsistence farming as the only available strategy for coping with unemployment and growing poverty. The labour crisis was highest on collective and state-farms at the time of the break-up of the system (1990), with large job cuts on the large production units. Hungarian agriculture with 18% of active population working in agriculture was more exposed than Czech agriculture which had lower employment in the sector (9 %). A large part of the redundant workers withdrew to work on their households plots. In Lithuania, 335 717 jobs in agriculture in1991, shrunk by 245 705 in a four year period. Former employees stayed in the villages, cultivating their three hectare plots or established new farms. Consequently, the share of the labour force had remained stable (20%). As extended family members were involved, these small farms appear to be more "social units" for alleviating poverty rather than commercial production units. They provided more self-sufficiency and own food consumption and additional income in a system with of underdeveloped welfare support. An ageing age structure of SSF holders emphasizes this welfare function.

TABLE 5. Shares of semi-subsistence farms in three countries, 2010 (in %)
TABELA 5. Udział niskotowarowych gospodarstw rolnych w trzech krajach w 2010 r. (w %)

Size categories	Czech Republic	Hungary	Lithuania
% of SSFs in total no. of farms	9	79	57
% of SSFs in total no. of farms less than 2 ha	0	89	75
% of SSFs in total no. of farms less than 5 ha	33	86	70
% of SSFs in total no. of farms Less than 2000 euros	0	90	67
% of SSFs in total no. of farms less than 8000 euros	25	85	64

Source: *Semi-Subsistence farming: Values and directions of development,* 2013: The directorate general for internal policies. Policy department B: Structural and cohesion policies.
Źródło: *Semi-Subsistence farming: Values and directions of development,* 2013: The directorate general for internal policies. Policy department B: Structural and cohesion policies.

For many holders of small farms, agriculture was not the only source of income. A significant part of the workforce of small farms were engaged in other income generating non-farming activity. Part time farming and pluri-activity acts as a coping

[31] A study on semi-subsistence farming prepared for the directorate general for internal policies: structural and cohesion policies, define SSFs as holdings from which less than 50% of the agricultural output is sold, with the remainder being consumed within the farm household. [*Semi-Subsistence farming*... 2013, 114 p.]

strategy for the smallest holdings in the face of low incomes, as well as a basis for developing agro-tourism (providing accommodation and food supply). For example, this non-farm activity is well-liked on Moravian or Hungarian vineyards, or in Eastern Lithuania.

TABLE 6. Shares of farms with a main other gainful activity by the farm holder-manager in the total number of farms by economic (SO) and physical (ha) size in three countries, 2010 (in %)
TABELA 6. Udział małych gospodarstw, w których podstawowe dochody użytkownika gospodarstwa pochodzą ze źródeł innych niż gospodarowanie, w liczbie takich gospodarstw ogółem w trzech krajach (UR i dochody) (w %)

Size categories	Czech Republic	Hungary	Lithuania
Less than 2 ha	52	38	31
Less than 5 ha	48	38	31
Less than 2000 euros	54	39	33
Less than 8000 euros	49	39	32

Source: [*Semi-subsistence farming…,* p. 45].
Źródło: [*Semi-subsistence farming...,* s. 45].

3.5. Distorted consequences of the CAP on CEECs agrarian structures

During the 2000's the approaching challenge of becoming members of the EU required that agricultural structures again adapted to new economic and social regulations. Implementing CAP instruments caused the consolidation process of small and medium family farms to have slowed down.

Experts when discussing the "path dependent" compromise which characterised the Fischler reform[32], have highlighted the perverse distributional effects of the CAP on farm structures of the NMS. The CAP was designed and based on the conditions of the EU 15 countries and did not fully fit for the conditions of the NMS. During the phase-in period, it is often argued that NMS farmers have been forced to operate under unfair conditions. It is appropriate to outline the impact of existing EU policy measures on the development of small farms and SSFs. Of the CAP measures, those under Pillar 1 are the most significant[33]. Single farm payments under Pillar 1 have been introduced gradually in the NMSs, with complementary nationally funded payments allowed and used to reduce the differential with EU-15 levels. Minimum requirements for receiving direct payments are specified in Council Reg. no°73/2009 article 28 as an amount of 100 euros or an eligible area which includes kitchen gardens, of 1 ha (0,3 for the single area payment system (SAPS), article 124. However, MSs may adjust these values in light of the structure of their agricultural economies and all except Latvia and Lithuania have in fact done so. In all cases minimum payments were adjusted upwards, while minima area adjustments were made in both directions. Countries with a high share of small farms show a strong

[32] As Nigel Swain explained it: *a clear middle-of-the-road trajectory can be mapped from the decisions of the Madrid summit in 1995 to opt for the intermediate strategy then on offer of developing the 1992 approach, via the compromise of Agenda 2000 in Berlin 1999, to the less-than-radical reality of Fischler's 'radical' reform of 2003* [Swain 2013a, p. 377].
[33] About three-quarters of the annual CAP budget is spent on Pillar 1.

tendency to have reduced the area minimum to nearer the SAPS minimum of 0,3 ha, while those with a low share of small farms tended to specify a higher direct payments minimum, up to 5 ha (Czech Rep.), excepted Slovakia. Obviously, some countries sought to include as many small farms under 1 ha as possible (Table 7).

TABLE 7. Minimum levels for direct payments by MS
TABELA 7. Minimalny poziom płatności bezpośrednich w nowych krajach UE

Member state	Farms less than 2 ha		Minimum payment	Minimum Eligible Area
	share of total no. of farms, 2010	% change in no. of farms less than 2 ha, 2003 to 2010	euros	hectares
Bulgaria	80	-50	200	0,5
Czech Republic	9	-88	200	5
Estonia	11	-71	100	3
Hungary	72	-27	200	0,3
Latvia	12	-69	100	1
Lithuania	16	-6	100	1
Poland	24	-62	200	0,5
Romania	71	-11	200	0,3
Slovakia	27	-84	200	2
Slovenia	36	+17	300	0,3

Source: [*Semi-subsistence farming…,* p. 53].
Źródło: [*Semi-subsistence farming...,* s. 53].

Area-based single farm payments under Pillar 1 favour farmers with larger land areas. As the table shows, the number of direct payment beneficiaries (under 500 euros/year) constitutes a variable part of all successful applicants but they receive a small part of the total of direct payments.

TABLE 8. CAP direct payments beneficiaries receiving less than 500 euros/year, by MS, 2010
TABELA 8. Płatności bezpośrednie WPR: beneficjenci otrzymujący mniej niż 500 euro rocznie w nowych krajach UE

Member state	Beneficiaries receiving less than 500 euros/year	Payments to beneficiaries receiving less than 500 euros/year
	% within MS	% within MS
Bulgaria	66	3
Czech Republic	15	0
Estonia	35	2
Hungary	33	2
Latvia	51	8
Lithuania	54	9
Poland	36	7
Romania	86	26
Slovakia	37	1
Slovenia	32	5

Source: *Semi-Subsistence farming: Values and directions of development.* 2013: The directorate general for internal policies. Policy department B: Structural and cohesion policies, p. 59.
Źródło: *Semi-Subsistence farming: Values and directions of development.* 2013: The directorate general for internal policies. Policy department B: Structural and cohesion policies, s. 59.

However when considering market regulation and support, small semi-subsistence farms benefit from market price support in proportion to amount that they sell their output. In Hungary, farms under 2 ha are often specialised in horticulture, fruit and vineyards, pigs and poultry. They are not associated with products with high level of CAP market support, such as cattle. Small farms do not benefit from the support to producer groups proportionately to their sold output. In fact, CAP Pillar 1 measures have only a limited effect on small farms, though they are probably moderately income-supportive in terms of market price support and for SSFs eligible for direct payments.

CAP Pillar 2 funding also does not particularly favour small farms. This is despite Pillar 2 *currently containing a wide range of measures and approaches with a potential to be used to help achieve goals for very small and SSFs in the EU. However, such use in a targeted, tailored or explicitly designed way appears relatively rare, and falls considerably short of constituting an adequate policy response in most countries where these farms predominate* [*Semi-Subsistence farming*... p. 51]. CAP instruments, as they stand, lead to very limited benefits for small farms including SSFs. On the contrary they have powerfully contributed to the strengthening of wealthy larger farms[34]. It can be argued that such a diversity of size types should be supported by different policies, however the same CAP instruments are applied without exception across all sizes of holdings. This inequity was recently described in an official analysis report in which the recommendation that due to *large structural differences between EU-15 and NMSs it is suggested that greater care should be exercised before adopting a uniform policy approach to family farmers across the whole EU* [Davidova, Thomson 2014, p. 25].

CONCLUSION: FAMILY FARMING A KEY ELEMENT OR AN UNLIKELY MODEL IN CEECS?

In conclusion, when commenting on the reasons for the weak and uncertain development of the "modern family farming" in CEEs it should be emphasised that there was a serious challenge to be faced when re-establishing this kind of farming model when it was condemned during forty years of communist rule[35]. Path dependence mechanisms have been in favour of the continuity of large farms being transformed into corporate holdings or partnerships. As a consequence this has prevented the setting up of a sustainable family farming model. The concept of family farming as the "most common operational farming model in Europe" is not adapted to the current organizational forms in most post-collective agricultures.

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[34] *Within the largest category of beneficiary, in Germany, 16.25 per cent of the budget goes to 0.48 per cent of farmers; in Hungary the ratio is 18.44 to 0.15; in the Czech Republic, 33.48 to 1.59 and in Slovakia, 28.16 to 0.95. (...) In the Czech Republic, 68.72 per cent of the budget went in 2010 to the 6.18 per cent of farmers in the two largest payment categories (over €100,000); in Slovakia the ratios were 70.67 and 4.75 per cent respectively* [Swain, op. cit. p. 380].

[35] Nigel Swain wrote: *The European model was one that had a very weak pedigree on much of the Eastern land mass* [Swain, 2013a. op.cit.].

Change can be simultaneously radical and protracted, however, dismantling collectivist farming offered many open different pathways, and these pathways from collectivism to post-collectivism were not straightforward. Consequently the consolidation of family holdings characteristic in a market society was slow and incomplete. For these reasons it is a complex process to identify the direction of causation in this case.

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OD ZANIKU DO ODRODZENIA: ROLNICTWO RODZINNE W EUROPIE CENTRALNEJ. KWESTIONUJĄC HIPOTEZĘ ZALEŻNOŚCI OD ŚCIEŻKI ROZWOJU

Streszczenie: W krajach Europy Centralnej, dawniej objętych kolektywistycznym modelem produkcji rolnej, rolnictwo rodzinne przybiera różne formy organizacyjne, większość których różni się od form obecnych w rolnictwie innych krajów europejskich. Proces odradzania się rodzinnych gospodarstw, będących wcześniej w zaniku, jest bardzo złożony i zależny od wielu czynników. W jaki sposób różne rodzaje gospodarstw pojawiają się, znikają albo nadal funkcjonują po ogromnej przemianie, jaką była dekolektywizacja rolnictwa? Genezę obecnych form organizacyjnych należy osadzić w kontekście historycznym. W jaki sposób powinno się brać pod uwagę przeszłość? W jakim stopniu rzutuje ona na teraźniejszość?

W strukturach rolnictwa najliczniejsze są gospodarstwa małe i duże, zaś średnie i duże gospodarstwa rodzinne stanowią mniejszą grupę. Wyjaśnienie tego zjawiska wymaga umieszczenia całego procesu przemian instytucjonalnych w kontekście zarówno minionych uwarunkowań historycznych, jak też obecnej sytuacji. Należy rozpatrywać i analizować przemiany instytucjonalne – stopniową eliminację dziedzictwa kolektywizmu – poprzez szeregi zjawisk połączonych przyczynowo, ale następujących w niejednakowym tempie. Słabość lub brak współczesnych gospodarstw rodzinnych to wynik niekorzystnych wpływów instytucji formalnych i nieformalnych na proces odradzania się rolnictwa rodzinnego. Sytuacja polityczna i gospodarcza w okresie przemian zapewniła wyraźną przewagę dużym gospodarstwom; jednocześnie ten sam kontekst instytucjonalny nie ograniczał możliwości przetrwania małych gospodarstw nietowarowych. Mechanizmy zależności od ścieżki rozwoju nie działają bezwarunkowo – polityki wdrażane przez reformatorów prowadzą zwykle do rozbieżności ścieżek, tworząc zróżnicowane rozwiązania strukturalne. Zaistniała nowa dychotomia strukturalna pomiędzy rozwiązaniami wielkoobszarowymi, bazującymi na pracy najemnej (wariant czeski), oraz gospodarstwami rolnymi łączącymi pracę członków rodziny i pracowników najemnych (warianty litewski i węgierski).
Mechanizmy zmiany ścieżki rozwoju sprzyjały dotąd przekształcaniu dużych gospodarstw rolnych w spółki bądź holdingi korporacyjne, co z kolei uniemożliwiało wykształcenie się modelu zrównoważonego gospodarowania rodzinnego. Likwidacja rolnictwa kolektywistycznego może otworzyć nowe ścieżki rozwoju – jednak drogi od kolektywizmu do form postkolektywistycznych są kręte. Typowa dla gospodarek rynkowych konsolidacja gospodarstw rodzinnych miała tu więc przebieg powolny i niepełny.

Słowa kluczowe: dekolektywizacja, odrodzenie gospodarstw rodzinnych, konsolidacja gospodarstw rodzinnych, podobieństwa i różnice struktur rolnych małych i dużych gospodarstw Europy Środkowej i Wschodniej