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AGRICULTURE AS A UNIFER OF SECURITY AND DEVELOPMENT IN THE FACE OF FREE MARKET CHALLENGES

Individual stages of the implementation of sustainable development should be important to people in their drive toward effective production and economic goals. Successful implementation is vital to maintaining access to food. Sustainable development should ensure sufficient food supply for the population in various living conditions, maintain compliance with food health safety, and keep the needs of biodiversity into consideration. Over the last few decades, agriculture has undergone a huge change, and attention should be paid to the quality of food products, the fulfillment of conditions, and actions that must be taken at many stages of production and food trade in order to ensure an adequate human existence. A look at agriculture also allows us to see its multifunctionality in a changing global world. Ensuring food security, without violating ecological security, while maintaining elements of rural culture, presents significant challenges for national and global agrarianism. The neoliberal approach should also take into account not only the financial dimension but also the broader perspective of social responsibility.

Keywords: security, agriculture, economy, neoliberalism.

1. INTRODUCTION

As we know from the history of economic doctrines, physiocracy was the economic trend that emphasized the importance of work and agriculture for the development of the state The fundamental thesis of physiocracy is that

The land is the only source of wealth, and agriculture – as the only productive activity, the only source of national wealth – is capable of multiplying this wealth. The land and management on it produce a pure product – new goods, a surplus over the costs of production (Czuma, 1997).

The struggle to introduce a fair distribution of goods can be heard today from many directions. On a global scale one can hear the voices of alter-globalists who cannot understand that wealthy countries not only pay a fortune for their food (subsidies), but also skillfully defend themselves against the import of agricultural products from the so-called Third World countries, causing their impoverishment? And a cow in the European Union

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has a higher income than half of the people living on the Earth. On a domestic level, questions are being asked – what does the fact that a poor pensioner, by paying tax, sponsors the treatment of a wealthy farmer whose well-being is counted in millions of zlotys have to do with the principle of solidarity?

2. SOCIO-ECONOMIC SECURITY AND THE SITUATION OF FARMERS

The peasant question appeared at the very beginning of the formation of the estate system. In literature, the peasant problem appeared in the 16th century. In order to advance to the highest level of public discourse in the 18th century and become the subject of social analysis.

In this situation, one can consider the eternal problem of peasant misery, or maybe it is so that "a peasant will not spare a living on" as Kazimierz Grześkowiak sings and "a peasant is a power and that's it" as the host of Wesele would have it. The peasant has never had it easy.

The peasant has never been a power in Poland. Quite the opposite: first an enslaved "boor" of serfdom, later a second-class citizen. With all the threat of collectivization, executions of compulsory deliveries, etc., he began to gain real social subjectivity, except perhaps in Greater Poland and the former crown lands, where this happened earlier only after World War II. It was precisely the degradation of the peasantry, along with the dwarfism of the Polish third estate, that was the primary cause of most of the historical misfortunes that befell the Republic and continue to degrade it to this day (Stomma, 2007).

Let us also list the basic issues that shaped the often stereotypical image of the peasant: A. He was insulted. Since the Middle Ages, a term commonly considered pejorative began to be used – "boor", from the name of one of Noah's three sons. Later, even the Nobel Prize winner Henryk Sienkiewicz himself used the words: "With pitchforks to dung, boors! It is more fitting for you than a sabre" (Sienkiewicz, 2020), or "God, you see and do not thunder – boors drink such honey" (Sienkiewicz, 2020). The terms boor, boor, and you know what, boors appear more often on the pages of this book.

B. He was intimidated. It is impossible not to agree with the anthropologist Ludwik Stomma, who writes about the attitude of "serfdom", and this term still existed in the Second Polish Republic, noting that "centuries of degradation left their mark". The outstanding activist of the people's movement Wincenty Witos:

The peasant lived almost every day with fear and anxiety that were constant to him. He was terrified by the gendarme, the mayor, the official. He felt constant fear of the forester, the centurion, the field hand, he did not dare to raise his eyes to the priest, the teacher, the forester, the steward (Stomma, 2007).

C. He lived in an overpopulated village. Historian Feliks Konieczny notes that ignorance was combined with terrible poverty:

All estates became impoverished. The growth of the rural population was again crushed in the home village, finding no income or occupation in the neighboring impoverished cities and towns. There were so many people in the village that half of them would have been enough to till the land; the people had therefore learned involuntary laziness, and having no sufficient occupation for the whole

day, they sought employment in the tavern, and so everything went from bad to worse. The manor, growing poorer, gave less and less allowances, and the peasant needed allowances more and more often, and a mutual dislike began between the cottage and the manor (Koneczny, 1998).

D. There were tragic situations of violence. During the peasant strikes of August 16–25, 1937, the police of the free and independent Second Polish Republic killed 44 peasants. How can one assess the times when such violence was used? Or maybe it was rooted in the everyday order? The outstanding sociologist Józef Chałasiński presents one of the diaries of a farmer from the beginning of the 20th century: "There are many good sides to the village, but even more bad ones. The worst is the case of numerous parties that quarrel in a pile, and sometimes even beat each other with flails, knives, or clubs" (Chałasiński, 1938). The experience of violence was not unknown and was spread on different sides of the barricade, as well as among themselves. Such tragic events were not expected in the dream and independent country².

3. PEASANT PROBLEMS IN THE TIMES OF REAL SOCIALISM AND TRANSFORMATION

The Decree on the implementation of the agricultural reform of September 6, 1944 (Ogórkiewicz, Peska, 2014) was the first step towards radical changes in agriculture in Poland after World War II. The reform was described as a "state and economic necessity". It is worth noting that in order to implement it, real estates owned by individuals or legal entities with a total area exceeding (depending on the location in the country) 50 or 100 hectares of agricultural land were confiscated. The communist concept of agriculture was based on the idea that peasants should not possess arable land as their own. They could only receive a perpetual lease. It was recommended to create state-owned agricultural farms, so-called State Agricultural Farms (SAFs). Individual tenants could establish "collective farms" - kolkhozes, although this did not happen on a significant scale in Poland. A little over two thousand so-called cooperatives were created. A peasant was to be without land ownership and a hired worker, ruled by the party. The plan was partially successful in the so-called Western Recovered Territories, 65% of agricultural land was occupied by State Agricultural Farms. In 1989, State Agricultural Farms employed 435,000 people. Including families, this was about 2 million people. The population lived in 6,000 special settlements.

Today, if we were talking about the former post-SAFs areas, we would be dealing with a generation of the rejected – the underclass. The public opinion learned that already in the 1950s their world was portrayed as incomprehensible and gloomy, and the people living there as primitive, not caring about the aesthetics of their surroundings (Szpak, 2005). A visiting student recalls:

I expected to find stupid, drunk people with whom it is impossible to talk at all. Although they most often talk about the relations prevailing in the SAF and about earnings, sometimes they are interested in other matters, e.g. politics. They have

² Times are changing and no one is shooting farmers with live bullets. 62 years after the tragic events of the "peasant strikes" – on August 19, 1999, even the situation became different. During street clashes in Bartoszyce, 83 policemen were injured. The agricultural activist, later Deputy Prime Minister Andrzej Lepper, said significant words then: "I believe that too few policemen are injured".

a specific view of the world. It is true that almost everyone drinks a lot (Szpak, 2005).

There are many stereotypes and myths about the countryside and agriculture, and they still cause a lot of strong emotions. A successful attempt to show the stereotype: "life is better in the countryside than in the city" was demonstrated by sociologist Krystyna Lutyńska, who conducted research among workers during the Polish People's Republic, which clearly showed the superiority of the countryside over the city. The workers' answers were as follows: they have their own food ("they don't stand in lines"), they have apartments ("they live in villas"), they have luxury items ("they don't have problems buying basic necessities"), they have property and are independent ("they have freedom, they are free and they don't have bosses"), they are privileged ("the state submits to the peasants – it pays them well"), working in the countryside is now easier ("the peasant doesn't do anything now – everything is done by machines"), the peasants sell food illegally and at very high prices ("they prey on the workers"), they live in prosperity ("they have money, they live like in paradise"). Of course, this image could not be shared by the farmers themselves.

How can we reconcile this now, when the times of the free market have come, with the mentality of a patron-client approach to socio-economic reality. And the eternal pressure for state intervention, creating a special niche for the chosen ones. With a love for the equality of needs and their equal satisfaction. In addition, with the baggage of wrongs that have been done in recent years. Krzysztof Gorlach, a rural sociologist, once put forward the thesis that the peasant question becomes from time to time a real social problem, a source of social disorders, giving rise to various conflict situations, in society and within the political system (Gorlach, 1995).

4. LIBERAL APPROACH TO AGRICULTURE IN AN INTERNATIONAL PERSPECTIVE

New Zealand is a laboratory case for agricultural change and a favorite illustration of neoliberal reform.

Characteristics of New Zealand agriculture before reform (Kwaśnicki, 2010):

- In the 1960s, subsidies for agriculture amounted to about 3% of farmers' income. In 1983, it was already several dozen percent, e.g. almost 40% for sheep farmers. In the 1980s, subsidies for agriculture reached 4% of GDP.
- The number of ways of subsidizing agriculture was constantly growing, there were 30 different ways of financing, e.g. subsidies for the licensed number of animals, subsidizing the purchase of artificial fertilizers, reduced interest rates on loans, lucrative subsidies for fertilizing the land, subsidies to prices.
- In parallel with the expansion of aid programs for agriculture, the bureaucracy and the number of "civilian workers" employed to implement and control these programs grew.
- With high subsidies, there was no interdependence between demand and supply. Production was growing, but there were no buyers (the best example in New Zealand was mutton and lamb). In 1983, 6,000 tons of lamb were used for feed and fertilizer because there were no buyers.
- With large subsidies, prices did not reflect market value. For example, land prices rose as the government paid for land. In the 1970s and 1980s, prices doubled.

• There was mismanagement related to the use of every piece of land that could be considered agricultural land since the government subsidized it. It is estimated that in 1984, such irrationally used land was about 2 million hectares. It is very interesting and worth noting that the most important farmers' organization in New Zealand, Federated Farmers of New Zealand, came up with a proposal for changes, presented the government with a petition in which, among other things, it was postulated that instead of, for instance, expanding the subsidy system and paying farmers compensation for high inflation, the government should start taking care of the quality of money, reminding that the high budget deficit (mainly caused by high subsidies for agriculture) is the cause of inflation (Ibidem). Therefore, it was postulated to stop subsidizing agriculture as soon as possible, so as not to further worsen the economic situation (Ibidem). However, the farmers' petition was rejected by Prime Minister Rob Muldoon (Ibidem).

A lot has changed with the next government, and especially with the Minister of Finance Roger Douglas. His reforms have been called Rogernomics, a term coined after Roger Douglas, following the example of Reaganomics in the USA (http://www.old.pafere.org/userfiles/image/edukacyjne/wrg-nowazelandia.pdf).

A revolution began in New Zealand when the pro-market government began to introduce deep economic reforms (Pytlarska, 2014): (taxes were lowered, the economy was deregulated and liberalised, privatisation began, the labour market was freed, unemployment was reduced, government spending was reduced, a budget deficit was replaced by a budget surplus, and the public debt was reduced).

Characteristics of New Zealand agriculture in the face of free-market reform:

- After the elimination of agricultural subsidies and import barriers, this branch of the economy multiplied its exports. Export subsidies were also eliminated.
- Farmers stopped receiving support from the state in the form of agricultural subsidies or cheap, low-interest loans.
- Minimum prices for agricultural products were eliminated, and they are not protected from foreign competition by import tariffs (currently, there are no administrative restrictions on over 90% of all goods imported to New Zealand).
- Exports of agricultural products from New Zealand have developed unexpectedly.
 In 1984, it amounted to less than NZD 5.5 billion, and in 2004 it was already NZD 15.3 billion. Agriculture constitutes about 5% of the economy, and brings as much as 53% of export income.
- Productivity of New Zealand farms, which grew at a rate of 6% per year. Currently, cows produce one third more milk than 20 years ago. Lamb production increased by 12%, even though sheep numbers fell by 40%, because previously sheep were bred mainly to receive subsidies.
- It was predicted that over 8,000 farms would go bankrupt, but only 800 (about 2% of all farms) went bankrupt. Producers were given the dilemma of 'either you get down to work or you go bankrupt', and the former was chosen.

The list (presented in Kiwi Outlook, based on the New Zealand experience) of the negative effects of subsidies is interesting (Ibidem):

- 1. Outrage among farmers many of them consider subsidies to be unfair.
- 2. Outrage among consumers (who are not farmers) who pay twice for subsidies, once in the form of higher taxes and a second time in the form of higher food prices.

 Encouragement to overproduction, which causes a drop in the prices of agricultural products and increases the growth in subsidies to compensate for lower incomes of farmers.

- 4. Encouragement to use all possible land resources by farmers, which most often results in a deterioration of the natural environment.
- 5. It turns out that the money from subsidies that farmers receive very quickly passes to agricultural supply companies, processing companies, and other sectors related to agriculture, so that, contrary to the government's intention, the biggest beneficiaries are not farmers.
- 6. Additional distortions of market mechanisms include, for example, a decrease in the value of land as a result of cheap loans.
- 7. Various bureaucratic absurdities, such as paying farmers to rebuild nature-protecting infrastructure, such as hedgerows or wetlands, when twenty years earlier they were paid to remove them; thus, the more thrifty ones who maintained hedgerows and wetlands all along got nothing, neither before nor after.

New Zealand was the initiator of the Cairns Group (http://cairnsgroup.org/pages/default.aspx), a consortium of countries that has been lobbying for the liberalization of agricultural trade since the 1980s. One of the important achievements of the Cairns Group is to make the world community aware of how unfair it is for the EU, the US and Japan (Ibidem). To maintain high subsidies and high import tariffs. These countries achieved prosperity through free trade and now they are blocking the same path of development for less developed countries (Ibidem).

The image of New Zealand is completely different from the policy of the USA, the country where the first industrialization, mechanization and highly commercialized agricultural production appeared in the world. For instance, former presidents Bill Clinton and George W. Bush declared themselves as staunch supporters of the free market. Both defended the North American Free Trade Agreement (NAFTA) and were aware that subsidies for farmers caused huge losses for farmers from Canada, Mexico or Chile (they did not give a chance to compete with the Americans) (http://www.newsweek.pl/ swiat/made-in-usa,26749,1,1.html). However, in 2000 almost all agricultural regions voted for Bush (Ibidem). So the increase in subsidies became mainly a repayment of election debts. Also previously Clinton forced Congress to increase subsidies and in this way gave farmers an additional 2.4 billion dollars (Ibidem). In the years 2002-2012 alone, Americans spent 190 billion dollars from the state treasury on subsidies for farmers. At the expense of other taxpayers, additional money was given to producers of grain and cotton, wool, milk and peanuts, cattle breeders and fruit growers (Ibidem). They spend nine times more on subsidies for agricultural production on their territory than the GDP of Congo with its 66 million inhabitants (Kołodko, 2008).

The USA is also a country of figures such as the libertarian David Friedman, son of Rose and Milton Friedman. In his work "The Hidden Order: The Economics of Everyday Life" he recalled the free market assumptions (Friedman, 2008):

The potato lobby convinced the government that potatoes are healthy and that for this reason their cultivation should be subsidized. As a result, potatoes are cheaper, to the benefit of us consumers. People buy more potatoes and farmers are happy. The world is developing. However, there is a problem – someone has to pay for the subsidy. Let's assume, to keep things simple, that everyone has the same income, the same tastes and pays the same taxes. Since the subsidy is

a dollar per kilogram, and everyone now buys twenty kilograms of potatoes per month, we all also pay \$20 per month in taxes to cover the cost of the subsidy. Everyone pays \$20 per month in taxes and gets this money back when they buy 20 kilograms of potatoes at subsidized prices. In accounting, a transaction in which the two sides cancel each other out – a \$1,000 revenue is offset by a \$1,000 expense – is called a sham transaction. That's what happens with taxes and subsidies – we get what we pay.

5. AGRICULTURE AND POLISH NEOLIBERALS

In Poland, neoliberals criticize the subsidy system in the European Union and in Poland within the framework of the "common agricultural policy". Let us recall that the main concepts were included in the Treaty on the Functioning of the European Union in the chapter on agriculture and fisheries. According to Article 39, it is postulated (Guba, 2002):

- increasing agricultural productivity by supporting technical progress,
- developing agricultural production, as well as optimal use of production factors, especially the workforce,
- ensuring an adequate standard of living for the rural population, especially by increasing the individual income of people working in agriculture,
- stabilizing markets in all regions of the EU,
- ensuring security of supplies,
- ensuring reasonable prices in supplies for consumers,
- guaranteeing food safety,
- caring for the health and decent conditions of animal husbandry.
- J. Woziński in "To nie musi być państwowe" ("It Doesn't Have to Be State-Owned") notes that

despite this obvious and sinister lesson that the communist experiment has taught humanity, attempts to subordinate agriculture to state authority have not ceased. The new state that is emerging today, the European Union, has been pursuing a consistent policy of subordinating all agricultural production to the state for several decades. The system of subsidies, production limits and comprehensive market control mean that the foundations of civilization are once again under threat. The strategy of the European Union is different from that used by the communists because, instead of collectivization, it introduces a system of universal control while maintaining puppet private property. In the long term, however, the effect will be the same: if the European Union survives the coming years, a grey zone of agricultural products will be created across the continent, saving the masses of people who will not be able to afford officially produced food.

Subsidies within the EU Common Agricultural Policy were supposed to serve poor farmers as part of solidarity. Supporting agriculture costs the EU taxpayer an average of 100 euros per year. In reality, food corporations and billionaires from European families increased their profits within the framework of agricultural policy; owners of castles, hunting grounds, ponds, aristocrats and even queens of Great Britain and Denmark. Support was obtained by the well-known British confectionery corporation Tate & Lyle and the Nestlé corporation. After joining, the British learned how to scheme to illegally or

creatively use the law to extract money from the common EU bag. There was a well-known fraud with an organic egg farm that sold significantly more eggs than the "happy hens" raised on the farm laid. The Greeks invented the cultivation of plastic olive trees. The Spanish subsidized domestic dairies, although instead of breeding cows, they imported milk from the People's Republic of China. In Italy, the mafia reached for subsidies, and farmers received subsidies for the production of milk and dairy products, although every fifth cow for which subsidies were collected did not exist at all. Can the subsidy received by the so-called "farmer" on whose land a golf course was operating be called solidarity?

In Lower Silesia, Poland, the owner of a go-kart track received EU money, while in Masuria, the owner of the land where the airport runway was located, as well as the owners of recreational plots who reported them as agricultural land. The most famous was Polish walnuts (http://forsal.pl/artykuly/618356,sztuka-wyludzania-unijnej-kasy-najgorsze-przekrety-dopiero-przed-nami.html), which were used by farmers – or people who became farmers overnight, such as lawyers from a law firm in Warsaw. For planting 50 walnut trees on a hectare of land, they could receive a subsidy for organic farming – PLN 2,800 per hectare³, including (https://www.polityka.pl/tygodnikpolityka/rynek/1518054,1,jak-polacy-doja-unie-na-eko-zywnosci.read):

- direct subsidies per hectare in 2010 amounted to PLN 562.09.
- another PLN 327.28 was added for "supplementary area payment".
- another PLN 173 was added for farming in unfavourable soil conditions (over half of our agricultural land is entitled to this title).
- payment for organic walnut cultivation PLN 1,800 (Ibidem).

As part of the savings, seedlings were often imported from China (Ibidem). Untended meadows overgrown with weeds appeared, among which it was difficult to find nut seedlings (Ibidem). The owner of the "plantation" would be afraid of the certifying company, if he really had nuts (Ibidem). It could refuse to issue a document certifying that they were organic (Ibidem). But there are no nuts and never will be, why does he need nuts, since he gets money anyway (Ibidem)? According to the plan, no one asked him about the crops (Ibidem).

The liberal "Najwyższy Czas!" ("High Time!") cited the report of the Supreme Audit Office (http://nczas.com/wiadomosci/polska/jak-dzialaja-dotacje-doplaty-do-rolnictwa/ [16.04.2015]):

- Most organic fruit and berry crops were established for one purpose: to obtain subsidies. The NIK audit showed how this mechanism worked.
- As a result of subsidies for organic fruit and berry crops, the productivity of crops dropped dramatically from 15 to 1 tonne of fruit per hectare.
- Plantations were often neglected: planted in unfavourable conditions (e.g. on waterlogged and poor soils), and due to the lack of fencing, exposed to destruction by wild animals.
- Only slightly more than half of farmers receiving subsidies obtained any yield.
- Most farmers liquidated or intended to liquidate crops when they stopped receiving subsidies.

³ There are known examples of taking subsidies from over a thousand hectares.

6. CONCLUSIONS

For neoliberals, the model example is the achievements of New Zealand, where farmers have to count only on themselves. After the introduction of reforms, farmers did not go bankrupt, and consumers pay lower prices for food than residents of the "Old Union". In Poland after 1989, there was an attempt to introduce a liberal agricultural policy. The main assumption was to be large-area and industrial agriculture, and Prime Minister Leszek Balcerowicz, considered a liberal, wanted to eliminate around 2,000,000 smaller family farms in the whole of Poland. Peasants were to be fewer in number, they would not create larger rural communities, so there would be no villages as economic, class, cultural and political entities (See: Staszyński, 2010). One of the problems remains the debate on the duration of agricultural subsidies. In the EU, there is still a declared desire for consumers to eat safe food, and the legality of producers' actions in the area of subsidies was controlled by the European Anti-Fraud Office.

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