

Czech farmers facing agricultural policy in the period of revitalization

Čeští zemědělci v konfrontaci se zemědělskou politikou v etapě revitalizace

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Abstract: The paper addresses the behaviour of Czech farmers in the frames (structures) created by the agricultural policy in Czechia during the period of the Czech agriculture revitalization. The theoretical background of the paper is formed by the duality of actor and structures. The text considers the ideas embedded in the rules of agricultural policy in investigated period as they are confronted with actual behaviour of the Czech farmers. The main assumption is that the circumstances of agricultural policy should primarily increase the competitiveness of the Czech agriculture. Because this issue is a new one, the qualitative approach to deal with these problems was exploited. In-depth (less standardized) interviews with representatives of six farms were conducted. These farms are typical by various strategies of action. The results focus on information about the level of systematic knowledge of agricultural policy, about the specific reactions to particular areas of this policy (incl. farmers evaluation of particular measures related to Czech integration into EU) and about experiences related to the SAPARD program implementation.

Key words: action, structures, transaction costs, agricultural policy, SAPARD

Abstrakt: Článek věnuje pozornost jednání českých zemědělců v rámci pravidel daných zemědělskou politikou ČR v etapě revitalizace. Vychází z konceptu duality jednajícího aktéra a vnějších struktur. Zamýšlí se nad představami vloženými do pravidel zemědělské politiky v dané etapě v konfrontaci s reálným jednáním českých zemědělců v této době. Základním předpokladem při tom je, že okolnosti zemědělské politiky by měly přednostně napomáhat zvyšování konkurenceschopnosti českého zemědělství. Protože tato problematika je zcela nová, byl k řešení zvolen kvalitativní přístup. Byly vedeny hloubkové (málo standardizované) rozhovory se šesti představiteli zemědělských podniků, typických různými strategiemi jednání. Výsledky šetření se soustřeďují na informace o míře systematické znalosti zemědělské politiky, o specifických reakcích na její jednotlivé oblasti (včetně hodnocení jejich dílčích opatření vzhledem k integraci do EU) a o dosavadních zkušenostech s praxí zavádění programu SAPARD.

Klíčová slova: jednání, struktury, transakční náklady, zemědělská politika, SAPARD

INTRODUCTION

Speaking about competitiveness, we might consider this issue in the intentions of L. Mlčoch (1997). He relates the competitiveness also to the adaptative efficiency.¹ It means the competitiveness does not concern only the functions of market *per se* as they are coined by classical and neo-classical economics (often limited to Pareto efficiency), but the competitiveness also concerns our ability of adaptation related to the milieu we are acting in. The adaptation in this sense means both (i) the attempts to change the milieu to act without problems, and (ii) the

changes of people to the milieu to act without problems. The first case concerns the adaptation, which is done through the changes of external environment. These changes reshape the milieu according to our views or ideas. Simply speaking, people adapt external environment to themselves to master their activities. The second case concerns the changes of people to the environment. It means the adaptation of people through their changes to the milieu. People internalize the external environment that allows them to act. To adjust means to adapt ourselves to the frames (structures) in which we are able to master our activities. Simply speaking, people adapt

¹ Adaptive efficiency is according to L. Mlčoch (1997: 18) united with institutional structure of the society. This efficiency is "characterized only through the rules which create the way in which the economy develops in time." The institutional structure of society which is created in this way "supports or limits the adaptive efficiency, the ability and the willingness of the society to experiment, to search for, to undertake creativity, to be engaged in necessary risks, to learn from the failures and mistakes". Thinking over these words in broader context, they might be related to the ways how people perceive and interpret the world and their position in this world. This is the question, which forms one of the basic sociological topics. Human ways of viewing and portraying the world influence how do we act (i.e. our ability to act, to learn etc.). When we master our action, we might control the events and situation in the world that is concern.

themselves to the external milieu to master their activities.

The mutual duality of our action (in our action we change external milieu and we adjust the milieu to our views, ideas) and structures² (our activity is defined by the environment which exists independently on us and we adjust ourselves to this environment) forms the theoretical background of this paper. It investigates the ability of the Czech agriculture to adaptation. Depending on the ways of adaptation, we can consider the competitiveness of Czech farming in the European space.

This text will address mentioned duality of action and structures through the conditions related to the agricultural policy, which creates important frames for the Czech farming development. Policy makers create this policy and farmers adapt it (in certain ways) – they alter it through particular changes, or farmers just accept this policy without any particular changes of this policy.

THEORETICAL BACKGROUND (THE STRUCTURATION THEORY)

The development of the Czech agriculture is framed in certain circumstances that are the result of natural and cultural conditions. These circumstances are, in fact, for the farmers certain structures in given time. The farmers act in these structures. The structures are external for them (at least at the first glance without detailed thinking about them). They are considered as independent on people (e.g. climate, soil quality, but also legal frames, measures of the state administration, and the experienced ways of farming and the opinions about these ways). However, this seemingly independent world of objects (conditions, structures of action) is in the same time constituted, constructed by acting people (i.e. it depends on us) as A. Giddens (1993) points out in his structuration theory. For instance, even the climate we are living in, the soil quality are not the “product of nature” in the long history of agriculture, but they are more and more influenced by people. The words about creation of seemingly independent external frames of our activities are even more valid when considering, for instance, the legal frames regulating farming or measures taken by the state administration. Therefore, as Swedberg and Granovetter (1992) show, neither the market exists *sui generis* but also market is the product of human activities. Human action is done in certain way until the majority of the participants in these activities is able to master these activities and control their circumstances (from economic point of view we might speak about profit maximization). In the other words, the Czech farmers will act in particular way (the way which is created by somebody or which is required by somebody) until they will master their activities and they will know how to act, i.e. until their activity

is considered by them as having sense and they will know how to act.

The creation of human structures, in which we act, is done through the institutionalization of human action. The institutions are understood in this text in accordance with an American economist D. North (1990) as “the rules of the game in the society, or, more formally, the humanly devised constraints that shape human interaction”. People construct institutions and they regulate (constraints) our action. The institutions aim (Kabele 1998) to solve certain problems. The problem emerges in the moment when the old structures (institutions) do not allow actors to master efficiently their action. Sociology refers in such situations to the state of anomie – a normless situation when there are not the rules (constraints) indicating how to act. In the situation of anomie, it is difficult to create new rules because we are experiencing and living in completely unclear situation, which is difficult to perceive and interpret. People do not know how and to what they should adapt (the reference structures to which they adapted earlier do not exist in anomic situation). That makes their activities very difficult. At the same time, also changing (adjusting) the milieu to people views or ideas is difficult (if such adjusting is done at all). It is because there are not any rules (institutions), which would regulate such adaptive activities. In the extreme case of anomie, it is necessary to create the institutions “in completely new way”. The new institutions are constituted not on the basis of the old institutions but next to these old institutions (in this moment we might speak about completely new institutions).

The situation described in previous paragraphs is found in the Czech agriculture after 1989. “Rules of the game” that were established in farming before 1989 were significantly changed in the process of Czech society transformation. That is why the farmers could in some moments experience the situation of anomie. The following text will ask how far and in which way do the farmers adapt themselves to the new agricultural policy, how the farmers do master their action in the frames created by this new policy (i.e. how far they know, accept and use this policy). At the same time, the text will address the question how far the farmers reshape institutions related to agricultural policy (how far they know them but do not accept them, do not use them and alter them according to their views) because they restrict farmers mastery to act in certain way (institutional economists would say that such situation makes the action to be transaction costly).

METHODS USED

Because the issues under research are new, the authors use the qualitative approach. During their investigation

² The duality of structure and action is described by A. Giddens (1989) in his dilemma of structure and action.

in three localities and in six farms operating in these localities the authors attempted to find using interviews and observations the knowledge of farmers about agricultural policy and its instruments. Agricultural policy and its instruments create a part of external circumstances (structures) of contemporary farming. At the same time, the agricultural policy also reacts on other circumstances (milieu) of contemporary farming. The research consisted in asking the level of the acceptance and use of various measures of agricultural policy. The goal was to identify which out of various measures are familiar to investigated farmers, which are used by them and how do they perceive and interpret them (i.e. what is their opinion about these measures), including their views or activities that are now changing these frames. The authors investigated the level of relation between action (how the farmers master their activities; what activities related to agricultural policy they participate in, and how do they reshape some measures of agricultural policy in their concrete activities or what measures they do not use et al, etc.) and structures (how agricultural policy influences the activities of farmers; what concrete measures of agricultural policy define concrete activities of farmers)

Methodical background refers to the ideas of L. Mlčoch (1996:16) about the Czech economic transformation. He directly joins an economic action with perception and interpretation of the structures of the action (the realm of sociology) and with the transaction costs. Mlčoch writes “the way of rationalization of this world, its explanation and interpretation, as well as its justification (legitimizing the power, institutions) – it all deeply influences the perceptions of people and through the perceptions also the height of transaction costs in society. If majority of population accepts the structure of ownership rights and of entire institutional frame of economy, including “the rules of the game” as fair (*i.e. they perceive and interpret the structure in this way – authors note*), the transaction costs decrease and the frictions in economic system fall down (*people master their activities because they adapt themselves without problems to given structure, the structure corresponds with their views – authors note*). However, every perception of institutions as unfair necessarily increases the tensions in economy and society and “the costs of operating” the system grow.

Investigating the level of accordance between the mastery to act and the circumstances of actions (i.e. agricultural policy) we started from these basic hypothesis:

- 1) The less circumstances enable people to master their activities, the more likely people attempt to change the circumstances in order to adapt them to their ideas about the mastery of action. It should decrease transaction costs.
- 2) The more circumstances enable people to act, the more likely they attempt to adapt themselves to these circumstances.

This text wants to outline above described situation in Czech agriculture. It will address the activities (mastery of action) in the structures created by contemporary agricultural policy and will also address the question how the farmers change the structures (if they do this). Our “point of departure” is the assumption that the circumstances of agricultural policy should help to increase the competitiveness of Czech farming. The more the farmers are close to these measures (they adapt themselves to the measures), the more we might assume farmers will be able to master their activities to be competitive (in the case the measures are set up in correct way). If the measures are not set up in correct way but the farmers adjust to them, the future competitiveness of the Czech farming is under question mark (however this question is out of sociological research). The more the activities of farmers are far from the ideas and views embedded in the agricultural policy, the more the pressures to change this policy will emerge. If agricultural policy is set up in an incorrect way (e.g. it is not in accordance with Czech accession into the EU, with other international commitments or with the needs of Czechia), the more the alternations have to be supported in the direction toward the required measures. However, if agricultural policy is set up in correct way, the more it is necessary to work with the farmers to help them to understand it and to experience its positive influence.

It is evident that the findings below cannot be generalized. However, they might be used as the first findings for the orientation and the necessary condition for questionnaire survey. That survey will bring generalized findings about the perception and interpretation of agricultural policy among Czech farmers and about how they act in the frames of this policy.


THE OBJECTS OF EMPIRICAL RESEARCH

The goal of this part is to shortly describe (see Table 1) the farms where the research was implemented. More detailed description of these farms including their historical development exists in the research report from the first phase of the research orientation “Effective integration of Czech agrarian sector in the frame of European structures – the conditions of sustainable development” (Tvrdoň a kol 1999: 77–84). In the frame of this research (Efektivní integrace českého agrárního sektoru v rámci evropských struktur – předpoklad udržitelného rozvoje – MSM 411100013), this particular investigation was realized.

THE SUBJECT OF EMPIRICAL RESEARCH

The interviews with the representatives of the farms outlined in Table 1 were conducted through exploiting a layout (see Table 2) with the scheme of agricultural policy approved by competent bodies for the period of

Table 1. Description of the objects of empirical research

Locality of Filipov ¹	<p><i>Agricultural cooperative farm in Filipov</i> (under this name operates from November 1992); 1,478 ha (18.5 ha /worker); plant and animal production, non-agricultural activities; important change: 2001 – the chairman was replaced due to retirement</p> <p><i>Farm Filipov, Joint-stock Company</i> (under this name operates since November 1992); 2,850 ha (22 ha/worker); plant and animal production, non agricultural activities; important change: 1999 – buying out the shares of former majority owner (joint-stock company operating mostly outside locality) by four members of the farm top management (together with them the shares are owned also by investment fund that is buying the shares from small shareholders)</p> <p><i>Individual private farmer of non-family type in Mokrovidly</i> (established in 1992 through the restitution of residual estate); 262 ha of his own fields and 20 ha of rented fields (31.3 ha/worker); plant and animal production; important change: 2001 – although his farm expands, especially in technologies (new dryer serving also for other farmers), he expresses the doubts about the way he started (his entrance to farming and future prospects), he considers the sacrifices he made</p> <p><i>Family farm in Františkovice</i> (established in 1991 on rented fields, later he received the own fields under restitutions); 80 ha of own land + 40 ha rented (he uses the services for special works); plant production, animal production – only horse breeding; important change: 2000–2001 – he purchased 40 ha of land and assumes future purchase in next 5 years (he started with 12 ha of his own fields in 1992)</p>
Locality of Lhota	<p>In this locality we changed the investigated farm due to the originally investigated agricultural cooperative (farming in 1993–1998) closure. This operation was taken over by a large joint-stock company (about 13,000 ha of land and focusing on various non-agricultural activities in South and Eastern Bohemia and in Moravia) Majority of original employees and members working in the coop were offered a new contract, however they were fired during the testing period. In 2000, a new company employs only one woman in Lhota.</p>
	<p>Due to the end of farming in Lhota, the new investigated farm is <i>the agricultural cooperative Dolina</i> (operates under this name since 1992) in neighbouring village since 1999; 1,400 ha (20 ha/worker); plant and animal production, poultry processing; important change: 2000 – enlargement of farmed land to 2,000 ha and the “second transformation” – coop was changed into joint-stock company</p>
Locality of Kovíkov	<p>under the name <i>Agricultural company Kovíkov</i>.</p>
Locality of Rodákov	<p><i>Agricultural cooperative Rodákovsko</i> (operates under this name since the end of 1992); 2,800 ha (22 ha/worker); plant and agricultural production, non-agricultural farm activities; important change: 2000 – significant development of non-agricultural activities (production and sale of thermo glass in whatever shape and combination, production and sale /in regional network distributors/ of complete and supplementary fodder mixtures, feeding consultancy services for farmers)</p>

¹ All names of localities are changed and do not correspond with reality. Using “alias”, we wanted to write this text in a more readable fashion and to join it with the concrete situation. At the same time, we wanted to guarantee the anonymity of our interlocutors. If such a farm exists, it is a pure coincidence of names.

Czech agriculture revitalization (1999–2001). Using the interviews, the authors in accordance with above described theoretical backgrounds investigated:

- The level in which these representatives know the content of agricultural policy (i.e. the level of knowledge about one of the elements forming the environment of their activities)
- What elements of this policy directly concern investigated farmers, their reactions to and evaluations (both

- positively and negatively) of these elements (i.e. how do they act in this milieu – whether they adapt themselves to this milieu or they adapt the milieu to themselves)
- Evaluation of the SAPARD program in relation to agricultural policy (i.e. focusing on concrete measures related to increasing the competitiveness of the Czech farming)³

³ This issue was in accordance with authors work in 2000 when we were the members of the team involved in ex-ante Czech SAPARD Plan evaluation (see Tvrdouň a kol. 2000).

⁴ Real social entities (farms of natural persons and legal entities) combine in their strategies of action presented “pure /ideal/ types”. In reality the farms only more or less incline to one of them. Nevertheless this work with “pure ideal types” (albeit concrete action of various farms should not correspond to them in details) enables to work with certain generalization about the situation in Czech agriculture. These generalized ideas might find their practical utilization in improving the instruments of agricultural policy.

Table 2. The layout for an investigation and evaluation of the Czech agricultural policy in 1999–2001

Pillar “A”	Pillar “B”	Pillar “C”	Pillar “D”
Market regulation and income support	Environmental measures	Modernization and transformation of farms	General services and EU accession
– Organizing the market with major commodities – Direct supports (payments) to farms	– Supporting better care of the land	– Modernization and diversification of farm activities – Finishing with privatization – Developing market structures	– Institutional building in accordance with EU requirements (adjusting to <i>acquis</i>) – Increasing the support of general services for the farms
↓	↓	↓	↓
<u>Program I</u> Organization of the market with selected commodities <u>Program II</u> Improvement of the conditions for agrarian foreign trade <u>Program III</u> Supporting the production, inputs and incomes	– Corresponding subsidies – Supporting the use of ecological fuels – Supporting environmental investments in the frame of the SAPARD Program	<u>Program I</u> Modernization and diversification of farms <u>Program II</u> Improvement of the position of agricultural producers on the market <u>Program III</u> Finishing the processes of farms privatization and transformation	<u>Program I</u> General services for farmers <u>Program II</u> Activities related to EU accession (institutional building)

Note: within each program and measure there was even more structured scheme in accordance with the concept of agricultural policy for 1999–2001 “period of revitalization”

RESULTS OF RESEARCH

a) Characterization of the strategies of action in investigated farms

The empirical research into ongoing social change in agricultures (not only in the farms where the authors investigated relation to agricultural policy after its re-elaboration and approval in 1999) enables us to create four basic types (groups) of farms – actors of investigated change – according to their strategy of action in newly created institutional milieu which is significantly influenced by agricultural policy:⁴

- Closed, less communicative with surrounding (“traditionalists” in the sense of willingness to innovative action); they master their action in long time established structures and they do not want to change these structures; therefore they have relative low transaction costs which will probably grow in the case of necessity of fundamental change.
- Succumbed to the pressures of globalization (“globalists” in the sense of strong idea about the prospects expressed in competitiveness and specialization – they are the areas into which their innovative action aims); they try to master their action in new structures to which they adapt themselves; therefore they decrease trans-

action costs which are high at the beginning of the change.

- Asking the state protection (“paternalists” in the sense of emphasizing high protection of agriculture by the state although it does not mean the absence of innovative action); they try to master their action in new structures to which they do not adapt themselves (alone) but with the help of external agents (state); they want to decrease their transactional costs with the help of the state.
- Independent, relying only on themselves (“different, new” in the sense of high level of innovative action in searching for the new patterns of farming); they try to master their action in new structures through the use of these structures for themselves because these structures enable them to act in “different” way (they do not only adapt themselves to the structures but they also try to adjust the structures to themselves); such “internalization” of new structures decreases their transaction costs.
 These basic strategies of action which are manifested in the attitudes to agricultural policy might characterize the farms under our investigation
- *Agricultural cooperative in Filipov* is an actor with a paradoxical mix of traditionalist-globalistic strategy (this coop is closed in its communication with surrounding

but supports specialization and competition). Due to such strange strategy, the coop does not seem to be a farm with great prospects, although it operates in favourable climatic conditions (a particular change might occur due to the change in coop management in 2001, although this change is not evident up to now)

- *Farm Filipov, Joint-stock Company* accepts the search for new patterns (“new, different”), although it also holds the features of globalist and paternalist orientation. We consider this farm as prospective actor, which expands now (in technology and in organic farming). This process was facilitated through the concentration of majority of shares in the hands of company executive management.
- *Individual private farmer of non-family type in Mokrovodly* (Filipov neighbouring village) opted for the strategy of a “new, different” farmer with the admixture of globalist orientation. His great disadvantage is a small experience with farming (we might speak about inexperienced farmer because he had never worked in agriculture before 1992). However, his great advantage is that he is not burdened by the old patterns of action, and his previous scientific carrier supports innovativeness of his action (before starting to be a farmer he worked in one of Prague institutes of Academy of Science with the PhD. degree in chemistry). His farm expands (in technology). The farmer (due to his previous biography) brings great sacrifices and he is aware of them (he feels the sacrifices).
- *Family farm in Františkovice* (another Filipov neighbouring village) is a mixed type of strategy of action. The strategy is again based on searching for the new patterns, however, they are also inspired by the tradition of family farming. The advantage of the farmer is his long time experience in agriculture; the limits of his operation might be in restricted possibilities of family farms. His farm is very expanding. The expansion is in buying the land. The farmer and his wife support the farm through off-farm incomes.
- *Agricultural cooperative in Lhota*, which was under the research till 1999, was characterized by a strong traditionalist-paternalist orientation. Such an orientation is in that region (Czech-Moravian highlands) more frequent and resulted into the collapse of many farms there. However, in the same region another farm *Agricultural company Kovíkov* farms. This farm “substituted” the demised coop in Lhota in our research. The strategy of the company in Kovíkov is not typical by any strong orientation to any of above described types. The farm is a relatively successful enterprise considering the conditions of region. We might characterize it as the farm “on the way to development”
- *Agricultural cooperative Rokákovsko* is close to Farm Filipov in its strategy, joint-stock comp. Farm’s “new, different” orientation consists in strong revival of non-agricultural activities, which are expanding into neighbouring regional capital town. Globalist orientation is seen in the efforts to use modern mechanization (new

technical equipment) and information technologies (e.g. web page of the farm). This farm uses existing conditions for its expansion.

The investigated farms (with the exception of the doomed farm in Lhota) are more or less the farms with higher level of innovative behaviour. However this level differs in the particular farms. The lowest level is in the coop in Filipov and in company in Kovíkov, the higher level is found in family farm in Františkovice and highest level of innovative behaviour exists in Farm Filipov, Joint-stock Comp, in non-family farm in Mokrovodly, and in the coop in Rodákov. Higher level of innovativeness is mostly related to such form of farm organization, which transcends obvious patterns of cooperative farming that was formed in Czechia before 1989 (cooperatives in the sphere of primary agricultural production). Three out of five farms that we labelled as searching for the new patterns are supported in such behaviour by the high land concentration they operate (2000 ha and more). In one case, this concentration is also backed by favourable natural conditions for farming, in another case, there are average favourable climatic conditions for farming but the farm is backed by strong diversification of activities into non-agricultural sectors. The other two farms of more innovative type (whose expansion is evident) use also favourable climatic factors, however their size (scale) is ten or twenty times lower compared to the first two mentioned. About 10 years of their operation in transformed agriculture does not allow to detect in details if innovativeness of their strategies of action is more backed by the favourable natural conditions for farming or how far it consists in the “subjective factors” – the very farmers – actors, representatives of these farms.

b) General knowledge about the agricultural policy in Czechia and reactions to it

The concept of agricultural policy approved in June 1999 in its two separated phases (Revitalization till 2001, and Adaptation since 2002) reacted on the evaluation of European Commission from 1998. It labeled the main problems of Czech agrarian sector in restructuring, in the work of administrative structures to enforce the instruments of Common Agricultural Policy, in great gap between the legislation in Czechia and *acquis communautaire* in the area of agriculture, and in insufficient land privatization slowing down the operation of land market.

Compared with the questions addressing agricultural policy, which we did also before 1999, we did not find in 2000 or in 2001 (in means in the years after the introduction and the first experience with the measures of new agricultural policy in the period of revitalization) the reaction that might be re-worded: “And is there any agricultural policy?” This question was very typical in the first half of 1990s. However, what continues (in both years of our research in 2000 and 2001) to prevail, it is the opinion that the most typical feature of agricultural pol-

icy is its instability. In very few cases we faced such knowledge of agricultural policy that can be labeled as systematic. The knowledge is mostly focused, but also only restricted, to subsidies.

The second topic, which is often considered, is the critical evaluation of the impacts of agricultural policy that is implemented since 1999. There is a brief summary of the critical thoughts and comments:

- Because of the conditions of external milieu (incl. agricultural policy), farmers (compared to non-farming sectors and non-rural space) feel to be losers in the process of de-collectivization. Farmers interpret the circumstances of external environment as unfavourable for them – these circumstances make their action more difficult, which increases the transaction costs to operate the system. In accordance with our hypothesis, there are the efforts to change these circumstances. The change is done through, for example, lobbying, pressure actions, and other behaviour (which is also reflected in the changes of agricultural policy, and the farmers do already feel the change and they are aware of it). Nevertheless, we also recorded certain apathy (“nothing can be changed”). This apathy might be the reaction to the previous development. However, the constructive and changing component is more evident now (as compared to the past). The feeling of “security” for the action is supported also by the opinion that the environment the farmers act in has become clearer (“now we know who is who”).
- Establishing large category of non-farming landowners is not often considered as the act of reparation of injuries done during the collectivization (which was the original idea behind it). The action of this large group in land management is typical by helplessness and perplexity (we might observe strong signals of anomie). The most common way of action how to minimize transaction costs and to eliminate the chaos of anomie is to hand over owned land to somebody who will take care of it (e.g. to rent it). This act is done without any strong interest to control the ways in which the land is maintained, farmed. Such owners give up the possibilities of whatever action related to their land, except of the implementation of ownership rights in the area of their exchange to somebody else. Such action seems to be less anomic for the owners and with lower transaction costs. However, it does not contribute to farming as an activity operating with scarce and irreplaceable resources (for more details see Hudečková, Lošťák, Rikoon 2000).
- The unsuccessful transformation of the agricultural cooperatives is often mentioned. Unsuccessful means that cooperatives cannot be successful in primary agricul-

tural production but only in the sphere of agricultural inputs and outputs. The second type of coops is considered as prosperous, not the coops in primary agricultural production.

- Farmers also mention the delayed reaction of agricultural policy to the trend of sustainable agriculture. If the land is operated in more environmentally friendly way, this action is more related to the needs to minimize costs for fertilizers than to the conscious and regardful land operation that would be supported by agricultural policy. The same concerns the situation, whether workers in the farm are sensitively socially treated. These “sensitive social relations” are more related to “natural” needs to retain neighbourhood relations than to conscious sensitive human resource management in the sense of social acceptance as an element of agricultural policy.
- The process of establishing the new (and renewed) actors in agriculture is related to the emergence of unjustified inequalities because the farmers often observed that those who were connected with collectivistic farming performed the re-conversion of their social positions easier (because they were connected with collective farming). In this re-conversion, they used their previous social capital to achieve economic capital (it is more typical for the state farms privatisation than for the agricultural coops transformation). Such injustice is strongly perceived and shadows the fact that these actors form one of the most dynamic elements of the transformation of local economy. Such perception and interpretation of transformation processes in the Czech agriculture decreases the trust (erodes social capital) and increases transaction costs related to the trust. New (and renewed) representatives of the farms have to exercise many efforts to legitimise their positions instead of aiming these efforts to the development of the farms they are heading as top managers.

c) Specific reactions and evaluation of particular areas of agricultural policy of the Czech Republic regarding Czech integration into the EU

The interviews with the farm representatives combined with the study of official documents and mass media enable us to indicate (through investigating concrete reactions in evaluating the measures of so-called pillars and programs of Czech agricultural policy): (i) to what programs or pillars these farms adapt themselves (without complains or with small complains; it means they adjust themselves without problems to the institutional frames which are created), (ii) what programs or pillars these farms criticize the most (i.e. they do not want to and

⁵ As we have already mentioned, the systematic knowledge of agricultural policy in the period of revitalization (1999-2001) is very rare. Here we present the findings that are interpreted with regard to Czech membership in the EU. Therefore these findings concern mostly the experience with the SAPARD program or comparison of the policy of subsidies that is done mostly in relation to Austria, the country whose agricultural policy the investigated farmers are most familiar with.

cannot adapt to these programs or measures, and in accordance with their experienced behaviour they search for how to substitute them).⁵

1. The topic that embraces the whole consideration and evaluation of agricultural policy concerns the subsidies and using means (money) from the special funds (incl. the EU funds). Because it is generally known that EU has to decrease the sum of money aiming into agriculture, the farmers think it would be a mistake not to use the possibilities that exist in pre-accession period. Nevertheless, they also think that decision-making bodies do not take these facts into account too much. The reasons for such thinking are as follow:

- The farms often do not know what they can do to use the possibilities existing in pre-accession period and it is very difficult for them to find concrete information
- If the farms have concrete information, they are not sure if their inputs (projects, money, etc.) defined in accordance with contemporary conditions will be realized (not changed) in the next period
- Such an attitude is guided by their previous experience with instability of measures in agricultural policy or by the lack of knowledge, inexperience which both are accompanied by the distrust
- The farmers perceive the certainty (what is certain and sure for them) in the fact they should not (and are not willing and cannot) participate in uncertain action; the another sources of their certainty is the fact that the period between project elaboration and finishing its realization is too long that the conditions might be changed (this fact they consider as sure, and therefore they are not willing to undertake such risk).

These perceptions of agricultural policy project their specific features into interpretation of created institutional frame for SAPARD Program implementation⁶. The participants in training programs concerning Czech SAPARD activities evaluate these trainings as well and professionally organized (from the point of view of their content) but also as almost not applicable in practice. Information in mass media (incl. brochures and web pages of Ministry of Agriculture) farmers consider as not concrete and too vague. The farmers criticize the administrative work they have to do to apply in the program – difficult project elaboration with a commitment to finance the project in advance, followed by long lasted and removed (i.e. in capital or in Brussels) project evaluation and project approval procedures.⁷ The result of such activities is that the approval of the project is done much more lately than it is necessary to invest – that is farmers' general thought.

⁶ An article of M. Mařík from *Hospodářské noviny* (Nov. 17, 2001: *Peníze ze Sapardu vážnou*) might justify farmers' attitudes. An article informs about two years delay of financing the projects from SAPARD program. It is because the SAPARD agency has not been accredited by EU bodies (the accreditation and actual start of SAPARD was in April 2002).

⁷ The doubts prevail among the farmers. They question the competences of those who are evaluating and approving the projects. The farmers think decision-makers cannot precisely evaluate the needs for project, due to their remoteness they do not know local conditions and local potentials.

2. As for the pillars and programs of the Czech agricultural policy for the period 1999–2001, there is the list of reactions (in the order of frequencies as we found them in the research): (i) finishing the processes of privatization and transformation; (ii) support of production, inputs and incomes; (iii) betterment of the position of farmers on the market. The least comments were addressed to pillar “D” (General services and preparation for EU accession), and to program I of pillar “A” (The improvement of the condition for agrarian foreign trade). They are the comments addressing the questions of agricultural policy that concern the farmers indirectly. According to the structure outlined in the part “The subject of empirical research” (see Table 2) we will focus on repeated comments:

Pillar “A” – Program I (Organization of the market with selected commodities):

- Export and import of commodities should be regulated; domestic trade should be under the rules of the market.
- The quotas and quotation is a good instrument (especially in the commodities where the surplus exists) if the quotas can be traded (it helps good farms to develop and all farms to do good decisions).

Pillar “A” – Program II (Improvement of the conditions for agrarian foreign trade)

- Protection of the domestic market from external impacts is not a “paternalist” measure; the entrepreneurs know how to do business and trade.
- The laws only “catch” but are not “ahead” the problems; executive bodies react not flexible.

Pillar “A” – Program III (Supporting the production, inputs and incomes)

- The policy of subsidies does not (but it should) solve such problems of the farms which are not the result of their activities (e.g. fund of diseases and solutions done through this fund is not the most appropriate); instability of the titles of subsidies (areas of subsidies – what is subsidized) does not enable the farms to do rational decision-making; the annual periods for providing the subsidies are often considered as unsuitable (due to biological nature of farming).
- The measures which are prepared to support production, inputs and incomes have to be known to the farmers in December (not in March as it is usually done); sufficient information about particular types of production due to related regulation is missing.
- Conditions for the credits in agriculture are still unfavourable (high rates; land is not considered as collateral; farmers are not partners trusted by banks).
- The farms do not have the means for insurance.

Pillar “B” (Subsidies to improve the care of land, Support to use ecological fuels, Support of environmental measures in the frame of the SAPARD Program):

- Supporting land set-aside activities is welcomed, it is assumed future elaboration of this support; in mountain areas the problems with how to increase the quality of soil still prevail (problems of foresting of wet lands).
- The support of the ecological fuels use is a “trade off” due to high cost of these fuels (this support is on the other hand accompanied by high price of such fuel).
- It is necessary to introduce strict environmental measures compatible with the EU; it is the background to derive the concrete support from.
- There are many bureaucratic activities related to organic farming.
- Environmental measures might be better realized through regional program (over the national borders) than through the SAPARD. Organic farming is a good investment but still it is not very profitable in Czechia – the conditions for selling organic products are much better abroad than in Czechia.

Pillar “C” Program I (Modernization and diversification of farms)

- An accent on structural adjustment and on revitalization of farms was too late, in less favorable areas the farms that had not already invested and modernized in the recent past, either have already bankrupted or will bankrupt soon.
- Diversification is good but in plant production (in climatically less favourable areas) it is almost impossible; the modernization of animal production according to the norms of the EU is a big problem for many farmers; it is necessary to reduce labour force in agriculture (but it is very difficult in a community where all people live together – “it erodes neighbours relations”).

Pillar “C” Program II (Improvement of the position of agricultural producers in the market)

- The good solution is the creation of agricultural producers groups such as trading, machinery or processing coops (these coops might also match with foreign competition, the farms which started with such an orientation at the beginning of market creation experience now an advantage); these coops have to be partners to the farmers (not dictators through coop rules and fees), these coops should provide the farms with the information but should not transfer the responsibility to their members because of the coop failures in trading.
- What is beneficial are the public stores and stocking certificates (public stores increase the space for manoeuvring in decision-making but they do not solve the situation of the farms with “green credits”; stocking certificates are supplementary, emergency, organizational solution, they are not any actual solution).

Pillar “C” – Program III (Finishing the processes of farms privatization and transformation)

- Many problems are related to farming the land which is rented from the state, or to purchasing the land from the state – the conditions, which are set up, the farmers consider to be more favorable for speculative capital; these conditions are not well elaborated as for the payments for purchasing the state land, and as for the transfer of the payments to the eventual heirs; it is also impossible to use the land as collateral to get the credit for purchasing the state land; the issue of buying state land is a political problem and a tough question but the EU membership (and the sale of the land to foreigners) is closer and closer; the Land Fund operates with power and exercises the pressures over those who are interested in buying the state land (the pressure exists because those who are interested to buy the land cannot simply ask to buy the state land but they have to wait for an offer to purchase the land from the state). Therefore, it is better to buy the land from private owners (however, there are the dealers buying the land to sell it to foreigners).
- The amendments of the act on transformation of coops were insufficient (“at the beginning, the Parliament approved something, latter it ways abolished and the result is nothing”).
- The transformation of agricultural coops into joint-stock companies is done according to two scenarios:
 - “Wrong” means to open the space of decision making for those who do not indicate prime interest to improve the common property but who rather pursue individual goals.
 - “Good” means the emphasis on improving property joined in agricultural coops and on opening the space for flexible decision-making; such an approach was mostly provoked by expiring of the time for settling the commitments from the transformation (the commitments were therefore capitalized).

Transformation enabled to cope with inequalities emerging between the members of transformed coops (they had the commitments of responsibility) and the non-members participating in the transformation (they only shared in the coop property). The transformation required great work of management (in the case of “good” scenario) to persuade the people who had their claims in the coops that the transfer of their claims (property) in the coop into the shares of Joint-stock Company (property was changes into “papers”) is beneficial for all. Once property claims are settled, it is possible to realize the strategy how to achieve the correspondence among people, their property, decision-making and labor. Taking into account the contemporary distrust, which is supported by insufficient law enforcement, there exists the suspicion that farm managements want to be free from duties and responsibility they should have.

Pillar "D" (General services for farmers and preparation for Czech membership in EU)

- Available and well-equipped (as for the content) systems of information still do not work.
- A system of extension services or advisory services providing the complete services (complete in the sense of mutually connected) for non-traditional farmers of a new type is still missing (the non-traditional farmers are small and medium farmers diversifying and if possible also processing a part of their production, or the farmers who do not have long time experience in farming).

CONCLUSIONS

The farmers generally do not perceive the final goal of the agricultural policy – the harmony of economic, environmental, social and cultural areas of the life in the countryside. They mostly perceive only the concrete impact of this policy – great downsizing of the jobs in agriculture, increasing income disparity between agriculture and industry, between agriculture and national economy. They are not aware that the solution of these "questions of farmers existence" originates very slowly in the policy, which is related to the concept of endogenous integrated development. It is the policy and development that operates with such concepts as social and cultural potential or social capital. However, these concepts are the aspects, which are often considered by farmers as missing and their lack also shapes the criticism of the impact of agricultural policy implementation after 1999 (the change of the farming organizations /coops transformation into joint-stock companies/; establishing private land ownership). An interesting finding is the "clarification" of the space for action that assumes setting up necessary social networks.

The greatest cleavage between newly elaborated agricultural policy (macro-world) and reactions to this policy (micro-world of farming) can be found in the most criticized measures to which the farmers do not want to accommodate (adapt) themselves (they also require the correction of these norms which are set up by agricultural policy). These measures are listed below:

- Conditions of foreign trade (low protection of domestic producers)
- Inflexible reactions of legislation and its slow and wrong performance, including law enforcement
- Problems in supporting production, inputs and outputs (instability and duration of subsidized measures, late information about them, unfavourable conditions for credits, lack of means for insurance).

Lower level of the cleavage between the macro-world institutionalized in agricultural policy and the micro-world of farmers is expressed in farmers' recommendations towards agricultural policy:

- To elaborate the legislation in more details (in relation to the EU norms) and to simplify the organization for application for environmental measures

- To improve the systems of information as for their content and to enable better technical access to these systems

- To improve extension system (advisory services) that should focus on the farms whose strategy corresponds with the challenge of sustainable development.

The lowest cleavage (mostly the difficulties in adaptation, which is, however, accepted) between macro-world (agricultural policy) and micro-world (farmers) were found in:

- The support of land protection (future detailed elaboration is welcomed)

- Diversification of production (more difficulties in harmonization with the EU norms are observed in animal production)

- Establishing the producers groups (like coops) or other organizations in farming inputs and outputs (albeit they exist now, they still do not work as "true service for farmers").

Particular attention to the SAPARD shows not very positive attitudes of farmers to the ongoing practices related to this program aiming to support agriculture. The background of these attitudes is formed by relatively high distrust to the possibility to use the SAPARD in solving actual local problems that priorities and measures under the patronage of the Ministry of Agriculture (this paper does not analyze the attitudes to the SAPARD activities under the patronage of the Ministry of Regional Development) aim to solve. These negative attitudes are interesting (or might be explained) because some of the respondents have already the experience in using the PHARE program. However, it does not mean these farmers consider a-priori such uncommon ways of solving their problems negatively or they are not active. On the other hand, there are farmers who search for or already implement other ways of solving their problems. They are realized in the co-operation, including the collaboration over the borders, which is administered by regional agencies and institutions (they are such actions which might be also realized under corresponding priorities of the approved SAPARD Program).

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