

Reviews – Polemics

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**PERSPEKTYWY GOSPODARSTW RODZINNYCH W POLSCE
(THE PERSPECTIVES OF FAMILY FARMS IN POLAND)**

(polemics)

The issue 3(360) of 2019 of the “Problems of Agricultural Economics” published an article with an intriguing title – *The perspectives of family farms in Poland*, authored by Professor J.S. Zegar. Both the importance of the problem raised and the methodological way of its presentation make it necessary to argue with the Author. Determination of the future of farms in our country, in particular family farms, is a challenge which is both ambitious and difficult, thus – as we may think – it discourages economists from making attempts to refer scientifically to the problem formulated in this way. Thus, the Author deserves recognition for the mere fact of having taken up this not so “popular” subject, which currently does not raise the sufficient interest on the part of researchers. Moreover, the conclusions drawn from this type of research may be of normative importance, since the role and position of family farms in the production of food and rural development are important for shaping the agricultural policy objectives and instruments.

All over the world, for a long time, family farms have been assigned with development functions in rural areas, including a settlement function, whose historical example with a huge impact is, *inter alia*, the American legislation, the so-called *Homestead Act* of 1862 (along with many subsequent amendments). Its essence was privileged treatment of American citizens willing to set up farms in undeveloped publicly owned areas.

The belief in a need to maintain the privileged role of family farms in the agricultural sector is still present in the views of many economists and politicians. In the European Union, at least declaratively, family farms are preferred and the major stream of aid is addressed to them. For this reason, it is certainly worth paying more scientific attention to family farms. From a methodological point of view, scientific studies on real objects, processes or phenomena should be started with defining them or adopting a definition being in the scientific conceptual circulation. As regards the term “family farm”, it turns out that the problem is not simple, since, first, there is no single precise, widely accepted definition and, secondly, the formulated definitions vary by country. The related conceptual dilemmas are excellently highlighted in the study by F. Tomczak¹ as quoted by the Author.

The family farm is considered in this study through the prism of five characteristics with the traits of conditions to be fulfilled if a farm is to be regarded as a family farm. Synthetically speaking, these are:

- direct link between the farmer and the land through his work on it, living in the rural environment and dual production orientation, namely towards the needs of the family and of the market;
- mutual provision of services which are not clearly reflected in the market (the farm as a source of family livelihood and the family as a source of labour resources for the farm as a socio-economic entity);
- special role of the family and the countryside, being a determinant of membership in the farmers' class;
- economic independence (regardless of whether all means of production are family-owned or leased) and the associated activities, managed by the head of the family, at own risk;
- area of the family farm is limited only by family labour resources, which should dominate in the structure of labour inputs if the farm concerned is to be regarded as a family farm, thus, as a consequence, the area limit of this recognition is fluid and depends on the labour productivity.

Also, the fulfilment of these conditions in a sufficient manner is difficult to measure, due to their mostly qualitative nature. However, it can be assumed that the nature of the labour factor is of key importance for the identification of family farms. The dominance of family labour in the structure of labour inputs incurred on the farm is a necessary condition, and today also a sufficient condition, to regard these farms as family farms. The operational definitions of the family farm adopted in various countries do not necessarily reflect this approach in a direct manner. This leads to the lack of uniformity in defining the family farm formally, for example, for the purposes of the agricultural policy.

Under Polish conditions, the family farm is defined by law as a farm managed personally by an individual farmer, which consists of 1-300 ha of utilised agricultural area. As it is easy to see, the family farm is defined in this case using the farming form criterion (not fully strict) and the area criterion. Such criteria reflect indirectly the essence of the family farm. What is more, there is a clear logical discrepancy between individual farming and area limit and family farming. An individual farmer is not necessarily a family. By con-

¹ Tomczak F. (2005). *Family farming in agriculture. Conditions and mechanisms of development*. Warsaw: IRWiR PAN.

trast, using modern technologies, the family, especially the large one, can successfully satisfy most needs with regard to labour inputs on areas larger than the determined limit. Let alone the fact that on modern farms the increasing role is played by specialised services that substitute labour of family members and cannot be regarded as paid labour force.

When using the term “family farms” in the title of the article and then proposing, in the body of the article, to identify it with the term “individual farms”, the Author not only seems to ignore the aforementioned logical discrepancy, but he even intensifies it in the further analysis. It is primarily about the types of individual farms identified by means of two criteria: the production implementation and agricultural income.

The stratification of the analysed farm group, based on contrasting a relationship between the market production and self-supply and agricultural and non-agricultural income diverts the reader’s attention from the essence of the problem, which, according to the Author’s announcement, should be the perspectives of family farms. It is not clear what part of farms included in the individual types (A, B, C, D) are actually family farms. In each of them, there can be both family farms and those which are not family farms. The evolution of the family’s role in the functioning of farms called professional (type A), auxiliary (type B), hobby (type C) and peasant (type D)² may also be different. In this situation, making conclusions on the perspectives of family farms in Poland, based on identifying them with individual farms with a breakdown into the proposed types, is, unfortunately, speculative and does not give a convincing answer to the interesting research question. It is also a pity that there is no econometric comment with respect to the presented extrapolation of the changes in the number of type A and B farms by 2030, based on two points over time (2005 and 2016).

Despite the doubt expressed, it must be acknowledged that the fact that the Author is persistently transferring the changes observed in the distributions of the number of individual farm types to determination of the perspectives of family farms is partially justified by the expectations of agricultural policy makers. However, it is difficult to agree that the article actually determines the perspectives of family farms.

The family farm is an appealing political slogan. However, the destiny of such farms in Poland will be determined not by only solutions in the field of agricultural policy. In this context, we should accept the Author’s argument that, along with the economic development of the country and the increasingly stronger impact of objective demographic and economic factors, individual farms will be subject to a progressive business transformation. The path of this transformation has been exhaustively described by aforementioned F. Tomczak in his study entitled *From agriculture to agribusiness*³. It seems inevitable that the number of classically understood family farms will be decreasing, and farms maintaining this status will become less and less “family”. Technology, especially digitisation and robotisation, will have an overwhelming impact on the pace of these transformations.

² When it comes to type D farms, an intriguing question arises about the economic status of the family on the farm where self-supply dominates over the market production and agricultural income over non-agricultural income.

³ Tomczak F. (2004). *From agriculture to agribusiness. Transformation of agri-food economy of the United States of America*. Warsaw School of Economics.

From a purely economic point of view, the criteria for maximising the function of the agricultural producer's objective will be determined by the market confrontation of advantages of family farming and corporate management (*quasi* corporate in the case of agriculture). Of importance may also be the implementation of social and environmental functions attributed to farms which is potentially supported as part of public intervention. The impact of this factor will be determined by the effectiveness of the agricultural policy instruments used (and not only), although we should not expect that it will be possible to completely stop and, all the more, reverse a downward trend in the number of typically family farms. An open question, perhaps even more important than the question about their number, is what kind of economic entities family farms will be in the future. It is possible that the use of this term in a typical sense with respect to developed economies will lose its scientific meaning.