## BARGAINING FOR SOMETHING BETTER: THE POLISH PEASANTS AND THE EUROPEAN UNION

By

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MA, The University of Wroclaw, Wroclaw, Poland, 1983

# A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE DEGREE OF MASTER OF ARTS

in

THE FACULTY OF GRADUATE STUDIES

Sociology

The University of British Columbia

January, 2004

#### **ABSTRACT**

This study investigates and analyzes Polish peasants' attitudes and rationales for opposition to Poland's inclusion in the European Union. It was designed to determine peasant objections, attitudes among peasant landowners and the likelihood of continued their opposition after the impact of EU accession.

Face to face interviews were conducted with three strata of Polish peasants who were selected based on their level of landholdings: large, middle and small size. In addition, political leaders and experts were interviewed for their opinions. Pertinent documents (scholarly literature, statistical data, newspapers, Polish state and EU documents, archival materials of political organizations) were researched to provide additional data concerning the peasants' situation, their actions and protests and in order to make the picture of the peasants' circumstances more comprehensive. Since objections pertained to EU accession and the anticipated impact of EU membership on peasants the study also examines EU policies and their previous effect on agriculture as well as future programs that will have a specific impact on Polish peasants.

The study concludes that most peasants participated in the anti-European integration movement in order to bargain for better conditions of EU membership. The policies of European integration and the most recent conditions of Poland's membership in the EU discriminate against Polish agriculture vis-à-vis Western European members and favor peasant larger landholdings in Poland over the smaller ones. By the time the differential treatment of Polish agriculture is due to end in 2014, small peasant landholdings will be extinguished. This is likely to displace over one million of peasant households from this occupation. Dependent on state and EU social policies, the restructured peasant class is likely to be characterized by uneducated electorate and by lack of leaders and material resources to engage in the opposition movement against EU policies.

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#### LIST OF ABBREVIATIONS

CBOS Center for Public Opinion Research

CAP Common Agricultural Policy

CIE Center for European Information (Centrum Informacji Europejskiej)

CMECA Council for Mutual Economic Cooperation and Assistance

CMP Council for Monetary Policies

CP Citizens' Platform

CPP Conservative Peasant Party

DLA Democratic Left Alliance

EAS Electoral Action of Solidarity

EBRD European Bank For Reconstruction and Development

EC European Commission

EEC European Economic Community

EU European Union

FDI Foreign Direct Investment

FEDER European Regional Development Fund

FU Freedom Union

GATT General Agreement on Tariffs and Trade

GDP Gross Domestic Product

GUS Central Statistical Office (Glowny Urzad Statystyczny)

IFI International Financial Institutions

IMF International Monetary Fund

ISPA Instrument for Pre-Accession

LJ Law and Justice

LPF League of Polish Families

NBP National Bank of Poland

PHARE Poland-Hungary Assistance to Restructuring their Economies

PPP Polish Peasant Party

PPW Polish Party of Workers

PRP Party of Realistic Politics

PSP Polish Socialist Party

PUPW Polish United Party of Workers

SAPARD Special Accession Program for Agriculture and Rural Development

SDP Self Defense Party

SII Social Insurance Institution

UPP United Peasant Party

USSR Union of Socialist Soviet Republics

VAT Value Added Tax

ZLP Zloty Polski

#### INTRODUCTION

This study analyzes attitudes and actions of Polish peasants toward the prospect of their membership in the European Union. The peasantry comprises almost a quarter of the Polish population and under the democratic political system required for EU membership the attitudes toward European integration of so large a constituency may become an important factor contributing to the outcome of European integration in Poland. The country is by far the largest of the new entrants into the European Union and one of the larger countries in the EU. Voting for and participating in Polish and EU parliaments and governing bodies, Polish peasants may influence EU policies as well.

Understanding peasant responses to the prospect of incorporation into the EU is important for politicians and policy designers to develop better policies, and such a study may be of interest to scholars of the European Union. Scholars examining the peasantry, underdevelopment, social movements and legacies of soviet communism may be interested in this study as it analyses the fate of the peasantry under conditions of systemic transformation, the impact of victorious social movements on the movements that follow them, and the role of private land ownership in systemic transformation. On the surface it appears that accession to the EU promises economic advantages for the Poles, yet a significant opposition to EU membership arose, mainly from the peasants. For that reason this class was chosen as the subject of this study.

This work is important for a number of reasons. In some respects, processes that take place in this country have taken place in the other countries of the region, particularly those that were also under the Soviet domination. Poland is a medium sized

country which is developmentally backward vis-à-vis the West, but better developed than its eastern neighbors and many other third world countries. The semi-peripheral position of the country in the world economy and the common pasts shared with some countries indicate that this research may have some implications for other countries in a similar position. There has also been broad interest in the trade union Solidarnosc which threatened the soviet monopoly for power in Poland between 1980 and 1981. Currently, the agricultural structure is viewed as a major obstacle to the country's successful functioning within the European Union. Thus there is some broader interest in the issues studied in this work.

Peasants were found to be the single largest occupational group opposing Poland's membership in the European Union. According to opinion poll research results, four out of five Polish peasants do not wish to join the EU (Centrum Badania Opinii Publicznej, CBOS). However, this study found that peasants' voting does not indicate that they actually oppose EU membership. Although they are more likely to vote for the anti-European political parties, many of them vote for the parties that endorse policies of European integration and implement them when in the government (CBOS; State Electoral Committee, 2001). Incorporation in the EU is tantamount to agricultural reform in Poland. Scholars found agricultural policies "act differentially on the constituent elements of rural social structures, benefiting some forms of production and branches of capital while others are marginalized and displaced" (Goodman and Redclift, 1981: 216). According to these authors, stratification of the peasant class and particularly the strength of the middle peasant stratum are important factors on the impact of agricultural policies, and their outcomes may be affected to a large degree by the middle stratum (Goodman

and Redclift, 1981: 15). However, opinion polls which show that Polish peasants oppose EU membership do not take into consideration the stratified views within the peasant class. This study fills in this gap in the existing research.

According to the existing studies, Poles oppose membership in the EU for three reasons: economic, political and moral (Wiatr, 1999; CBOS materials). Scholars' opinions are divided about the impact of the re-introduction of market relations in the country, the simultaneity of marketization and democratization (both pre-requisites to accession to the EU) and the legacy of the past developments - which influence the first two factors and the value and belief systems. The differences of scholars' opinions leave the issue of the persistence of peasant opposition under conditions of EU membership in question. This study addresses that problem.

This study asks four questions. (1) What attitudes and actions toward the prospect of EU membership do peasants hold? (2) What are peasants' rationales for these attitudes and actions? Particularly, why do peasants oppose membership in the EU? (3) What aspects of EU policies are likely to affect peasants' situation so that their opposition to EU membership would be warranted? (4) What aspects of EU policies are likely to overcome peasants' opposition to EU membership?

This study is intended to describe and analyze the following: (1) the impact of past relations with the EU on Polish peasants; (2) peasants' attitudes, actions and expectations about the impact of future EU membership on their economy and politics; (3) the impact of EU membership on peasant opposition to EU membership.

This study fills in a gap in the existing research on attitudes of Poles toward membership in the EU. It presents peasant perspectives on the risks and opportunities of EU membership for the newly incorporated Poland.

#### **Data Collection and Analysis**

Peasants' attitudes and actions depend on how they make sense of their lives, experiences and their perceived structure of the world. Therefore, decisions regarding the procedure for data collection for the study were guided by qualitative research methods which focus more heavily on meaning and processes rather than on outcomes or products.

This work is about Poland for the reasons mentioned above and because I am a Pole and I have background knowledge of the processes taking place in this country. The role of the researcher as the primary data collection instrument necessitates identification of personal values, assumption and biases at the onset of the study. My perceptions of the Polish transformations have been shaped by personal experiences. I participated in the underground student network between 1978 and 1980 and was active in projects of the trade union Solidarnosc during 1980-1981 as a social organizer. Between 1981 and 1989 I worked in the Solidarnosc underground as a social organizer, editor and publisher. My Polish social network includes individuals who are politically active in the current processes of transformation as well as those who actively participated in public life during the period of soviet communism. I believe that these experiences provided me with an understanding of the context of the current Polish transformation and with sensitivities to the many challenges that faced individuals and groups.

This work started from an attempt to explain growing opposition to EU membership in Poland at the end of the 1990s. The research was designed to be conducted in Poland between November 2000 and March 2001. A few days into the research in Poland it became obvious that the information used in the study design was inaccurate: organizations and politicians classified by the existing research as opposed to European integration actually supported Poland's membership in the EU. Worse, many interviewees took offense that they were put into that category. This required redesigning my research focus, assumptions and questions. Around the same time, it became apparent that peasants were the backbone and actually leaders of the anti-integration movement. Therefore the study was re-designed to explain that phenomenon.

The analysis for this study of Polish peasants' attitudes and actions toward the prospect of EU membership was designed in five stages. (1) In the first stage the peasant class was divided into three strata. Scholarly literature about Polish agriculture provided data for this stage.

- (2) The second stage attempted to address the questions of the impact of European integration on the peasantry and of how the legacy of the past contributed to this outcome. Data for this stage included: statistics of the Polish state, scholars' findings, interviews with peasants and experts, mass media, and archival material of political parties.
- (3) The third stage sought to answer the question of the different peasant strata's expectations about the impact of EU membership on them. Data for this stage come from interviews with peasants and experts.

- (4) The fourth stage explored the question of different peasant strata's attitudes and actions toward the prospect of EU membership. Data for this stage also come from interviews with peasants and experts.
- (5) The fifth stage was designed to analyze the strength of peasant opposition and how EU membership is likely to affect the factors of peasant political strength. Data for this stage come from interviews with peasants and experts, the Accession Treaty, the results of the negotiations between Poland and the EU in the pertinent areas (agriculture, branches of industry), practitioners (politicians and economists) and scholars' opinions about conditions of Poland's membership in the EU.

Data collection for the study was carried out in two steps: on-site data were collected in Poland between October 2000 and March 2001 and off-site data were collected after March 2001. It involved a combination of face-to-face interviews, phone interviews, analysis of secondary data from literature, newspapers and documents that pertained specifically to the political process: parliamentary debates, meetings between the government and peasant leaders, and day-to-day political and economic developments.

The data were collected from the following documents: scholarly works on the economy and politics, and state documents (transcripts of parliamentary sessions, financial statements of parliament members, state published statistics, legislations, results of elections, international agreements and treaties); EU documents such as treaties, common policies, regulations; documents of political parties and trade unions; newspapers, magazines, and transcripts of radio interviews. These data were collected

personally in Poland, through libraries in Canada and the United States, and through the Internet.

There were two types of interviews: in person, face-to-face interviews guided by an interview protocol using open-ended questions, as well as open-ended, unstructured interviews carried on in person or over the phone. The first type of interview was conducted between October 2000 and March 2001. The second type was carried on from October 2000 until 2003 and also involved feedback about the tentative conclusions of this study pertaining to the current transformation. The issues tapped in the interviews are listed in the "Interview Schedule" in the Appendix.

The interviewees were purposefully selected for the study. The use of a purposive sample was to provide useful information on social phenomena of specific pertinence to the research. The informants were selected based on their position within the political or economic structure and on their knowledge of the issues researched. They were identified based on information from the media and by other interviewees. The make-up of the interviewees was as follows: leaders of national peasant organizations (parties, trade unions, cooperatives); experts with knowledge of the particular areas of the research (economists, agricultural experts, state employees with knowledge of systemic procedures); peasants in two villages in Lower Silesia; members of the parliament not included in the other categories; peasants who had brought their produce to Warsaw and Wroclaw markets. The list of the interviewees whose opinions are cited here can be found in the Appendix.

Overall, 35 interviewees' opinions are cited in this work; eight peasant leaders belonging to the elite stratum, nine peasant activists belonging to the middle stratum, nine

poor peasants and nine experts. These interviews do not represent all interviews conducted; they were selected based on the relevance of their statements to the subject matter and prevalence of their opinions among all interviews. Statements which could not be corroborated by other sources (other interviewees and/or written materials) are not included here, unless specifically explained).

Where possible, interviewees were first contacted by phone. In line with ethical/moral considerations, before the data were collected participants were informed about the reason for the research, given information about my background and credentials, why they were chosen for the research, and it was emphasized that their participation in the study would be voluntary and they were given assurances of confidentiality. They were invited to check out my story with those who may have referred me to them or those who were public figures who could vouch for me. In contacting peasants in villages, I was introduced by a school teacher in one village and a relative of one family in another village. Each of the interviewees was provided opportunities to choose the duration and setting for the interview. Some leaders elected to be interviewed in the presence of their associates and these interviews turned into meetings with focus groups, which produced an unexpected benefit to the approach as it enriched the quality of the data.

The interviews were conducted in the Polish language and were tape recorded, except for those with the peasants in the markets or when respondents objected. The phone interviews were recorded with handwritten notes and these interviews were, as a rule, shorter and pertained to particular issues.

The data from interviews were categorized. The categories used in coding included those developed with the interview protocol as well as those that emerged from the responses of the participants.

This study has a number of limitations. First, the investigation focuses on the Polish transformation and the issue of peasants' attitudes and actions. The findings may be suitable for being generalized to other systemic transformations and classes of peasants in other countries only where circumstances are highly similar.

This study is not replicable due to the purposive sampling for interviews.

#### **Structure of the Thesis**

The next three chapters provide necessary information about processes of European integration in the West and in Poland and a brief review of the existing research and literature. In chapters 4, 5 and 6, I describe and analyze peasant strata's attitudes and actions toward the prospect of EU membership and their rationales for these attitudes and actions. In chapter 7, I describe and analyze prospects of peasant class' opposition to EU membership after Poland's accession to the EU.

#### CHAPTER 1

#### **EUROPEAN INTEGRATION**

Although EU membership seems to offer considerable economic improvements to agricultural producers, the Polish peasants oppose incorporation into the EU. European integration that started in the 1950s in the western part of the continent has been credited for the spectacular development of Western Europe. After the fall of the Berlin Wall in 1989, and freed from the soviet domination, East Central European countries have undergone the process of systemic transformation in order to make their socio-political and economic institutions and laws compatible with those in the EU. The EU deemed the process of transformation in eight post-communist countries – the Czech Republic, Hungary, Poland, Slovakia, Slovenia, Lithuania, Latvia and Estonia - sufficiently advanced for them to join the European Union in 2004.

The EU, Polish governments and many scholars maintain that conditions of EU membership – shared state sovereignty, democratic political process, freedom of flow of goods, services, capital and people among EU member states, and EU subsidies to poorer regions and industries – are going to speed the country's development and lead to modernization of its archaic agricultural sector. Yet the Polish peasants' attitudes toward EU membership are rather hostile: three quarters of them oppose membership in the EU while the rest are more or less supportive of membership or oblivious to it. The peasant

opponents became leaders and the backbone of the anti-European integration movement in Poland.

In light of the pronouncements of the EU and Polish governments, peasant opposition would seem to be a short-term phenomenon as the benefits of EU membership spread among the population and the conflict over EU membership likely wanes. Some of the existing research and literature indicate that this is the case. Some scholars maintain that, in the longer run, democratic market relations promote development from which all sectors of the society benefit (Offe, 1996; Rueschemeyer, Stephens and Stephens, 1992; Balcerowicz, 1993; Sachs and Lipton, 1990; Balcerowicz, 1995; Habermas 2001). Opportunities to influence state policies provided by EU democratic processes may result in the articulation of interests of all groups of the population in state and EU policies, speculated Offe (1996). While there is a general agreement that the value and belief systems of some Poles are incompatible with those in the EU (Wiatr, 1999), scholars studying attitudes toward the EU indicate that this is not a significant problem: very few people oppose EU membership on these grounds alone (CBOS, 1998). As peasants' economic conditions improve under conditions of EU membership, they are likely to start supporting EU policies leaving, a few die-hard opponents holding the moral banners.

However, other scholars' opinions and findings indicate that the anti-integration movement may be active in Poland for years to come. Economic conditions may stagnate or deteriorate, warn Bohle (2000) and Frank (1994). The Polish form of democracy may not allow for articulation of peasants' interests (Mokrzycki, 2000). Lastly but not less importantly, the legacy of Poland's past may impede regional transformation (Murrell, 1992; Stark, 1992: Stark and Bruszt, 1998)

Considering that a social conflict is likely to persist when the access to the channels for upward social mobility (economic system and conditions) and channels for redressing grievances (political system and conditions) for the disadvantaged is closed (Dahrendorf, 1967), the conflict over EU membership is likely to exist for years to come.

Thus the Polish peasant opposition to incorporation in the EU raises two questions. (1) Why do peasants oppose EU membership that would be economically beneficial for them? (2) Is the peasant opposition likely to persist under condition of EU membership? The first question is important for understanding peasant attitudes and actions toward EU policies, while the second question is particularly important in the face of ongoing implementation of the EU agricultural reform in Poland. The success of this reform depends, to some extent, on peasants' support for it and, particularly, on the support of the peasant middle class. Goodman and Redclift (1981: 3-10) maintain that the peasant middle class is the key to peasant political effectiveness, and consequently to the success or failure of programs of modernization of agriculture. However, studies of responses to incorporation into the EU treat the peasantry as a more or less uniform group, without delving into the socio-economic stratification of this group. This study of Polish peasants' attitudes and actions toward membership in the EU fills in this gap in the existing literature.

In this chapter I discuss European integration in the West and in Poland in order to provide background for discussion of more specific issues involved in Polish peasants' opposition to incorporation into the European Union. The information pertaining to European Integration is based on the EU internet pages about history and structure of the EU, unless specified source is provided. Information about processes of European

integration in Poland is based on two largest Polish daily newspapers: Gazeta Wyborcza (an equivalent of the New York Times) and Rzeczpospolita (official newspaper of the government), unless specific source is cited.

#### **European Integration in the West**

The European Union is the outcome of the processes of European integration that started in the early 1950s. After the Second World War, western European countries established themselves as market democracies and erected a comprehensive system of social policies, often referred to as the "welfare state", which guaranteed meeting the basic needs of all citizens. In 1951, Belgium, the Federal Republic of Germany, France, Italy, Luxemburg and the Netherlands signed the Treaty of Paris which set up the European Coal and Steel Community. In 1957, these six countries set up the European Economic Community (EEC) and the European Atomic Energy Community. The EEC, based on a common market for a wide range of goods and services, removed customs duties among the six countries and set up common policies – notably the Common Agricultural Policy (CAP).

In 1973, Denmark, Ireland and the United Kingdom joined the Community. At the same time, the Communities introduced new social, regional and environmental policies. The European Regional Development Fund was established in 1975 to implement the regional policy. In 1981 Greece joined the Communities, followed by Spain and Portugal in 1986. This necessitated the introduction of the first Integrated Mediterranean Programs, the first of structural programs aimed at reducing the economic development gap between the twelve member states according to the principle of

European solidarity. In 1986, the member states signed the Single European Act that set up a schedule for completing the European single market by January 1993.

In 1992 member states negotiated the "Treaty on European Union" in Maastricht. The Treaty created the European Union (EU) by adding areas of intergovernmental cooperation to the existing Community system. The Treaty also set new goals for the member states: monetary union by 1999, European Citizenship and new common policies. Austria, Finland and Sweden joined the EU in 1995. In 2002 the euro replaced national currencies in twelve EU countries.

Under conditions of the treaties, the member states of the Union delegate some of their national sovereignty to institutions that they share and that articulate national interests in EU common policies. The EU operates according to a large body of legislation consisting of regulations, directions and recommendations derived from the treaties as primary legislation. The EU legislation and policies result from decisions taken by the following institutions.

The Council of the European Union is the main decision-making institution. Its meetings are attended by concerned ministers of the member states. The preparatory work for the Council meetings is done by the Permanent Representatives Committee, made up of ambassadors to the EU from the member states, assisted by officials from the national ministries. The Council shares legislative power with the European Parliament and responsibility for the EU budget. It concludes international agreements negotiated by the European Commission. The Council makes its decisions either unanimously or by qualified majority vote.

The European Council brings together the presidents and prime ministers of all the EU countries plus the president of the European Commission. According to the Treaty of Amsterdam, the Secretary-General of the European Council is also the EU's High Representative for the Common Foreign and Security Policy. Thus, the Council of the European Union and the European Council articulate interests of the national governments.

The European Parliament, elected directly by EU citizens, shares legislative power with the council of the EU through three procedures. (1) Under the cooperation procedure, parliament gives its opinion on draft regulations and directives proposed by the European Commission, which can amend its proposals and take into account Parliament's opinion. (2) Under the assent procedure, Parliament must give its assent to international agreements negotiated by the European Commission and to a number of other issues. (3) The co-decision procedure puts the Parliament on equal footing with the Council of the EU when legislating on a series of important issues: an absolute majority of members of the European Parliament (MEPs) vote has the power to throw out proposed legislation on a number of issues. The treaties of Amsterdam and Nice added thirty new fields in which the co-decision procedure applies. The Parliament has the power to dismiss the European Commission and it monitors management and implementation of EU policies. The president of the European Council reports to the Parliament on decisions taken by the EU's political leaders. Though the role of the Parliament has grown, it is still a predominantly advisory body within the EU decisionmaking process.

The role of the European Commission, the EU's executive arm, is to uphold the interests of the EU as a whole. It ensures execution of the regulations and directives adopted by the Council of the European Union and the Parliament and has the power to impose fines for noncompliance. The commission is the only institution that has legislative initiative. It is answerable to the Parliament.

The Court of Justice of the European Communities ensures that EU law is complied with and that the treaties are correctly interpreted and applied throughout the EU. The Committee of the Regions is an advisory body to the Council of the European Union and the European Commission on matters of relevance to the regions. The European Investment Bank finances developmental projects for less developed regions and small businesses. The European Central Bank manages the euro and the EU's monetary polices. These and many other institutions design, implement, and monitor numerous EU common policies, two of which we discuss below, namely regional policies and CAP.

The brief outline above indicates that although the European Parliament's role has grown in the decision-making process, democratically elected governments of the member states hold the leading position in the EU political process.

The EU's common policies are chiefly financed by the money it raises from the value added tax (VAT) and from contributions from the member states, based on their gross national product (GNP). Particular policies may be additionally financed by income from specific fees and taxes. For example, the CAP is financed to some degree by import duties on agricultural imports. There are numerous common policies of which the CAP is

the chief instrument of EU agricultural reforms and subject to political action by agricultural producers while the regional policy complements the CAP.

The goals of the EU's regional policy are to boost development in backward regions, to convert old industrial zones, to help young people and the long-term unemployed find work, to modernize farming and to help less-favored rural areas. The policy consists of providing disadvantaged regions and sectors of the population with financial assistance through specific funds – the European Regional Development Fund, the European Social Fund, the Financial Instrument for Fisheries Guidance and the European Agricultural Guidance Guarantee Fund, all of which are often referred to jointly as structural funds – in order to top up or stimulate investment by the private sector and by national and regional governments. Regions where the Gross Domestic Product (GDP) per capita is less than 75% of the EU average and regions experiencing structural difficulties are eligible for this assistance. The Cohesion Fund, an addition to the structural funds, is used to finance transport, infrastructure and environmental projects in EU countries whose per capita GDP is less than 90% of the EU average.

The European Union's Common Agricultural Policy is the largest area of EU expenditure. It was established by the Treaty of Rome, whose Article 33 set as its objectives: guaranteed food supplies at stable and reasonable prices; an ensured fair standard of living for farmers; and improved agricultural productivity through technical progress and development of more rational production systems that would employ resources more efficiently. In 1962 these objectives were put into practice through three mechanisms: protection against low internal prices, through a system of buying surplus goods from farmers when goods fall below a guaranteed price in the European market;

protection against low import prices through a system of import quotas and duties on imported agricultural goods when the world price falls below an agreed price; and subsidies to achieve low export prices, through a system of refunds for the export of agricultural goods when the world price falls below an agreed price.

During its 40 years, the CAP has achieved much toward its original objectives. Technological developments increased production and assured ample food supplies. Specialization and concentration in EU agriculture, brought about by technology and economic growth reduced the role of agriculture in overall EU income and employment. Employment in agriculture fell from 12% of the workforce in 1968 to 5.1% in 1996 and agriculture accounted for 6.3% of the GDP in 1968 but only for 1.7% in 1996. Farm household income equaled or surpassed non-farm incomes in most EU countries. These changes eliminated the post-war peasant character of EU agriculture in most regions.

However, CAP led to three major problems: surpluses, galloping budget expenditures, and international conflicts. The guaranteed prices encouraged overproduction and led to an enduring surplus disposal problem. At the inception of CAP, when the EU was a net importer, import duty revenues increased the EU budget and high internal prices were borne by consumers. But the emerging surpluses of the 1980s became costly for the EU budget. They eliminated import duty revenues and required high export subsidies. Although the EU agricultural prices were lowered after 1992, reducing price subsidies, direct payments to farmers to compensate for lost sales revenues have offset reduced budget costs for price subsidies. Total spending on agriculture increased 28% between 1991 and 1997. Though there are large pressures for

change in the CAP, its beneficiaries have effectively prevented significant reductions of the CAP's policy transfers (subsidies) to agriculture.

In sum, while the regional policy was established to accommodate needs of later entrants, the provision for the Common Agricultural Policy was integral to the agreements that established the European Union. The CAP has been among the most important of the EU policies administered and funded in common. Although there have been numerous reforms of the CAP in response to changes in agricultural realities since the 1960's, these reforms have not reduced CAP costs and further reforms of the CAP have been under way.

The European Union is the outcome of the processes of European integration that started in the early 1950s. Until May 2004, it consisted of 15 western European countries (the "old" members) connected by the common market and policies based on principles of (1) free flow of goods, services capital and persons among the member states; (2) popular democracy and political freedoms of the citizenry; (3) European solidarity. These are called the principles of European integration. The principle of European Solidarity has been realized through the common policies designed to reduce development gaps. Structural funds and the CAP subsidize even the field of market competition among weaker and stronger actors so that freedom of flow of goods, services and capital – which has been expanded by adoption of common currency – similarly affects all economic actors in the EU market. Although the role of the European Parliament has increased over the years, citizens of the EU have limited direct influence on EU policies. Their elected Parliament still has a largely advisory capacity in the EU decision-making process. On the other hand, as the history of CAP subsidies indicates,

the rule of democracy and political freedoms within the member states provides citizens with opportunities to influence policies of the national governments that have the leading position in the EU political process.

#### **Eastern Enlargement of the EU**

Until 1989, East Central European countries were engaged in economic cooperation within the Council for Mutual Economic Assistance (CMEA). Although the EC was not officially recognized by the Soviet Union and Poland until 1986, CMEA made an attempt to negotiate a trade agreement with the EC. EC member countries, skeptical about Moscow's control over the Council, rejected that initiative (Polish Press Agency), but evidently did not rule out some kind of cooperation with members of the CMEA. Poland had some trade sector agreements - involving mainly textiles and steel fabrications trade - with the EC. In 1986, the Secretary General of the Communist Party of the Soviet Union allowed the East Central European states to enter into separate trade and economic cooperation agreements with the EC. The communist government of Poland attempted to secure such an agreement the same year but was turned down by the EC due to a negative assessment of the conditions of the Polish economy. However, due to the changing political climate (glasnost and perestroika in the USSR) the communist rulers of Poland were able to enter into negotiations with the EC about trade and economic cooperation in 1988 (Polish Press Agency).

Soon after the fall of the Berlin Wall in 1989, the European Community quickly established diplomatic relations with the countries of Central and Eastern Europe. It removed long standing import quotas on a number of products, extended the Generalized

System of Preferences and, over the next few years, concluded Trade and Co-operation Agreements with Bulgaria, the former Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovenia.

In the meantime, the European Community's PHARE Program, created in 1989, set out to provide financial support for countries' efforts to reform and rebuild their economies from the crisis of the 1980s. PHARE soon became the world's largest assistance program in Central and Eastern Europe, providing technical expertise and investment support. During the 1990s, the European Community and its member states progressively concluded Association Agreements, so called "Europe Agreements", with ten countries of Central and Eastern Europe. The Europe Agreements provide the legal basis for bilateral relations between these countries and the EU.

Eventual adoption of additional countries into the EU became the next consideration. In 1993, at the Copenhagen European Council, the Union took a decisive step towards the current enlargement, agreeing that "the associated countries in Central and Eastern Europe that so desire shall become members of the European Union" and "Accession will take place as soon as an associated country is able to assume the obligations of membership by satisfying the economic and political conditions required".

In the mid 1990s, the EU received membership applications from former Soviet bloc counties: Bulgaria, Czech Republic, Hungary, Poland, Romania, and Slovakia; the three former Soviet Baltic republics: Estonia, Latvia, and Lithuania; one of the republics of former Yugoslavia, Slovenia; and two Mediterranean countries: Cyprus and Malta. Accession negotiations were launched in Luxemburg in 1997 and in Helsinki in 1999. Ten candidates completed negotiations on December 13, 2002 in Copenhagen and signed

the accession treaties in Athens in April 2003. The EU expanded to 25 member states in May, 2004 and citizens of the new members states sent their representatives to the European parliament in June 2004 elections.

The current wave of EU enlargement involves absorption of a much larger population and territory into the EU system than ever before. This represents a challenge for the EU as it needs to restructure itself in order to incorporate ten new members into the decision-making processes. To that end, a Convention chaired by Valery Giscard d'Estaing prepared a draft of a Constitution for the enlarged EU. Since the end of 2003, this draft has been subject to the EU political process and the new entrants also participate in that process.

This EU enlargement involved incorporation of less developed economies and nascent democracies into the EU political process and a common market composed of highly developed Western European economies. To that end, the EU designed and implemented various programs of aid to the countries while the European Council in Copenhagen defined the membership criteria, often referred to as the "Copenhagen Criteria".

Membership criteria required that the candidate country must have achieved (1) stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities; (2) the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union; (3) the ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union. This meant that the candidate country must adopt the entire body of EU law, the *acquis communautaire*. Membership criteria

also required that the candidate country must have created the conditions for its integration through the adjustment of its administrative structures, as outlined by the Madrid meeting of the European Council in December 1995.

With a population of 38 million, living on a territory of 312 thousand square kilometers, Poland is the largest and most populous of the new member states. However, Poland's economy is underdeveloped not only vis-à-vis the old EU members but also in comparison to some other post-communist countries. Poland lags behind the post-communist forerunners of European integration with its GDP per capita \$4,014. Per capita statistics of Slovenia was, \$9,846, the Czech Republic, \$5,232, and Hungary, \$4,807. All these countries lag behind even the poorest old EU members. In Portugal, these statistics were \$11,276, Greece, \$11,804 and Spain, \$15,117 not to mention Germany with \$25,756 or Norway with \$34,360 in 1999 (GUS, 2000: 704). These numbers illustrate the developmental gap that divides Poland not only from the old EU members but also from the other new entrants.

The European Union is the largest and strongest force in the region affecting all the countries through economic relations as well as through the political processes, most notably the negotiations of conditions for membership in the EU. This influence has resulted in the Polish state's transferring part of its sovereignty to EU institutions and is expected to result in a full merger of Poland's market with the EU market. These two are necessary for implementation of EU common policies in Poland. I discuss Poland's preparations for EU membership below.

#### **European Integration in Poland**

In 1989, before the fall of the Berlin Wall, the Polish communists (the Party) incorporated their pro-western and pro-democracy opponents coming from the social movement Solidarnosc into the structures of power within the state. The opposition soon gained control of the government. It designed and implemented, starting in 1990, a program for the rapid restructuring of Poland's economy ("shock therapy") and strongly influenced the transformation of the system of governance.

In September 1989 the new government embarked on preparations for the economic reforms. By the end of that year democratization of the political process was achieved and the legislative measures in this area followed spontaneous developments. Reforms of the country's administration were in full swing. The territorial governments gained a large degree of autonomy.

In January 1990 the government began implementation of the "shock therapy". By May, unemployment emerged, something unheard of in Poland since the 1930s. Meager and short term unemployment benefits were provided. Workers and peasants organized strikes and road blockades to protest the economic reforms. The state renegotiated the 1989 trade agreement with the European Community restricting import of some EU goods (Sowa, 2000).

Multiple divisions within the Solidarnosc formation ousted the first non-Communist Party government of Tadeusz Mazowiecki at the end of 1990. Between then and October 1993, the Soviet troops were withdrawn from Poland, the Polish military became fully incorporated into the structure of the state, and a program of slimming it down was initiated. The legendary leader of Solidarnosc, Lech Walesa, became president.

The results of free parliamentary elections in 1991 (Polish Press Agency) testified that the process of party formation was still in progress and a few governments of Solidarnosc came and went. All these governments had one feature in common: they realized the policies of rapid restructuralization overseen by Leszek Balcerowicz as an appropriate minister. Strikes and protest actions were another permanent feature of this period. Of the latter, in June 1992, the Trade Union [of agricultural producers] "Self Defense", led by Andrzej Lepper, paralyzed Warsaw when peasants converged on the capital with their agricultural equipment. Lepper called for protection of the agricultural market and annulment of the peasant debt incurred as a result of shock therapy. The government promised some relief for peasants. In July 1992, a third of the coal mines in Upper Silesia went on strike. The demands of uncoordinated strikers organized by some groups of Solidarnosc and a trade union affiliated with the communist Party, related to wages, unemployment, privatization of state enterprises and regulation of international economic relations. The lack of support from the mainstream trade union Solidarnosc put an end to this wave of strikes in September and the government negotiated some limitations of its policies with the workers. In 1990 and 1991, the public was bombarded by reports, often originating in the state prosecutor's offices, about mysterious disappearances of large amounts of state funds (for example, \$150 million from the Foreign Debt Fund), bank scandals, and import schemes involving both, Solidarnosc and the Communist Party people.

The parliamentary elections of 1993 put an end to shock therapy. The Democratic Left Alliance (DLA), the social-democratic embodiment of the Communist Party, gained 38.9% of mandates in the Sejm. After entering into a coalition with another social

democratic party and the Polish Peasant Party, it controlled 78.2% of Sejm mandates. The largest group on the social side had 16.8% of mandates (Polityka, No. 41/93), just enough to make speeches. Even the Church, which warned against the mortal sin of supporting godless communists, could not prevent that development. The new government did not include Balcerowicz and it abandoned the policies of rapid restructuralization. This process was largely completed by 1991 and the subsequent governments only needed to institutionalize the changes. For one year, the DLA government was under attack from the president from the Solidarnosc side, Lech Walesa. The elections of 1995 replaced him with Aleksander Kwasniewski of the DLA formation (Sowa, 2000). During the presidential elections a Catholic radio station "Radio Maryja" became active against Kwasniewski. The radio's director, a monk, Tadeusz Rydzyk, operated the station independent of control from the Church hierarchy. He called for the subordination of the society to the rules of Catholicism and viewed national interests as supreme over the interests of individuals. He also called for protection of the national market (especially agricultural), large measures of income redistribution, and an end to privatization with foreign capital. His radio station opposed the policy, supported by both major formations, to incorporate Poland into the European Union. By 1995, Radio Maryja was supported by some members of the Church hierarchy, many clergy, and about three million listeners, predominantly older, rural, less educated parts of the population (Radio Maryja leaflets; CBOS, 1995).

In 1996, the Sejm passed the new constitution that limited the government's involvement in the economy. "It shall be neither permissible to contract loans nor to provide guarantees and financial sureties which would engender a national public debt

exceeding three-fifths of the value of the annual gross domestic product" (Polish Constitution, Chapter X, Public Finances, Article 216, point 5). In other words, the government could not borrow excessively. Also, it could not raise funds by printing more money: the Constitution specifies that the National Bank of Poland "shall have the exclusive right to issue money as well as to formulate and implement monetary policy. The National Bank of Poland shall be responsible for the value of Polish currency" (Polish Constitution, Chapter X, Public Finances, Article 227, point 1). In 1997 the Council for Monetary Policy (CMP) was established. Its major function is to regulate inflation rates through bank interest rates. The council consists of the chairperson who is the director of the NBP, whose nomination is approved by the parliament and president, and six members nominated by the Seim, Senat and the president. In 1997, the central bank, managed by the social side, was already beyond the government's control. Establishment of the CMP was intended to provide the government with some influence on the central bank through both chambers of parliament and the president, all three controlled by the DLA. Whatever criterion the DLA took for selecting members of the CMP, it was not protection of the national economy from international competition: all the members of the CMP subscribed to the free international trade philosophy espoused by their bosses, Balcerowicz and Hanna Gronkiewicz Walz, who was soon to become a director of the World Bank.

By 1997, the divided groups within the social side coalesced in the Electoral Action of Solidarnosc (EAS). The EAS won election to the parliament in September but had to enter into a coalition with another post-Solidarnosc party in order to create a government. In 1998 and 1999 the EAS coalition government reformed the territorial

administrative structure of the country, state administration, retirement and health care systems and education. Commercialization of state enterprises and freedom of economic initiative led to development of private educational institutions. The commercialization of education led to a decreasing number of state-sponsored student slots at the universities and an increasing number of courses provided by the universities and private institutions for fees. As Poland has a low number of qualified university cadre, this leads to low quality education in both private institutions and public universities. The commercialization also discriminates against peasant youth. There is stronger competition for the free slots in higher education and peasants have limited resources to pay tuition. The 1999 reform did not address that problem. Instead, it closed many small schools in villages, offering education for peasant children in larger, more remote schools, provided they had the means of getting to these schools. The reduction in elementary and secondary teachers in state schools has a negative impact on the quality of education there. Most important of all, the local governments became responsible for maintaining the primary and secondary schools, but many local governments have insufficient funds to pay teachers and even to keep the schools warm in winter. The health care reform rapidly worsened access to hospitals, doctors and drugs for employees and retirees. At the same time journalists reported very high salaries for the managers of the health care system. Some directors of the reformed State Insurance Company were sent to prison for embezzlement of funds. The territorial reform provided the population with a spectacle within the ruling parties of internal quarreling over the boundaries of their fiefdoms (daily papers, interviews).

Strikes again became rampant. While, according to state statistics there were 7.443 strikes in 1993, their number fell to 429 in 1994, to 21 in 1996 and 37 in 1998. In 1999 the number of strikes jumped to 920 (GUS, 2000: XXXVIII-XXXIX). The most severe unrests were organized by peasants. In January 1999 alone, they organized at least 114 road and railroad blockades (Sowa, 2000: 374). Starting in the beginning of the 1990's, peasant protests actions included destruction of grain imported illegally to Poland. Peasants also organized actions against the privatization of the food processing industry. In 1999 these actions, involving parliamentary representatives of peasants, were directed toward maintaining the sugar beet refineries in Polish hands. Peasant unrests during the winter quieted down after the government promised to improve the situation in agriculture with credit subsidies and intervention purchases. Strikes in health care (anesthesiologists, nurses), and strikes in enterprises earmarked for liquidation or privatization (particularly in food processing and armament industries) added to the overall chaos. Around 1999, public opinion was again bombarded by reports (largely originating from the Supreme Chamber of Control chaired by a member of the Polish Peasant Party) about shady transactions and the distribution of funds by the ruling group, up to the ministerial level. The leaders of DLA brought the problems of poverty in Poland into public discourse. By 2000, support for the ruling group sank oscillated around 10% (CBOS, 2000).

In an atmosphere of widespread dissatisfaction with the ruling group of Solidarnosc, the DLA president, Kwasniewski easily won his second term in the office in 2000. The DLA won the parliamentary elections of 2001 with 41% of votes but had to enter into a coalition with the PPP in order to form a government. The opposition, two

post-Solidarnosc parties and the party that emerged from Radio Maryja, took 30% of votes but were too divided to present a common front against the DLA coalition. The new government did not fare much better than its predecessor. Its priority was to cut state subsidies in order to regain some control over the state budget. Yet, some measures of protection of the agricultural market were maintained due to the presence of the PPP in the government. In December 2002, the DLA coalition completed negotiations with the European Union and signed the accession treaty. Soon after that the DLA removed the PPP from the coalition, signed economic agreements with US companies on purchases of military equipment, and against the advice and criticism of France and Germany joined the US coalition against Iraq in 2003. At the end of this year, together with a few other EU members and candidates, it strongly opposed the project of the EU constitution, on the grounds that it limits Poland's influence on the EU political process and does not addresses the issue of European Christian tradition. Throughout 2003, the party was plagued by corruption scandals. There were numerous strikes in the country: the strikers were reminding the DLA of its pre-election promises of economic improvements for the poor. Support for the party, and particularly its chairman and Prime Minister Leszek Miller was sinking. In June 2003 the government conducted the national referendum. Over half of the voters accepted incorporation into the EU, and on May 1st 2004 Poland became a new member of the European Union.

As a result of the political and economic changes, three groups of political parties emerged: the post-Solidarnosc formation, the post-communist formation and the anti-integration or populist formation. The post-Solidarity formation has been in the process of reshuffling since the beginning of integration. The trade union Solidarnosc, a major

participant in this formation, and the Freedom Union, a party that includes many advisors of the trade union Solidarnosc, provided some cohesion to this fragmented formation. There are also numerous small parties rooted in the farming industry. All these parties went to the first free elections in 1991 as small independent parties. The whole formation maintained a majority in the parliament; thus, its leaders had a sufficient base to maintain positions of state power, yet it lost the next election to the post-communist formation in 1993, although it preserved control of the central bank and influence in the European Bank for Reconstruction and Development (EBRD), the major source of investment credits. Gronkiewicz-Waltz, Balcerowicz and Jan Krzysztof Bielecki, a former prime minister in the post-Solidarity government, remained in positions of power and influence in these institutions, which are independent of the changing Polish governments.

The post-Solidarnosc formation returned to power in the elections of 1997, united under the coalition of small parties called Electoral Action of Solidarity (EAS) which formed a coalition government with the Freedom Union. The EAS dispersed at the end of its term of office, and some of its members campaigned under the banners of the Citizens' Platform (CP) and Law and Justice (LJ) in the 2001 elections. Together they received 22.18% of seats in the new parliament and joined smaller parties in opposition to the post-communist government. By 2004 the Citizens' Platform became the strongest one in the formation, but it clearly represented the interests of the upper classes as populist accents have long disappeared from its public utterances.

The post-communist formation is also divided but the Democratic Left Alliance (DLA) provided clear leadership for this formation. The DLA was created by members of the last congress of the Polish United Labor Party during which the Communist Party was

officially liquidated in 1990. Among the other members of this coalition was the All-Polish Agreement of Trade Unions, a counter-weight for the illegalized trade union Solidarity, the Polish Socialist Youth, the Union of Polish Teachers, the Polish Socialist Party (PSP) and Labor Union (LU). The DLA won the parliamentary election in 1993 and entered into coalition with the Labor Union and the Polish Peasant Party (PPP). After the 1997 elections the DLA joined the opposition against the post-Solidarnosc formation, but supported the major political decisions of the government, such as the nomination of Leszek Balcerowicz for the position of chair of the Council for Monetary Policies. At the end of its second term in the government, the DLA divided into two parties. These two formations completed their processes of consolidation around the end of soviet communism when some of the Party members and the nomenklatura more or less tied their fate to Solidarnosc. Membership in these formations is mutually exclusive: there is little movement of members between the two formations and parties make alliances within the blocs.

Two parties stand in opposition to the major political formations: the Self-Defense of Poland (SDP) and the League of Polish Families (LPF). The SDP developed from a trade union of agricultural producers who were negatively affected by the high costs of credit and were attempting to influence state policies through civil disorder. Led by a charismatic leader, Andrzej Lepper, it entered the parliamentary process and now holds 11.3% of the seats in the Sejm. The LPF evolved from a religious movement organized around Radio Maryja. It received 7.87% of votes in the last elections and entered the parliamentary opposition. These parties are also active outside the parliament.

In cooperation with other associations articulating interests of rural dwellers, they organize various protest actions.

The United Peasant Party, allied with the Party before 1989, became the Polish Peasant Party. It has split into factions representative of divisions within the whole society. For practical purposes it may be convenient to think about the PPP as a trade union that includes everyone from landless peasants to owners of powerful trading companies. Membership in LPF, PPP and SDP is not exclusive. The LPF and the PPP also have their political organizations, largely among the youth. All three of them enter into coalitions with independent political organizations; therefore, they are equivalent to political formations. These three political formations have different positions on conditions of Poland's membership in the EU, which I discuss in the next chapter.

#### **CHAPTER 2**

#### CONDITIONS OF POLAND'S MEMBERSHIP IN THE EU

Although majority of scholars and of the Polish population support country's membership in the EU, their opinions about conditions of Poland's membership in the EU differ considerably. In this chapter I discuss opinions of scholars and political parties about these conditions. The discussion of political parties' positions is based on 2001 electoral programs of the parties, unless specific source is provided.

### Poland's Benefits from EU Membership

The EU and Polish governments maintain that Poland's membership in the EU will benefit the whole country. In its National Strategy for Integration, the Polish government presented some benefits of Poland's membership in the EU as follows. "The basic goal of [European integration in Poland] is to accelerate the country's economic growth and to secure higher standards of living" (point 2.8). In point 2.10 the government writes: "Poland does not have significant sources of its own capital for fast and sustainable economic growth but it would be able to tap EU investment resources [...]. The factors that Poland needs for fast growth can be easily found in EU countries. On the other hand, Poland has large human capital - which it is not able to utilize or reward - as well as a fast growing market for domestic and imported goods. Economic integration of Poland with the EU [...] creates a chance for gains for both sides" (National Strategy for

Integration, Center for European Information, 1999). Franz Fischler, EU Commissioner for Agriculture, Rural Development and Fisheries commented "The deal is fair, far-sighted and tailor-made for the needs of the farm sectors of the ten new member states. EU membership will make the farm sector of each new member state better off. Producers and processors will have access to a huge, enlarged internal market of 500 million consumers. Under the CAP, farmers will receive more stable prices. This will lead to a greater stability of farm incomes. Furthermore farmers and the rural sector will benefit from increased rural development support which will help them to restructure and modernise" (European Commission's internet page, press release, 12.12-13.2002).

Many scholars view European integration in East Central Europe, particularly, simultaneity of marketization and democratization, as possibly beneficial for these countries' development. It is commonplace in western discourse to present democracy and capitalism as virtually identical (Rueschemeyer, Stephens and Stephens, 1992: 1). This assertion is present in writings and speeches of top economic policy makers in East Central Europe and their Western advisers (Balcerowicz, 1993; Sachs and Lipton, 1990). They maintain that political freedom and democracy are the outgrowth of economic freedom. According to this thesis, the existence of democracy in East Central European countries depends to a large extent on economic performance. Increasing material welfare and declining inequalities are perceived as important factors of democratic stability. Economic growth generates higher living standards for everybody, even though social inequalities may persist. Therefore; "the economic model most conducive to economic growth also creates the best economic conditions (i.e. relatively modest inequalities) for democracy" (Balcerowicz, 1995: 134-5). Because free market capitalism is seen as

having the best growth performance, economic liberalism is presented as the best strategy for political freedom and democracy. In order for the economy to bring desired changes in politics, the economic reforms must be comprehensive, radical, and fast. This is so because the lack of a government's commitment impairs democracy and such weakening leads to authoritarianism: if "the reform programs of the new democratic governments fail, the meager living conditions in Eastern Europe will fall further, which could in turn provoke serious social conflict and even a breakdown of the new democratic institutions" (Sachs and Lipton, 1990: 47-48).

Offe (1996) maintains that political freedoms and democracy could provide for the articulation of interests of all social groups in the state policies of marketization. Habermas (2001), writing about the political processes in the European Union and their possible impact on processes of the world economy, maintains that the EU model of democracy provides opportunities for articulating the interests of all humanity.

Basic personal freedoms and the manifested plurality of opinions as well as the existence of institutions intrinsic to democracy - universal suffrage, rival political parties, regular free elections and an independent judiciary - facilitate the political interactions between various social groups which in turn may result in social policies (Mokrzycki, 2000: 66). These are understood here broadly as the network of institutional solutions whose purpose is to improve the situation of the segments of the population which are disadvantaged by market mechanisms.

## Poland's risks in joining the EU

Not all scholars think that Poland's membership in the EU is likely be beneficial for the country. Andre Gunter Frank writes that a particular type of modernization is being imposed in Poland -- by businesses from below, by Western governments and multinational institutions from above. This form of Westernization has been exported to other regions of the world with grave consequences. It is doubtful whether this form of Westernization can ever place Poland within the developed West. But the Westernization through which the Poles "aspire to join the West now threatens instead to place the country economically in the Third World, that is where it was before. ... Poland has already been Latin Americanized", maintains Frank (1994: 152). Dorothee Bohle issues a similar warning. She says that the neo-liberal approach holds that comprehensive, radical, and fast economic reforms would bring economic and political restructuralization leading to the convergence of East Central European societies with these in the West. Yet neoliberalism remains silent about "the possibility that the newcomers' dash towards internationalization might not automatically eliminate ... the performance gap and the hierarchy between developed capitalist and backward post-communist economies" (Bohle, 2000:235)

Other scholars argue that rapid economic transformation represents a threat to democracy (Elster, 1993). For David Ost "the danger to political liberalism comes from the reliance on economic liberalism" (Ost, 1995:178). These scholars also assume that economic performance has a major impact on democracy. However, they maintain that radical transition to a free market economy implies large losses for the majority of people in East Central Europe. These people may become susceptible to demagogues who blame

liberal democracy for this development and promise people prosperity. Therefore a protest against economic hardship and the loss of the social guarantees of the past may help populist authoritarian leaders to come to power (Ost, 1992).

Some scholars argue that the process of European integration may be impaired by the "cultural, political and economic 'inheritance' of forty years of Leninist rule" (Jowitt, 1992: 209). These scholars point to various elements of the past as having an impact on the transition process. The legacy of one-party rule that prohibited opposition may undermine new democratic institutions and perpetuate centralized power structures of the past in the absence of an established successor elite. If, on the other hand, the old elites continue to monopolize economic and political power, political participation may be weak and economic competition thwarted (Crawford and Lijphart, 1997; Jowitt, 1992).

# Conditions of Poland's Membership in the European Union

EU accession is predicated on the country's meeting EU membership requirements. The Accession Partnerships – the key feature of the reinforced preaccession strategy – contain precise commitments on the part of the candidate countries relating in particular to democracy, macroeconomic stabilization, industrial restructuring, nuclear safety and the adoption of the 'acquis', focusing on the priority areas identified in each of the Commission's opinions on the applications of the candidate countries for EU membership (European Commission, 2000).

The Copenhagen European Council stated that "membership requires that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights, and the respect for and protection of minorities". Article 6 of the

Amsterdam Treaty states that "The Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law".

"The Contracting Parties recognize that the major precondition for Poland's economic integration into the Community is the approximation of that country's existing and future legislation to that of the Community. Poland shall use its best endeavors to ensure that future legislation is compatible with Community legislation" (Europe Agreement, Article 68).

"The approximation of laws shall extend to the following areas in particular: customs law, company law, banking law, company accounts and taxes, intellectual property, protection of workers at the workplace, financial services, rules on competition, protection of health and life of humans, animals and plants, consumer protection, indirect taxation, technical rules and standards, transport and the environment" (Europe Agreement, Article 69).

All major political parties support the EU political principles. However, the anti-integration parties maintain that not all these principles have been put into practice. Both major formations declare willingness to implement the EU legislation, but the anti-integration parties advocate primacy of Polish legislation over that of the EU. All political parties have advocated certain Polish modifications and exemptions, at least temporarily, from EU laws and policies. However, the extent of modifications advocated by the anti-integration parties goes beyond the levels currently possible within the EU.

The EU requires that the candidate countries meet the sub-criterion of the Copenhagen economic criteria, "the capacity to withstand competitive pressure and

market forces within the Union" (European Commission, 2000). The European Union specifies how candidates should meet that requirement.

"Capacity to withstand competitive pressure and market forces within the Union depends on the existence of a market economy and a stable macroeconomic framework, allowing economic agents to make decisions in a climate of predictability. It also requires a sufficient amount of human and physical capital, including infrastructure. State enterprises need to be restructured and all enterprises need to invest to improve their efficiency" (European Commission, 2000).

The existence of a functioning market economy requires "that prices, as well as trade, are liberalized and that an enforceable legal system, including property rights, is in place. Macroeconomic stability and consensus about economic policy enhance the performance of a market economy. A well-developed financial sector and the absence of any significant barriers to market entry and exit improve the efficiency of the economy" (European Commission, 2000).

A functioning market economy requires price and trade liberalization, which means allowing market mechanisms, supply and demand, to regulate prices. The enforceable legal system pertains here to turning the state ownership system into a system where property rights are clearly defined and economic actors conduct their activities according to the rules existing in the EU. Macro-economic stability pertains, among other things, to the levels of inflation closely connected with the monetary policies of the state. A country is considered to be macro-economically stable when it has low and slowly fluctuating levels of inflation. A well-developed financial sector means the implementation of Western European rules and institutions pertaining to financial

operations. This includes the legal and institutional framework for making the national banking and insurance system compatible with that in the EU. The absence of significant barriers to market entry and exit pertains to import/export activities in terms of goods, services and capital: "The Europe Agreements aim to establish free trade in industrial products over a gradual, transition period" (European Commission, 2000). The Europe Agreements also contain provisions regarding the free movement of services, payments and capital in respect to trade and investments, and the free movement of workers. When establishing and operating in the territory of the other party, enterprises must receive treatment not less favorable than national enterprises. Depending on the significance of these barriers, international investors - foreign direct investments and private investors can conduct economic activities within the country. Article 32 of the Europe Agreement states, "The Member States and Poland shall progressively adjust any State monopolies of a commercial character so as to ensure that, by the end of the fifth year following the entry into force of this Agreement, no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the Member States and of Poland".

The reforms conducted in Poland during the last decade were advised and facilitated with loans by the International Financial Institutions (IFIs): the International Monetary Fund, and the World Bank for the most part. The European Council strongly recommends that Poland maintains good relations with this institution.

Economic policy recommendations of the IMF pertain broadly to state fiscal policies predicated on "increase in public savings", that is, on reduction of state the budget deficits.

The centerpiece of the fiscal framework should be a clear and firm commitment to a path for expenditures consistent with the targeted increase in public savings. This should be based on credible structural measures. Discussions with officials indicate, and comparisons with other leading EU accessants confirm, that there is significant scope for savings in social transfers. Savings on the public wage bill and subsidies to enterprises may also be possible (IMF, 2001).

An effective way to meet the fiscal requirements for a strong recovery is to adopt a clear expenditure rule—that is, to anchor public finances on a firm and specific expenditure path. The intention to limit State spending growth to projected CPI inflation plus 1 percent through 2006 is a step in this direction. Such a rule, if strictly applied, is well-suited to Poland's circumstances. It focuses policy on expenditure, which has been the main source of deficit bias. And by holding spending growth below nominal GDP growth in all but the very weakest environments, it provides for a gradual reduction in the size of the government and in the cyclically adjusted deficit. It also gives fiscal policy a much-welcome medium-term orientation—moving away from the pre-occupation with year-to-year fiscal deficits and allowing automatic stabilizers to work through the cycle (IMF, 2002).

The IMF recommends that the state not focus on raising the levels of taxation. "The fact that the tax burden in Poland is high relative to other leading EU accessants and EU members such as Greece, Portugal, Spain and Ireland should rule out tax increases" (IMF, 1998). Instead, the state should limit the scope of social transfers as well as spending for subsidies to businesses and for wages in state owned enterprises. The goal of these policies is to reduce the size of the government and cyclically adjust state budget.

Privatization of state enterprises is recommended for reduction of state expenditures.

Poland can ill-afford the inefficient use of financial and human resources that many remaining state-owned enterprises entail. The shift in privatization strategy and, in some cases, abandonment of privatization plans is of concern. In many sectors the focus should be on minimizing restructuring costs and preparing for early privatization. This is all the more urgent with an approaching recovery which should not only improve market conditions for privatization, but also open opportunities for absorbing retrenched labor and employing freed financial resources. ... More generally, the direct subsidies and tax forbearance that have been

necessary to sustain many state-owned enterprises could provide the backbone to financing the needed improvements in transportation infrastructure (IMF, 2002).

The autonomy of the National Bank of Poland (NBP) and of the Council for Monetary Policy (CMP) from the government is very strongly recommended. "The NBP, one of the fundamental institutions born of the transition, is a bulwark of Poland's market economy. … Placing the integrity of the NBP and CMP, particularly with regard to setting interest rates, beyond question is critical to market confidence" (IMF, 2002).

All political parties support market mechanisms. Keeping inflation levels low is a major aim of both major formations. Post-communists advocate a certain degree of state control over the economy. Anti-integration parties advocate state monopolies in some sectors of economy.

The post-Solidarity formation stands on the position of individual responsibility for economic standards. This implies reduction of social transfers. The post-communist formation views social transfers to the most disadvantaged as a responsibility of the state. Anti-integration groups advocate expansion of social transfers and socially sensitive economic policies attuned to ongoing economic problems. This implies dismantling the automatic stabilizers of state spending.

Both major formations advocate decreased levels of taxation. The Self-Defense Party advocates increased levels of taxation in the upper brackets and decreased levels in the lower.

Privatization is advocated by both major formations. However, while the post-Solidarity formation calls for speedy privatization and welcomes foreign direct investment, the post-communists advise larger inclusion of Polish investors in privatization and advocate all forms of property, including state and cooperative ownership. Anti-integration parties call for a halt to privatization and the establishment of new rules that would include more Polish citizens in the process.

The post-Solidarity formation defends the independence of the NBP and CMP from the government. The post-communist formation advocates some degree of government influence on these institutions. The anti-integration parties advocate direct accountability of the NBP and CMP to the government and parliament.

The post-Solidarity formation advocates implementation of the three freedoms. Post-communists advocate a certain degree of state control over the flow of goods, services and capital to and from the country. Anti-integration parties advocate a large degree of state control over these freedoms.

Thus, while market democracy has become "the only game in town", the political parties differ about the extent of its regulation. The post-Solidarity formation aims at speedy privatization, independence of state monetary policies from the political process, minimal social policies and liberal international trade. The post-communist formation aims at a less speedy privatization, that is, more oriented toward Polish investors, government influence on state fiscal policies, more generous social policies and more regulated international trade. The Self-Defense Party and the League of Polish Families reject the current modes of privatization, aim at bringing state monetary policies under government control, generous social policies and restring free flow of goods, services and capital. Thus, state monetary policies, the free flow of goods, services and capital, as well as privatization, are the major points of disagreement among the political parties.

Based on an analysis of the parties' positions in the political structure and the economic positions of their leaders and sponsors as well as the political programs and actions of the parties, their interests are summarized in Figure 1.

Figure 1: Interests of Major Political Formations

	League of Polish Families, Self Defense Party	Democratic Left Alliance, Polish Peasant Party	Post-Solidarnosc formation
Political position	Parliamentary and extra-parliamentary opposition	DLA forms governments  PPP participates in post-communist governments	- Forms governments - Controls state fiscal policies
Stance on Catholicism	Strong Catholicism but conflict with Catholic hierarchy in Poland	Separation of state and Church while meeting the Church's demands	Strong Catholicism and good relations with the Church
Stance on national sovereignty	State sovereignty	Sovereignty shared within the EU	Sovereignty subsumed under globalization
Stance on fiscal policies	Government regulated	Government influenced	Independent of political process
Stance on privatization	Strongly limited, predominantly with participation of Polish investors	Limited, with participation of Polish and foreign investors	Speedy, predominantly with participation of foreign investors
Stance on international flow of goods, services and capital	State restrictions	Some state restrictions	Free
Stance on social transfers	Largely expanded	Larger than currently	Limited

Sources: Newspaper reports about political nominations for the role of the parties, and the political platforms of the parties for the 2001 elections.

#### **CHAPTER 3**

## OPPOSITION TO EU MEMBERSHIP AND THE PEASANTRY

Although majority of the Polish population and major political formations support incorporation into the European Union, there is a considerable opposition to EU membership on the part of some segments of the population and smaller political formations. In this chapter I discuss the opposition, the arguments of the opponents and the peasantry which is the major force of opposition.

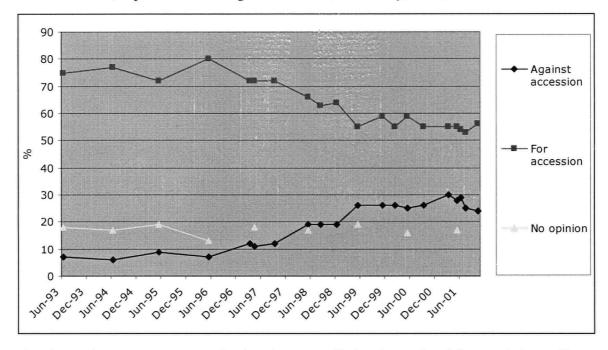
#### **Opposition to EU Membership in Poland**

The population's opinions about costs and benefits are divided as well. In Poland, opposition to integration with the European Union has been a subject of scholarly investigation since 1993, the first year when questions about respondents' attitudes toward integration were included in opinion poll questionnaires. The opinion polls asked questions about respondents' reasons for opposition to and support for integration.

Opposition to integration has two general aspects: (1) opposition to integration in general and (2) opposition to particular issues involved in the process of integration. The two aspects are interconnected. Scholars have measured opposition in general by asking respondents how they would vote in a national referendum about Poland's membership in the EU. The results of the opinion polls are presented in Figure 2.

Figure 2: POPULAR SUPPORT FOR EUROPEAN INTEGRATION

(responses according to the date of the survey; in %)



The above chart was constructed using data compiled and translated from opinion polls conducted by the Center for Public Opinion Research(CBOS) presented in, CBOS, 2002)

"Against accession" combines categories: "would decisively vote 'no" and "would rather vote 'no"

The overall levels of opposition to integration have grown since 1993. The highest support for integration was noted in 1996 when 80% of the respondents said that they would vote for integration in a national referendum. Since then, support for European integration has weakened. This is demonstrated by the diminishing number of supporters of integration as well as by the growing number of its opponents. In October 2001, 56% of respondents expressed an intention to vote for integration in a national referendum, while almost one respondent in four (24%) intended to vote against integration.

<sup>&</sup>quot;For accession" combines categories: "would decisively vote 'yes" and "would rather vote 'yes",

Regarding opposition to particular issues, respondents who declare that they would vote for Poland's membership in the EU do not necessarily support all aspects of the integration process. The clearest picture of attitudes toward integration CBOS achieved by asking respondents whether they would like Poland to join the EU as soon as possible, to slow down the process of integration, or to stop the process of integration altogether. Social support for joining the EU as soon as possible has fallen considerably over the years: from 41% in 1993 to 26% in 2001. Meanwhile, the number of respondents who perceive EU integration as desirable but think that Poland should complete structural changes before it becomes a member of the EU has grown from 32% in 1993 to 57% in 2001 (CBOS materials). Thus, we can say that skepticism about the desirability of integration is widespread, while opposition to integration in general has not been as great (Skotnicka-Illasiewicz, 1998:36).

Critics' arguments against integration are embedded in three major issues: (1) national sovereignty, (2) value and belief systems and, (3) economic interests. The arguments of almost all critics of the policy of integration fall within these three categories and different groups of integration opponents emphasize different arguments (Wiatr, 1999: 7).

(1) Critics of the policy of European integration maintain that by joining the European Union, Poland will lose its sovereignty. This argument is based on the observation that all members of the EU give up some aspects of their national sovereignty within the Union. While sovereignty here is understood very broadly, it can be argued that it pertains less to strictly political issues and more to the issues of belief and value systems and most of all to economic interests.

(2) Societies in the European Union are open societies, rejecting ethnic and religious fundamentalism in favor of ethnic and religious tolerance of all and for all. Some integration critics maintain that moral tolerance (sexuality outside marriage, homosexuality, rights to abortion) and constitutional separation of the state from the Church contradict fundamental and inalienable Catholic values. The issue of values and belief systems is entangled with the issue of sovereignty.

These critics of integration maintain that the curtailment of sovereignty resulting from integration will lead Poland toward religious and ethical decay, such as the loss of patriotism and Catholic values. They fear that Polish citizens may lose influence over their own government, which will be more attentive to the demands of the European Union than to the demands of its own citizens. They argue that government members have already become susceptible to western values to the point of dismissing the values held dear by the Polish population.

(3) Critics hold that EU integration will further jeopardize the socio-economic interests of those social strata which have already been losers in the process of economic and political transformation since 1989: farmers, the less educated and skilled, the elderly, and small- and middle-sized domestic enterprises. The issue of economic interests is entangled with the issue of sovereignty.

These critics maintain that the decline of sovereignty resulting from integration will lead Poland toward further underdevelopment. They argue that, given Poland's inferior socio-economic and political position vis-à-vis the European Union, Polish society has been pressured to modernize in a way desired by the EU and to its advantage (Wiatr, 1999: 7-9; Skotnicka-Illasiewicz, 1998; CBOS materials).

Economic issues provide the major reasons for opposition to integration. Answering open-ended questions about their reasons for opposition, respondents listed: threats to Polish agriculture (CBOS, 1998; Wiatr, 1999: 11; Skotnicka-Illasiewicz, 1998: 44; Gerszewska and Kucharczyk, 1998: 10; Kozek and Lompart, 1997), increase in levels of unemployment, and the negative influence on Polish industry and the whole economy. Very few respondents intending to vote against integration – 13% (CBOS, 1998) – raised issues other than economic (a threat to national sovereignty, a threat to Catholic values and beliefs). The remaining respondents listed economic and social issues as their reasons for opposition (CBOS, 1998; Wiatr, 1999: 11; Skotnicka-Illasiewicz, 1998: 44).

Scholars have pin-pointed a variety of reasons for the growing opposition to EU integration based on the results of various opinion polls and interviews. Beata Roguska maintains that weakening support for integration is connected with growing pessimism about the future position of Poland in Europe and skepticism about the possibilities of shortening the civilizational and economic distance between Poland and the current members of the EU. Optimism about the future position of Poland in Europe was growing until 1996. This tendency was reversed in 1998 and since then the levels of this optimism have declined (Roguska, 2000: 214; CBOS materials).

The negative opinion about relations between Poland and the EU after 1989 is a major reason for opposition to integration. The perception that mutual relations have been beneficial only for the EU side and the sense that Poland is taken advantage of by the West contribute to skepticism about integration. Conversely, satisfaction with mutual relations contributes to support for integration (Roguska, 2000: 219; CBOS materials).

Respondents' assessment of the current relations between Poland and the EU has been a subject of research since 1993. A compilation of results is presented in Figure 3.

Figure 3: Assessment of current relations between Poland and the EU

		The date of opinion poll										
How do you assess the current relations between Poland and the EU? Who is benefiting more from these relations?	08 '93	03 '94	05 '95	05 '96	08 '97	08 '98	05 '99	11 '99	05 '00	09	03	02 '02
	%											
Current EU members	41	38	31	19	28	39	39	47	44	50	54	59
Poland	5	8	11	11	11	7	8	8	8	6	6	5
Equally Poland and the EU	27	26	33	46	35	30	30	27	29	26	25	19
No opinion	27	27	26	24	27	24	23	17	19	18	15	17

The above table was constructed using data compiled and translated from opinion polls conducted by the Center for Public Opinion Research (CBOS) presented in, (CBOS, periodic materials).

According to the 2002 opinion pool, 59% of respondents thought that the process of Poland's preparations for EU membership was more beneficial to current EU members than to Poland. Those most skeptical about benefits of integration are the agricultural producers: 79% of them expressed this opinion. Fears about the future of individual farms was the main problem of integration perceived by the respondents. Among the general population, 53% of the respondents thought that Poland's agriculture would be adversely affected by European integration while only 26% of the respondents thought that agriculture would benefit from Poland's membership in the EU. Eighty-two percent of

agricultural producers expressed doubts about agriculture's ability to benefit from integration (CBOS, 2002).

Some principles of Poland's integration with the EU also contribute to opposition to integration. Although the principle of harmonization of Polish law with that in the EU has had the highest and the least fluctuating support, laws pertaining to particular issues have had various levels of support. Freedom to work in any member country of the EU for all EU citizens has had the highest support (Gerszewska and Kucharczyk, 1998; Roguska, 2000: 229-230; CBOS materials). However, support for other principles of integration such as the free flow of goods, services, and capital, and especially doing away with limitations pertaining to international trade in land and real estate, has been decidedly lower. The level of approval for the full and mutual opening of borders for trade with EU countries had significantly diminished by 1999 (Roguska, 2000: 229-230; CBOS materials). Thus the free flow of goods, services and capital to and from the country is a major reason for opposition to integration.

Beata Roguska maintains that the evolution of attitudes toward integration is a result of two factors: (1) the logic of moving toward EU membership and (2) the socioeconomic and political situation in Poland. In respect to the first factor, it was predictable that the unrealistic expectations for quick improvements — which demonstrated themselves in very high levels of integration support — would give way to more realistic and different perceptions of the costs and benefits of EU integration for various social groups. This resulted in lower overall support for integration. In respect to the second factor, the levels of support for integration seem to coincide with the levels of

dissatisfaction with the socio-political and, in particular, the economic situation in the country (Roguska, 2000: 230).

## **Political Parties and Opposition to Integration**

The conflict over membership in the EU is one of factors dividing the political arena. Just before the parliamentary elections in September 2001, CBOS conducted an opinion poll in which respondents were asked about their voting preferences and attitudes toward European integration. The results are presented in Figure 4:

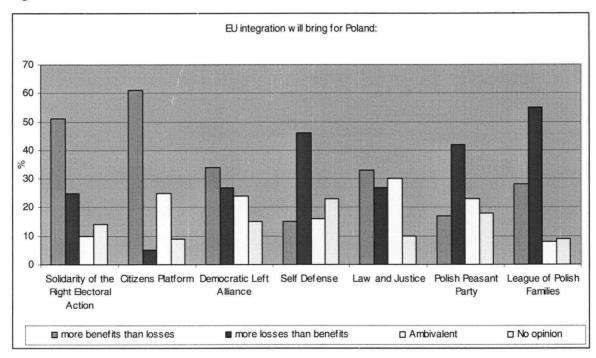


Figure 4: VOTING PREFERENCES OF EU SKEPTICS/ENTHUSIASTS

Source: CBOS, Announcement: Opinions of Political Electorates, 2001

We can see from Figure 4 that the highest percentage of those who thought that integration would bring more losses than benefits for Poland were the respondents who declared that they would vote for the ultra-Catholic League of Polish Families (55%),

which opposes integration on the grounds of protection of Poland's political and economic sovereignty. The Self-Defense Party, the most vocal opponent of integration on economic grounds had the second largest support from Euro-skeptics (46%). The Polish Peasant Party, torn between opposition and support for integration received the third largest support from critics of integration (42%). The lowest percentage of those who thought that integration would bring more losses than benefits for Poland were the respondents who declared that they would vote for the Citizens' Platform (5%). Somewhat in between were those who intended to vote for Democratic Left Alliance (27%), Solidarity of the Right Electoral Action (25%) and Law and Justice (27%). All of these parties support integration.

The respondents were asked to mark their answers on a scale from 1 to 7, where 1 represented a strong belief that Poland would benefit more than it would lose on EU integration and 7 represented a strong belief that Poland would lose more than benefit from integration; 4 was designated as an ambivalent option. The mean results for the major political parties are presented in Figure 5.

The Self-Defense party is an interesting phenomenon. By comparing Figures 4 and 5 we find that it has the lowest percentage of Euro-enthusiasts (15%) and the second highest percentage of Euro-skeptics (46% after the 55% of the League of Polish Families). However it occupies the fourth position when the attitudes toward integration are indexed.

In the election that was held a few days after the poll was taken, political parties received the levels of support nationwide presented in Figure 6:

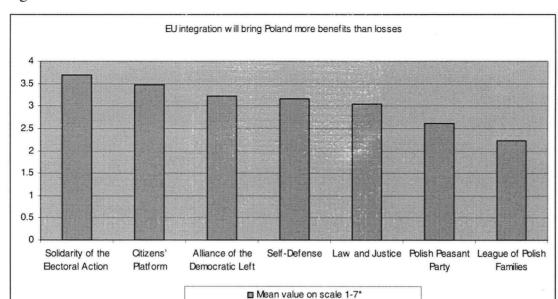


Figure 5: EURO ENTHUSIASTS / SKEPTICS' PARTY PREFERENCES

\*1= EU integration will bring more losses than benefits to Poland, 7= EU integration will bring more benefits than losses to Poland; 4 = integration will bring as many losses as benefits for Poland (ambivalent response)

Source: CBOS, Announcement: Opinions of Political Electorates, 2001

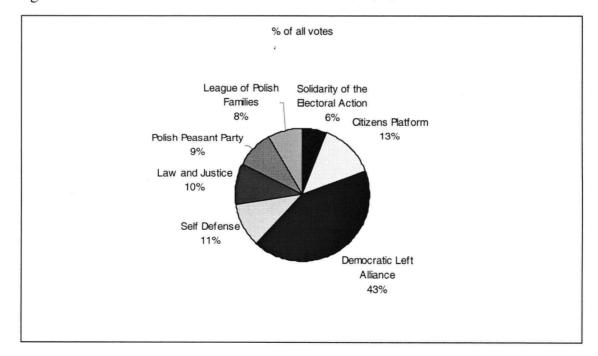


Figure 6: RESULTS OF 2001 PARLIAMENTARY ELECTIONS

Source: State Electoral Commission, 2001

Clearly the parties favoring integration received support from the overwhelming majority of voters (72%). We can view these results in terms of the major political formations and their supporters' preferences for integration (Figure 7).

Figure 7: THE ELECTORATE OPINIONS ABOUT INTEGRATION

	Supporters of Integration, in% of electorate	Opponents of Integration, in% of electorate	
Post-Solidarity Formation	23.19	4.59	
Post-communist Formation	30.96	11.08	
Polish Peasant Party	5.21	3.77	
Anti-Integration Formation	8.23	9.84	

Source: CBOS, Announcement: Opinions of Political Electorates, 2001

We can say that supporters of integration vote predominantly for the two major formations. This is consistent with the parties' political platforms. However, opponents of integration also voted for the parties that support integration.

The results of the elections varied in urban and rural districts (Figure 8). These results can also be viewed in terms of major political formations (Figure 9).

The pro-integration formation was overwhelmingly supported by city dwellers: over two-third of them voted for the pro-integration formations as against less than 15 percent supporting the anti-integration formation. Moreover, a majority of rural dwellers also voted for the pro-integration formation, though here the anti-integration formation was supported by over 25 percent of voters.

Figure 8: RESULTS OF 2001 PARLIAMENTARY ELECTIONS:
RURAL AND URBAN VOTERS

Party	Urban districts, in %	Rural districts, in %
Solidarity of the Electoral Action	5.6	5.59
Citizens Platform	14.66	8.29
Democratic Left Alliance	44.94	32.50
Self Defense	7.07	17.18
Law and Justice	11.16	5.78
Polish Peasant Party	4.45	19.85
League of Polish Families	7.48	8.69

Source: State Electoral Commission, 2001

Figure 9: RESULTS OF 2001 PARLIAMENTARY ELECTIONS: POLITICAL FORMATIONS

	Urban Voters, in % of electorate	Rural Voters, in % of electorate
Post-Solidarity Formation	31.42	19.66
Post-communist Formation	44.94	32.50
Pro-integration Formation	76.56	52.16
Polish Peasant Party	4.45	19.85
Anti-Integration Formation	14.55	25.87

Source: State Electoral Commission, 2001

The pro-integration formation was overwhelmingly supported by city dwellers: over two-third of them voted for the pro-integration formations as against less than 15 percent supporting the anti-integration formation. Moreover, a majority of rural dwellers also voted for the pro-integration formation, though here the anti-integration formation was supported by over 25 percent of voters.

Though findings of the CBOS and the State Electoral Committee are illuminating, they have one basic shortcoming: they view rural dwellers as a more or less uniform group. Another shortcoming of these studies is lack of attention to the impact of the legacy of the past on the respondents. This study, on the other hand, is based on the assumption that stratification of the peasant class is an important factor in peasant attitudes and actions toward incorporation into the EU. This study is also based on the assumption that "the past matters". Particularly important in terms of opposition as well as voting preferences seem to be the legacy of the trade union and social movement Solidarnosc and private land ownership. Solidarnosc, a broad social movement in the beginning of the 1980s, called for egalitarianism and practiced peaceful conflict resolution. Private land ownership was an exception in the Soviet bloc. Both can be viewed tentatively as positively influencing the direction of systemic transformation as Solidarnosc provided models for conflict resolution and private land ownership that may have prepared the peasantry for the marketization of the Polish economy.

# The Peasantry

The term "peasant" refers here roughly to the Polish name, "chlop", which came to mean a subsistence farmer utilizing the land with the labor help of the whole

household, rarely hiring outside labor and more or less often, selling part of the household production on the market (Wos, 1998: 19-24). In this work I broaden Wos' definition and view peasants as people who derive their livelihood from their own and members of their households' physical labor to cultivate land they own or rent, regardless of the size of the surplus value they produce. As the peasantry is defined, it is highly stratified with wealthy village elites at the top of the hierarchy and landless/un-free rural labor at the bottom. The conditions of life of the upper strata of peasants are better than those of many urban dwellers; however, that is not the case for the majority of peasants.

In the 19<sup>th</sup> century, Marx observed that

The peasant who produces with his own means of production will either gradually be transformed into a small capitalist who also exploits the labor of others, or he will suffer the loss of his means of production (in the first instance the latter may happen although he remains their nominal owner, as in the case of mortgages) and be transformed into a wage-laborer. This is the tendency in the form of society in which the capitalist mode of production predominates (Marx, 1977: 398).

In other words, peasants generally move to non-agricultural jobs and free their land for different agricultural producers (peasants who become farmers, agricultural companies) who expand their production or develop other forms of land utilization.

Since the 19<sup>th</sup> century, the European peasants have undergone the transformation envisioned by Marx. The size of the peasantry so defined can be estimated according to the size of employment in the agricultural sector. The more agricultural production relies on machines, the less it needs peasant labor but the more it needs peasant land. Eventually, virtually all peasants find employment or become farmers, and agriculture provides about 1-5 % of the population with employment. According to that criterion, the peasantry virtually disappeared from Western Europe. The agricultural population made

up between 2.2% of the population in Great Britain and 12.1% in Spain and 18.7% in Greece, relative newcomers to the EU in 1990 (GUS, 2000: 644). The peasant class is in a process of transformation in East Central Europe as well. The agricultural population in the new EU members from this region were 18.1% of Lithuania's population, 17% of Hungary, 10.4% of Slovakia and 9.6% of the Czech Republic. However, the agricultural population comprised 24.9% of the Polish population in 1990 (GUS, 2000: 644).

The structure of Polish agriculture in 1990 was as follows: 76% of the arable land was owned by peasants, 18.7% by the state and 4% by agricultural cooperatives. Among peasants, 93.9% of their households owned 79.7% of all peasant land in pieces between 1 and 15 hectares. Polish statisticians classify this group as the lowest peasant stratum (GUS, 2000: 337; Wos, 1998: 29). This classification is not particularly useful for studying the impact of stratification on peasants; therefore, have I divided the peasant class differently. According to scholars of agriculture, 34.2% of peasant households produce predominantly for their own consumption and 47.6% produce predominantly for sale (Wos, 1998: 46). Thus there are 18% of those who do both and they are located somewhere between producers for market and for their own consumption. The dramatic increase of agricultural income takes place in the group that cultivates between 7 and 10 hectares of land: landholding between 5 and 6 hectares had accumulation rate of 7.2%, while those between 7 and 10 hectares were able to accumulate 12.2%. The next increase in the rate of accumulation takes place in the group cultivating over 15 hectares (13.5%) (Wos, 1998: 32). The group of landholdings between 7 and 15 hectares makes up 24% of all peasant holdings. On the scale of production for sale, this group encompasses those who produce for sale and for themselves. Thus, although scholars of agriculture assign them to the small landholdings group, they are a middle stratum in my classification. Thus, peasant land ownership in 1990 was as presented in Figure 10.

Figure 10: STRUCTURE OF PEASANT LAND OWNERSHIP, 1990

Size of land ownership	# of households	% of all peasant households	% of all peasant land
1 -6.4	1,448,000	67.1	37.0
6.5 – 14.4	560,000	26.2	42.7
14.5 - +	130,000	6.1	20.3
All peasants	1,962,000	100.0	100.0

Based on GUS, 2000: 337

The classification in Figure 10 allows us to view the impact of European integration on three groups of peasants according to the size of their landholdings.

# **EU Membership and Agriculture**

The general conditions of EU membership are supplemented by detailed agreements reached between the EU and Poland during negotiations. The negotiations pertained to all areas of Poland's economy. Their purpose was to harmonize production in the EU in order to prevent large surpluses. As a result of negotiations, Poland agreed to limit its productive capacities in heavy industry and in agriculture in exchange for EU subsidies for dealing with problems resulting from reductions of production in the country. In terms of agriculture, the agreement between the EU and new member states is as follows:

In order to tackle structural problems in the rural areas of the new member states, the 2002 EU Summit in Copenhagen agreed to an enhanced rural development strategy

worth € 5.1 billion for the years 2004-06, broadened in scope in comparison to the funds available for the existing EU countries. From the first day upon accession, a wide range of rural development measures will be co-financed at a maximum rate of 80% by the EU. These measures include early retirement of farmers, support for less favored areas or areas with environmental restrictions, agri-environmental programs, forestation of agricultural land, specific measures for semi-subsistence farms, setting up of producer groups, technical assistance, and special aid to meet EU standards. A special measure to make semi-subsistence farms viable will be financed from the Structural Funds.

The EU agreed to include Polish peasants into the CAP system of direct subsidies gradually over a transition period of 10 years. The starting level of subsidies for Poland is set at a rate equivalent to 25% of the present EU subsidies to Western farmers in 2004, rising to 30% in 2005 and 35% in 2006. In a second step after 2006, direct payments would be increased by certain percentage points in such a way as to ensure that the new Member States in 2013 reach the CAP support level then applicable. This money can be topped up with rural development money or national funds. The new member states are offered the possibility of complementing direct aid paid to a peasant by 30%, financed by the candidate countries' rural development funds and national funds up to 55% in 2004, 60% in 2005 and 65% in 2006. From 2007 the new member states may continue to top-up EU direct payments by up to 30% above the applicable phasing-in level in the relevant year, but in this case the financing will be entirely from national funds.

The EU also agreed to establish production quotas for Poland based on recent reference periods for which data are available. In addition, specific problems, such as the

Russian crisis or the future switch from on-farm consumption to marketed milk have been taken into account.

The new members will receive a rural development package which is specifically adapted to their requirements. The amount available for the ten candidate countries is fixed at € 5.1 billion for 2004-2006. Direct aids for the new member states will be phased in over ten years. They will thus receive 25% of the full EU rate in 2004, rising to 30% in 2005 and 35% in 2006. This level can be topped up by 30% up to 55% in 2004, 60% in 2005 and 65% in 2006. Until 2006 the top-up payments can be co-financed up to 40% from their rural development funds. From 2007, the new member states may continue top-up EU direct payments by up to 30% above the applicable phasing-in level in the relevant year, but financed entirely by national funds. The farmers from the new member states will have full and immediate access to Common Agricultural Policy (CAP) market measures, such as export refunds, and cereal, skimmed milk powder or butter interventions, which will contribute to stabilizing their prices and incomes (European Commission's Internet page, Press Releases, 13/12/02). Based on the conditions of Poland's membership in the EU presented above we can say that the process of incorporating the peasantry into the CAP and Structural Funds of the EU amounts to a rapid (10 year long) implementation of agricultural reforms in Poland. These reforms are expected to result in the transformation of about 200,000 peasant households into larger, modern farms with the outflow of the remaining peasantry to non-agricultural occupations (Ciepielewska and Mucha-Leszko, 1999; European Commission's Internet page, Enlargement, Agriculture, January 2003). In sum, membership in the EU amounts to a structural reform in Polish agriculture.

## **Summary**

The legacy of the past affects processes of European integration in agriculture, Poland's conditions of EU membership, peasants' expectations about the impact of EU membership on them and their attitudes and actions toward EU membership. Processes of European integration in agriculture, and peasants' attitudes and actions influence one another. Conditions of EU membership affect peasants' expectations about the impact of EU membership. Conditions of EU membership and peasant expectations affect processes of European integration and peasant attitudes and actions. In turn processes of integration, peasants' expectations about their future in the EU, as well as their attitudes and actions, affect conditions of EU membership. Processes of European integration in agriculture, Poland's conditions of EU membership, peasants' expectations about the impact of EU membership on them, and their attitudes and actions toward EU membership will influence the situation in agriculture under conditions of EU membership and will result in peasants' support or opposition to EU membership. In the next three chapters I discuss attitudes of the three strata of the peasant class toward the structural reform in agriculture.

#### **CHAPTER 4**

#### THE PEASANT ELITE

In this chapter, I present data gathered from representatives of the peasant elite stratum and from experts (politicians, agricultural experts). I discuss attitudes and actions of members of the peasant elite stratum toward the prospect of EU membership and their rationales for these. I discuss the spectacular rise in the economic position of this stratum and its expectations about EU membership in order to answer the question as to why members of this stratum engage in opposition to EU membership and whether they are likely to continue their opposition after the accession. I will show here that this stratum does not envision itself as able to continue opposition at the current levels.

#### 1. The Stratum

The peasant elite consist of owners of more than 14.4 hectares of land. In terms of their production they most often hire labor and their production is mechanized and often very modern. However, they do not fully produce for the market and many do not specialize. By producing a diversity of products they reduce the risk that there would not be a demand for the whole of their production, but they lose benefit of scale. In 1996 there were 171 thousand of such households, 8.9% of all peasant households. Their number increased by 41 thousand since 1990. The amount of land they own increased

from 20.3% in 1990 to 35.5% of all peasant land in 1996 (Wos, 1998: 29). They enjoyed a large influx of new technologies and equipment and their conditions of life approach those of the western middle class (#27, #28, #32).

The group whose views on attitudes and actions of this stratum are presented below consisted of 8 peasants. They own between 68 and 208 hectares of land and they did not achieve full specialization. In political terms they were all leaders of peasant parties: two of them leaders of a peasant party affiliated with the post-Solidarnosc formation (Conservative Peasant Party), one active in pro-integration faction of the Polish Peasant Party, one who worked for the Self-Defense Party and four who led the anti-integration faction of the PPP. Four of them organized protest actions against policies of European integration and one was supportive of such actions, though he did not participate himself.

The opinions of the eight peasants of the elite stratum (interviewees marked: #4, #7, #9, #14, #17, #22, #25, #26), are supplemented with opinions of experts (interviewees marked #27 through #33 and #35) who are knowledgeable about this stratum.

### 2. Impact of European Integration on the Stratum

"European integration treated us kindly, thank God" (#17), in one way or another, most of my interviewees from this stratum expressed their opinion.

This group was joined during European integration by some people from the middle class whose path I describe in the next chapter. Also this group was joined by newcomers to the peasant occupation. I approached a few newcomers for an interview, but only one agreed to a meeting and his path was typical for the one presented above

with one exception. He started his activities with funds earned in the West while the others started the systemic transformation with funds gained from previous agricultural production. Based on interviews with the eight peasants and a few experts I stitched together the following story of this stratum.

Agriculture was one of a very few sectors of the economy that consistently exported to the West during the 1980s. Desperate for western currencies, the regime enabled some farms to export, providing them with preferential access to industrial goods. Some producers even retained some income from the exports in foreign currencies. Profits from the mechanization of production depend on the size of cultivation. As there were restrictions against land ownership above 50, and in some areas, 100, hectares, some peasants rented more land from the state. They grew and modernized.

The 1990 liberalization of the international flows of goods, services and capital allowed them to take foreign credits and enter into direct cooperation with their Western purchasers; some increased their exports. Some people whom they knew in the West came to do business in Poland and they cooperated. Predominantly with lines of credit in foreign currencies, the elite further modernized/equipped their enterprises. Then, cooperatives and state owned farms went bankrupt and their land, equipment and livestock became available for purchase at low prices. Now, the elite members produce predominantly for buyers operating as foreign direct investment (FDI) and/or directly for export. All my interviewees operate this way and reported that they did not know about larger peasant households not cooperating one way or another with foreign capital. They also imported western technologies and (some) input for production.

Although agricultural income is sufficient in this stratum and many peasants are entirely involved in agriculture, according to reports, all interviewees had additional sources of income: employment and interests on investment. This stratum was the major recipient of state agricultural subsidies. All of these led to the situation in which the stratum has considerable economic reserves. "If it were not for the EU, we would not make it" (#4) they agree. A few who initially took investment credits in Polish currency experienced temporary difficulties (#9, #14). Since what happened to them happened to a majority of the middle stratum peasants, I discuss the story of this group in the next chapter.

Although they are satisfied with the overall direction of European integration in Poland, they point out two glitches: the EU regulations of import prevent them from increasing exports to the EU (#9); the EU producers receive CAP subsidies that lower the profits of Polish producers who do not receive these subsidies (#9, #14, #25).

Members of this stratum organized and/or participate predominantly in the parties of post-Solidarnosc formation which hold a pro-EU membership stance. According to my interviewees a large part of the elite stratum is satisfied with the state and EU policies and they think their influence on these policies is adequate (#4, #17, #25). They consider state and EU policies appropriate for the economy but "too soft" (#4) because of populist pressures: "one government does a good job but the next brings the reforms to a halt because the rabble does not like privatization" (#17).

A small group of the elite organized and/or participated in the anti-European integration movement. Dissatisfied with policies of the state, this group complains about inadequate access to the political decision making process (#7, #9, #26). They maintain

that the EU policies lead to deterioration of the economic conditions of the majority of peasants, but they cannot modify these policies politically because of the inadequacies of Polish democracy, where "only the rich and powerful have something to say in politics" (#26).

However, it seems that both groups of the elite have a say in Polish politics. A part of the elite satisfied with EU policies complains about the middle stratum's opposition to the liberalization of flows of capital between Poland and the EU, and particularly, to the privatization of Polish enterprises with the participation of the FDI. "This opposition messes up my business" (#17). This part of the elite fears populist governments because such governments would "turn their back on the IMF and the EU," which would mean "economic disaster for Poland" (#25). The Polish regime, in general terms, met the political demands of this part of the peasant elite. One of my interviewees explained it as follows: Under democratic conditions, the trick is to take away from these governments as much economic power as possible so the "rabble" can compete for governmental salaries, but the governments cannot harm the economy because it is beyond their reach. Privatization is a problem. As long as there are state enterprises, the governments can use them for manipulating the economy and the governments decide whether to sell the enterprises or not (#4).

If we measure the political effectiveness of this elite group according to these two criteria (economic decision making strength of the populists and the rate of privatization) this group was effective to some extent. Moving the Central Bank and the CMP institutions beyond the influence of democratically elected governments guards the economic stability regardless of who controls the government (#32), says a retired

economics professor, connected to a social democratic socio-economic journal. On the other hand, the rates of privatization were uneven (GUS, 2000: 367), with some governments bringing it to a halt due to popular protests (#27, #30). Thus, some macro-economic institutions are beyond the government's reach but the state still owns substantial economic assets, meeting only a part of the elite's political goals.

If the members of the other part of the peasant elite had a stronger influence on state policies they would restrict agricultural imports to Poland and the flows of capital between Poland and the EU, as well as provide more generous social policies to agriculture (#9, #14, #17, #22). These goals were also partially met by the governments. Poland continued to protect its agricultural market through import quotas and restrictions (#29, #30, #32). Although initially speedy, privatization in the food processing sector was brought to a crawl (#33; GUS, 2000: 367). Peasant parties enacted the law forbidding foreigners from purchasing Polish arable land (#22). The state largely finances the agricultural insurance system which provides disability and old age pensions (#28, #30). The state provides subsidies to factors of agricultural production (fuel, credit subsidies) and buys surplus goods. The agricultural income is free of taxation if it is below a certain amount (#28, #32). "We forced the EU, the state, and our own capitalists to take our interests into account" (#7).

### 3. Expected Impact of EU Membership on the Peasant Elite

The peasant elite expect that EU membership will lead to modernization of the country and of the ways business is done on all levels of administration and economy. "There will be more order in the bureaucracy because of the Union's regulations" (#25).

"Transparency in government and business will improve" (#4). The elite view the EU protection of democracy and political freedoms as a way of protecting themselves from domestic opposition. "They don't dare to imprison Lepper because of the Union" (#26). The leader of the Self-Defense Party has run into numerous problems with the law enforcement for his role in the political actions of peasants, yet he has avoided prison sentences for his actions. Peasants as well as some other political actors believe that this is due to the necessity to obey the EU rules of democracy and due legal process, which prevent the state from imprisoning Andrzej Lepper on bogus pretexts. "In the Union populists won't threaten our democracy" (#4).

Economically, the elite expect that profits from expanded cooperation with the FDI and exports as well as CAP subsidies will provide good conditions for their modernization and growth. "Once we enter the EU I'll be able to buy more land" (#7). "My associate from [the EU] will join me once he can officially own land" (#17). "When I get even a fraction of what they give theirs [subsidies], I'm a farmer" (#22). According to the Accession Treaty, the elite peasant stratum will join the farmer class as the CAP is designed to bring these enterprises to par with western farms within 10 years from accession. Thus the EU modernization of Polish agriculture will presumably result in upward social mobility of the peasant elite class.

The elite group supportive of state policies expects to increase its political influence. "It's very far for Lepper's supporters to go to Brussels to mess up EU policies. We, on the other hand, will be in [the agricultural lobby] and there are more people than in Poland to stop crazy Lepper" (#4). The group working for the anti-European integration movement expects to lose some of its electorate: "People will get poorer and

less educated; they won't be voting" (#22). Some of these leaders do not expect to stay politically active: "Once we get the subsidies, I'm out of politics" (#7); "After the referendum I'll return to my farm" (#14).

### 4. Attitudes toward EU Membership

The whole elite supports the limited sovereignty of the Polish state, but for various reasons. Both groups view the priority of EU laws and regulations over Polish as beneficial, but they have different ideas about improving these laws. The whole elite supports democratic principles but they would like to change the practice. Some would like to limit poorer peasants' involvement in politics: "I'm for ending state financing of political parties. This would limit the couch [small] parties and get rid of the populists" (#4). The others maintain that "ruling is done by thieves and traitors" and those who "suffer from it, the peasantry, should clean it up". Therefore, state and EU support for broad political participation should be provided (#7).

While some members of the elite do not see a need to tamper with the free flows of goods, services and capital (#17, #25), others would introduce some limitations on the flows of goods, services and capital (#7, #9, #17, #22). They all support the CAP. However, while some are content with the way it operates in the EU (#4, #25), others would like to modify the CAP for Poland so it would better fit the local circumstances of small landowners (#7, #14, #22, #26). Asked whether they would sign for EU membership if today were the last day to do so, they all answered yes.

The whole elite stratum supports membership in the EU yet a part of this group organized and worked for the anti-European integration movement. Scholars studying

attitudes toward incorporation into the European Union found that more prosperous respondents vote for pro-European integration parties (CBOS, 2001). Yet a part of the prosperous peasant elite works for the parties found to have an anti-European integration stance and organize anti-integration extra-parliamentary actions while other members of this stratum actively oppose these parties and their actions. Why are peasants in this stratum divided politically? Why do some of them support the anti-integration movement while prosperous respondents to CBOS polls are generally voters for the parties of the major political formations? Why do beneficiaries of EU membership participate in opposition?

# 5. The National Referendum: the Bargaining Chip

The parties of the major political formations articulate the economic interests of the peasant elite: "the Conservative Peasant Party pushes for reforms that are good for agriculture" (#25); "We need export to the EU like rain and the party sends this rain" (#4). Though a large part of the elite supports pro-integration parties, some members of this stratum organize and work for the anti-integration parties and factions. These most often call for import and FDI restrictions that, in the long run, may be harmful for these members of the elite. Then, why do these people engage in opposition that seemingly goes against their economic interests? The peasants maintain that they oppose EU membership for four major reasons: tactical, moral, economic, and because the democratic conditions provide them with opportunities to act upon these rationales.

In terms of tactics, the peasants believe that a strong opposition to EU membership may force the EU to agree to better conditions of membership for Poland:

"There is no EU enlargement without Poland: If we oppose membership they will have to give us at least what they have given the others" (#26). They do not believe that the major political formations articulate the interests of poorer peasants in negotiations with the EU: "they took care of their interests and they don't give a damn for ours" (#14); "They agree to whatever the Union wants, no matter what the costs for us" (#7). The organizations that defend the interests of poorer peasants were not given the opportunity to influence the negotiation process (#30): "After the protests, they promised to consult with agricultural organizations their negotiation positions. But when we came to consultations, they even didn't listen to our concerns" (#9, #22, #27). Therefore, they supported the anti-integration movement as a way of drawing EU and Polish governments' attention to the interests of poorer peasants (#30, #31): "The Union has to take us. We oppose so they know that they will have to give us more. Now the trick is to get our government to negotiate hard for us" (#9). They believe that the prospect of Poland's refusal to join the EU may persuade both the Polish government and the EU to include the demands of poorer peasants into the conditions of Poland's membership in the EU. They consider this a very likely scenario because Poland's entry into the EU is predicated on a positive outcome of a national referendum: "if they want to win the referendum, they'll have to do much more than now" (#14); "the Brits don't want the EU and look, others pay their contribution" (#14); "The Danes said no the first time and got better conditions" (#7); "Watch how nice they will be to the Irish" after they turned down the euro (#26). Thus, opposition to EU membership is a tactical device to improve conditions of EU membership. The question arises why these conditions should be improved.

These members of the elite stratum think that peasant' conditions of membership in the EU should be improved for three major reasons: the conditions are unjust for poorer peasants and for the country, the West has a debt toward other countries and Poland, and the West and Poland are in debt to peasants. The unjust conditions of Poland's membership are the major justification for opposition: "According to agreements with the EU, Poland has to decrease its productive capacities so it does not compete with the EU. This will lead to greater unemployment in cities and lower overall agricultural income. Unemployment in the EU is less than half of that in Poland and agricultural income is more than double. Wouldn't it be just if they cut some of their productive capacities allowing us to keep some jobs and income?" (#7). Some experts (#29, #32) agree with the first part of that reasoning, though the exact numbers are difficult to come by. Another peasant leader raises the issue of competition: "the EU says that it wants to compete fairly with us but they don't want to give us subsidies. What kind of competition is it that one producer gets support from outside the free market, but the other doesn't?" (#22). One of the middle ranking employees of a peasant political organization explained the issue of subsidies and EU membership as follows: EU subsidies are unfair to all producers outside the EU. They lower the prices of agricultural goods world-wide but only the most prosperous countries can compensate their farmers for that. Other producers see their income dwindle, as these in Poland did, sometimes to the point of starvation. The others cannot do anything about it, but Poles have a unique opportunity to get these subsidies for themselves because the EU wants to enlarge eastward and needs their permission to do so (#35).

Another justification for engagement in opposition is the debt the West owes to Poland: "Since the 16<sup>th</sup> century Poland was exploited and looted by the West. We fed the West when it was developing capitalism, we fought in their wars, Hitler took whatever he could from us and Germans never paid it back. It's high time that they help us a little" (#22). The other peasants engaged in opposition expressed that sentiment one way or another.

Yet another major justification for improving conditions of EU membership is that both the West and the rest of Polish society have a debt to the peasant class: Peasants supported the Polish nobility, they were the cannon fodder in the wars all over the continent, they fed the passing Western troops, they fought in the national liberation wars and uprisings, they struggled and voted for Polishness<sup>1</sup> of this land, and they paid for the communist industrialization of the country. All these and many other contributions of peasants to the development of Poland and Europe entitle them to special protection in times of crisis (#22). This sentiment was also shared by the other peasants in this part of the elite.

My interviewees also said that they participated in opposition because the national solidarity requires that the stronger/more able should help the less fortunate members of the society (#7, #9, #14, #22, #26). This national egalitarianism is the major stated reason for engagement in opposition. Another reason is an economic gain: "I'll get higher subsidies too" (#22); "We all will benefit from structural funds" (#9). The last major

<sup>&</sup>lt;sup>1</sup> The Polish population was subject to its powerful neighbors' attempts to take over parts of, and even the whole, country since at least the 10<sup>th</sup> century. There are no doubts that the peasant class played a crucial role in keeping this land Polish through participation in military struggles and in national referendums which determined which country would maintain jurisdiction over this land.

factor of opposition is the existence of political opportunity in terms of the national referendum as well as in terms of political freedoms and democratic political process.

There is a large, educated electorate: "People have Internet, read newspapers, they know who fights for them" (#7). This electorate has means of participation in the political action (#22): "many still can afford to come to Warsaw for an action" (#26). And it has common economic problems so it is easy to appeal to: "Every peasant wants foreigners out. Just call for that and you have their votes" (#9). In terms of political opportunity the guarantees of political freedoms and some state financial support to political parties also play some role: "I doubt I would be politically active in an underground" (#22); "If my party were forbidden I would have to cut my political goals to fit the permitted parties; I probably would stay in the countryside" (#14); "State subsidies to parties in the parliament will be a large part of our budget (#7).

The other part of the elite stratum views the opposition's activities as endangering Poland's membership in the EU: "EU can afford not taking us in, we cannot afford to stay outside the EU" (#4). One person in this group views opposition actions as helpful in negotiations with the EU (#17) but the remaining peasants maintained that opponents to membership keep Poland hostage for their particular, short term interests: "Membership is our only way back to Europe and it is our highest national interest; these hucksters endanger it for a few pieces of silver" (#4). They don't think that they are obliged to help their less fortunate countrymen: "Polishness is the commonality of language and culture, not the society of financial assistance" (#26). This was the most blunt statement, but the sentiment seemed to be shared: "What I had gotten from Poland I paid back long ago in taxes. Why should I pay for peasants' derelict enterprises?" (#4). "It is time to stop state

handouts and start holding people responsible for their own economic situation, at least the healthy ones" (#26). This part of the elite discards the arguments about unjust conditions of membership: "You get as much as you are strong. Who said that life is fair?" (#26). They also discard the national and class accounts approach: "All worked for Europe. It's our heritage. Some more, some less" (#4); "I'll accept it only after the court orders the US state to pay reparations to their Negroes" (#26). The spirit of egalitarianism seems to be absent here.

The discussion so far allows us to explain the division in the elite stratum. While both groups have a common economic situation, they are in opposition on moral grounds: one group adheres to the notions of national egalitarianism while the other holds that national commonality does not include economic solidarity and that individuals should fend for themselves rather than seek handouts from society. Why should they receive CAP subsidies? Well, they have a special mission, the modernization of agriculture (#4): they "better the Polish land" (#26). As democratic conditions provide opportunities to act upon these moral stances, the two groups stand in opposition in the political arena where some of the EU beneficiaries participate in the anti-integration movement. Doing so, peasants from the elite stratum became leaders of the movement and provid leadership to the peasant class: the overwhelming majority of parties' leaders are members of the elite stratum<sup>2</sup>. It seems that peasants in this stratum participate in the anti-integration movement for moral considerations and political opportunities rather than for economic reasons, though these play a part too.

<sup>&</sup>lt;sup>2</sup> Based on the records of material assets of the members of the Polish Sejm for the 2001-2005 session (www. Sejm.org.pl)

#### 6. Leaders with no Followers

Asked what factors contributed to their political effectiveness, opposition leaders listed the following: The issue of commonality of economic positions was listed most often: "A city dweller won't make it here, no matter how smart" (#22); "A few years ago I was almost bankrupt, I know the pain" (#7); "Peasants won't support somebody from outside. They vote for their own, like me"; "We have the same occupation and the same problems" (#9). The political actism of their electorate was another factor: "Actually, I didn't choose politics. Peasants in my village asked me to become a candidate. They even did most of the campaign. 'Don't come back without credits', they said" (#28); "Everybody waited for orders, directions, for something to do with anger and bitterness and sense of betrayal. They just picked me up" (#14), "People, the electorate, especially the field activists, they are so eager..." (#26). The middle stratum is particularly active: "Those who have some land, but not much, the middle; they are everywhere; they come and ask how they can help" (#31). Economic resources of the electorate figured prominently here: "We would not survive one season if it were not for the peasants: they gave money, they drove us around..." (#28); "Peasants still have some financial resources for political activities and this is the major factor that keeps peasant politicians going" (#27).

Political opportunity played an important role in leaders' effectiveness: "They cannot imprison us even though they don't like what we say" (#26); "We wouldn't do much without democracy; people would be scared to act" (#14); "I'm too old to play underground games; I would sit home if parties were forbidden" (#33); "I wouldn't do anything if it weren't for the referendum; with that we have a chance (#22).

The legacy of the past is another factor contributing to leaders' effectiveness: "People in the Polish Agrarian Party and in the Democratic Left Alliance; we know each other since the 1970s, we help each other" (#22); "I would not be in politics if it weren't for Solidarnosc. I knew a few people from there, helped them a bit. After the round table they insisted that I start something. They helped a bit" (#27); "Solidarnosc was bad but had good tactics. People still remember how Solidarnosc did things and they do the same" (#7). Peasant leaders whom I met were the first college graduates in their families and they viewed education as one of the most important factors facilitating their political activities: "No matter how much land and how smart my father was, he would never make it in politics today; you have to have formal education" (#31). Education of the electorate was also important: "People finished schools, can read and write, nobody will push stupidity into them" (#28).

While there are numerous factors that contribute to political effectiveness of the peasant leaders of the anti-integration movement now, these leaders see the future of the movement in bleak terms: "After accession, better off peasants will be busy in their enterprises. Who has interest for politics when the money is flying?" (#7); "Peasants won't have particular interest in politics. There won't be anything they think they can get" (#14); "There won't be any other situations as clear as now, with the referendum" (#9); "Sure we'll be there but we won't be as large a power as now" (#28); "There won't be much money flying around villages to give to the party or to go to an action" (#26); "We will have no electorate or cadre. Kids don't go to school, fewer peasant students are at the universities and nobody cares. Education goes to the dogs and our politics will go with it (#31); "Peasants will become poor and the poor don't give a shit for politics, they

are out of it like the million of former employees of [state agricultural enterprises]" (#9); "My electorate will be gone; the poor won't vote for me because they don't care, the rich won't because they don't like me" (#27).

The elite peasant stratum as a whole is unlikely to join opposition to policies of European integration after EU accession. The part of the stratum that engages in the anti-integration movement is likely to continue its political activities but does not envision itself as particularly effective in its endeavors. Some members of this stratum even entertain the thought that they may become leaders without followers. In the following two chapters I discuss what the leaders' electorate thinks about membership in the European Union.

### **CHAPTER 5**

#### THE MIDDLE STRATUM

In this chapter I discuss attitudes and actions of members of the middle peasant stratum. This stratum is particularly important for the outcome of EU agricultural reform in Poland. I discuss the peasants' arduous road through the systemic transformation and the bleak prospects for a majority of them in order to answer the question why members of this stratum engage in opposition against membership in the EU if they support incorporation, and whether they are likely to continue their activities. I show that the middle stratum peasants were very active in the opposition movement but that they expect to change their economic position and, as defined here, the middle stratum is likely to cease to exist after Poland's accession to the EU.

#### 1. The Stratum

The middle stratum consists of households owning between 6.5 and 14.4 hectares of land. They conduct some production for market and they consume the rest of their output which they produced entirely or predominantly with the household labor and some agricultural machinery. The number of these households decreased from 560,000 in 1990 to 472,000 in 1996. The amount of land they own decreased from 42.7% in 1990 to 33.7% of all peasant land in 1996 (Wos, 1998: 29). They enjoyed some influx of new technologies and equipment. Conditions of life for some of them approach those of the peasant elite; others live more modestly or close to the poverty level observed among the poor stratum, according to some experts (#27, #28, #32). The group within this stratum

whose views, attitudes and actions are presented below consisted of 9 peasants. They own between 8 and 14 hectares of land and they all have some success with selling their goods. In political terms they were field activists. One of them worked for a peasant party affiliated with the post-Solidarity formation, two for the Democratic Left Alliance, three for the pro-integration faction of the Polish Agrarian Party, one for the anti-integration faction of the PPP and two for the Self-Defense Party. Three of them participated in or organized protest actions, two support but do not participate and four do not support or participate such actions.

The opinions of the nine peasants of the middle stratum (marked as interviewees #2, #5, #8, #11, #12, #13, #16, #18, #20) were supplemented with opinions of peasant leaders (interviewees marked: #4, #7, #9, #14, #17, #22, #25, #26), and with opinions of experts (interviewees marked #27 through #35) who are knowledgeable about this stratum.

### 2. Impact of European Integration

"The impact of European integration on this stratum can only be compared to a prolonged and wide-spread natural disaster, like a decade long drought or rains," maintains a retired professor and an expert of the Polish Peasant Party" (#30). My interviewees from this stratum supported this view wholeheartedly.

This stratum experienced outflow of its members to both the elite and the poor strata (#27). The group members more or less went through the changes described below. Agriculture was the only sector of the economy that experienced growth during the 1980s. In particular, privately owned larger enterprisers experienced a large influx of

money as the regime liberalized agricultural trade, allowing these producers to sell increasing portions of their output directly to consumers. The agricultural growth resulted from the increased labor of the households: "my whole family took vacations from their jobs to help with picking the crop. Even with that I had to beg smaller neighbors to work for me. Now I easily do the same job with my son and two farm-hands" (#20). The difference came from technology. Unable to service its foreign debt, the regime could not import Western goods necessary for keeping the industry going. Peasants fed industry and its workers in exchange for money with which they could not buy the industrial goods necessary for the mechanization of their production. The 1989 liberalization of food prices increased prices of agricultural goods providing peasants with even more money.

After January 1990 peasants gained opportunities to purchase machines and land: they had money and credits, especially in Polish currency. In the country, supermarkets increasingly displayed colorfully wrapped Western food items, some more affordable than the drab looking Polish food. From one day to another, oil prices were liberalized. The high inflation turned into hyper-inflation. Buyers offered peasants prices below their production costs and peasants' debt in Polish currency increased between 4 and 10 times, depending on the individual situation. Often, all that they owned and more was liable to become property of the banks.

Without established leaders, as they were busy re-organizing the political system in the country, peasants figured out that the liberalization of agricultural imports lowered prices of their output and that the liberalization of international flows of capital affected interest rates. Through the channels of the PPP and Solidarnosc of Individual Peasants

they gathered for a blockade of an important international road with their agricultural equipment. They demanded that the state restrict agricultural imports, lower credit rates and provide credit relief to them. The post-Solidarity government called in tanks to clear the road, but protest actions demanding credit subsidies and import restrictions cropped up in other areas. One group that conducted such actions registered itself as the trade union Self-Defense from which the Self-Defense Party of Poland later emerged.

For a moment, the protest movement and the pressures of the PPP on the government led to some credit subsidies and the re-negotiation of the trade agreement with the EU. Before the renegotiated agreement came into effect in 1992, many households lost their income from employment as the local and town businesses reduced employment or went bankrupt. Insecurity about the future, lower income and rapidly growing debt prevented these peasants from acquiring the property of the cooperatives and state agricultural enterprises which were going bankrupt. They watched helplessly as equipment and livestock were destroyed or stolen and land went fallow in many places where investors and/or the elite peasants were not around to buy or lease them. After 1993, agricultural import restrictions, more state subsidies and assistance with trade with the Eastern Markets (the former Soviet Union) improved agricultural income and reduced the debt problem. Massive protest actions of the peasants and pressure of the PPP in the parliament and government resulted in state intervention purchases and additional subsidies. But the 1998 financial crisis closed the eastern market. When peasants attempted to resume trade there in the next few years, they found their share of market taken over by the EU. Between 1993 and 2000, some peasants recovered from difficulties

and a few joined the elite stratum. Some stopped participating in the market however, and practically joined the stratum of the poor.

European integration hit the middle stratum hard through agricultural income. The prices of agricultural input went rapidly up at the same time when demand for agricultural output went down (#2, #11, #18). Throughout the period, the levels of profitability led to de-capitalization of peasant households: "they are able to operate now but their equipment is approaching the end of its service," said a peasant leader involved in cooperatives with peasants of this stratum (#27) (my other interviewees also experienced that (#5, #11, #18).

Some in the stratum produce for export and/or FDI enterprises, but the majority serve the local markets in Poland (#27) as did the majority of my interviewees in this group (#2, #13, #16, #18, #20). Agricultural income is hardly sufficient for maintaining production and the middle stratum supplements it with income from employment, including illegal employment abroad (#27). State pensions for the disabled and the old constitute another important source of income (#13, #20) but they are not generous and not every household receives them. This stratum did receive state agricultural subsidies; however, the amounts were "mostly symbolic by comparison to EU subsidies" (#2). The economic resources of this stratum approached zero: these people are not sure whether they can meet their financial obligations tomorrow or the next day but if they cannot, their land, often a family inheritance, is liable to end up repossessed by the bank (#20, #16, #8).

The middle stratum is highly dissatisfied with their economic situation and they generally blame European integration for that. Liberalization of flows of goods, services

and capital between Poland and the EU provided some members of this stratum with access to the EU market for their goods, western credits and technologies as well as opportunities to cooperate with the FDI. However, this stratum was hit hard by imports from the EU and the high costs of credit in Polish currency, and other consequences of the liberalization of flows of goods, services and capital. While FDI is beneficial for those who cooperate with these enterprises, many others complain that FDI creates monopolization of some sectors which leads to an even sharper fall in prices for peasant output: "I haggled with small Polish meat processors around. But after the German took over the local market [for hog processing]..." Shrug. "If he doesn't buy my pigs, who will?" (#18). The large agricultural subsidies of the EU to Western farmers under conditions of free flow of goods between Poland and the EU results in a situation where the same price for agricultural output provides a Western farmer with profit, but the middle stratum Polish peasant has to put additional resources into his enterprise in order to break even (#5). As with the elite, the EU import regulations prevent them from export (#16). Peasants need to meet EU regulations for production, particularly in meat and dairy sections; this requires special investments within short periods of time (#2). Some of them had exported to the Eastern Markets (the former Soviet Union) but the EU displaced them from that market (#18). As a result of EU and Polish state policies the middle stratum experienced severe economic difficulties and exhausted their resources: "the EU turned us into beggars" (#8).

The middle stratum peasants were very active politically. They became major participants in the protest actions: "Who comes to these actions? Mainly small peasants, [owning] 10 - 15 hectares of land" (#7). "Most neighbors I saw there were larger

peasants, with 10 – 20 hectares of land" (#6). Many peasants of this stratum are political activists: "Most of our people in the field [activists] have some land, but not much, somewhere around 10 hectares". A field activist from the poor stratum whom I interviewed maintains that there are very few activists like him; the rest are "larger peasants with at least 10 hectares" (1). Of the peasant field activists whom I met at least 17 were from the middle stratum out of at least 20 activists.

The middle stratum complains about inadequate influence on state policies. "What is our democracy worth if people cannot remove Balcerowicz from the office?" (#8), mused my interviewee discussing peasants' influence on the economy. The author of the first set of European integration policies and minister in charge of their implementation, Leszek Balcerowicz, was held responsible for the high cost of credit that brought many peasants to the verge of bankruptcy. The anti-integration parties and a large anti-integration faction of the Polish Agrarian Party unsuccessfully attempted to remove Balcerowicz from his position for many years. These futile efforts seem to constitute an almost Sisyphean labor. "Even when my party is in a governing coalition, we have very limited influence on the economy. There are ways to go around the Council for Monetary Policies a little, but it is they who determine where the economy goes in the longer run, not we in the government" (#31), explains a politician from the Polish Peasant Party.

Thus, even though the middle stratum sends its representatives to the parliament and the government, and exercises pressure on the government through extraparliamentary actions, the middle stratum and some peasant leaders maintain that their influence on the state is next to nothing (#31, #2, #13). On the other hand, other peasants,

and sometimes the same, speak proudly about the effectiveness of their political activities.

The effectiveness of political parties is a major concern for the middle stratum. "If I can't change anything by voting, how can I," they say one way or another. Yet, the anti-integration parties successfully intervened against some state policies. They forced the government to subsidize agricultural credits when interest rates hit the ceiling; to restrict imports from the EU, to buy surpluses of agricultural goods, and to subsidize agricultural input through parliamentary and extra-parliamentary actions (#5, #8, #11,#32).

Some peasants in this group maintain that although the anti-integration formation was good at taking care of the immediate business, the parties of major political formations are better for protecting their long-term interests: "when the DLA promises me [something] I'll vote for this party because it can do much more than the Self-Defense" (#18). The major parties oblige. The post-Solidarnosc formation stands on the position of protection of Polish land and it did not even attempt to touch the Krus [agricultural insurance system] (#12), while the DLA helped with credits and investments earlier and now they promise some relief (#13, #18). "Neither large political formation can afford not to realize some interests of the poorer peasants" (#34), says a political expert of the DLA. Overall, peasants forced the state and the EU to take into consideration their interests in European integration through anti-integration parties and/or indirectly through major political formations. The state policies for less prosperous peasants put them into a difficult economic position but they seemed to be able – to some degree - to take advantage of the simultaneous processes of marketization and democratization to redress their grievances, as Offe speculated they would.

### 3. Expected Impact of EU Membership

The middle stratum peasants expect modernization in the country, especially improvements in functioning of business and administration: "They'll have to clear up the mess in administration of agriculture if they want the CAP" (#13); "At least state offices will function as they should" (#2); "Officials will have to respond to our complaints" (#18). Peasants expect that EU laws and regulations will bring more predictability: "We'll know what we grow and for how much 8 years in advance" (#16) said all peasants whom I interviewed, one way or another.

In terms of economic benefits, some people in this stratum expect to benefit from expanded opportunities for cooperation with the FDI and for export (#2, #8, #13, #16, #18, #20). All owners of larger pieces of land expect to become farmers after EU accession, but they are also aware that there are about half a million similar enterprises yet only about 30 thousand slots in the farmer class for them (#20). Therefore they are anxious about imports from the EU and further development of the FDI in the food processing and trade sections (#16, #12, #20). The issue of CAP subsidies creates the most anxiety among these peasants. They do not expect to receive CAP subsidies of the same size as Western farmers but they expect some. Peasants maintain (#2, #5, #16) and experts confirm (#27, #30) that the survival of many enterprises in this stratum depends on the amount of subsidies they will receive. Owners of smaller pieces of land are aware that they won't be able to become farmers and that they have two options left: staying in villages and joining the stratum of the poor or turning to another line of business than agriculture (#5, #11, #12).

According to the Accession Treaty the transition of the few peasant households to farms will be complete within 10 years from accession: Polish farms will receive full CAP subsidies by that time and poor peasant households will stop being eligible for CAP. In this situation, the current middle stratum of peasants will cease to exist.

### 4. Attitudes toward EU Membership

In terms of their attitudes toward EU membership, the middle stratum peasants are torn between support for opportunities to export to the EU and opposition to unrestrained imports to Poland from the EU (#2, #13, #18), both of which are the obverse sides of the free flow of goods. Similar pattern of push and pull exist in flows of capital: they would like to be able to benefit from cooperation with some existing FDI but they oppose further influx of the FDI into the country (#2, #8). They support the CAP but they would like to expand it to accommodate small landowners (#12, #16, #20). Most of the interviewees in this stratum are anxious to enter the EU as soon as possible (#2, #8, #13, #16, #18, #20) and all strongly support Poland's membership in the EU.

Although scholars and reporters report peasant opposition to membership in the EU, the middle stratum of Polish peasants is actually quite supportive of membership. This is not the only puzzle resulting from my research. Scholars examining attitudes toward EU membership found that opponents of membership are generally respondents whose economic situation deteriorated during the systemic transformation and who blame European integration in Poland for that development. Yet, despite the fact the middle stratum's economic situation severely deteriorated during the systemic transformation and they blame the EU for that, the middle stratum of peasants strongly supports

incorporation into the EU. Moreover CBOS polls found that supporters of EU membership are very likely to vote for parties of two major formations, but the middle stratum peasants vote for both pro and anti-integration political parties. Is interest articulation somehow impaired in the Polish version of democracy, as some scholars maintain?

### 5. The National Referendum: The Key to EU Subsidies

The middle stratum peasants support incorporation into the European Union predominantly because they were hit hard by European integration: "I would hesitate [about the EU] if it weren't for my debt; I won't be able to pay it off without the EU" (#18); "I would be OK without the EU if it weren't for their regulations. I have to make investments and without subsidies I can't" (#2). An expert concurs: middle stratum peasants "have no resources left and they are in debt up to their ears". "Their only hope lies in the EU that it will help in making necessary adjustments" (#32). Thus, there is no confusion about the impact of European integration with benefits of EU membership on the part of these peasants even though their economic conditions deteriorated during integration.

Even though all of them support membership many participate in the anti-integration movement, often to the chagrin of those who wish to join the EU as soon as possible. The latter hold that the anti-integration movement jeopardizes Poland's accession to the EU: The EU "doesn't need Poland, it's Poland that needs the EU. If Lepper wants too much, the EU may say 'let's wait with Poland', but we cannot afford staying outside much longer. We are eating up our tails" (#20). Those engaged in

opposition accuse those of giving priority to their particular interests at the expense of the rest of the stratum: "What the EU is giving is enough for them. They don't care that there is a chance to get something for others as well" (#5); "They want to join the EU on the current conditions because they are selfish. They don't want to fight for the entire Polish agricultural even when we can win" (#11).

It seems that the conflict in this group derives from the land ownership structure. In order to produce any income under conditions of EU membership the smaller landholders need about 70 - 90% of the EU subsidies (#5, #11, #12). This calculation, however, does not include investments necessary to meet EU regulations for production. Larger peasant households could sustain their small production for sale provided that they receive the kind of CAP investment funds Western farmers receive and some portion of their subsidies (#2, #8). The most prosperous peasants in this stratum complain about subsidies and investments but most of all they complain about having to wait to join the EU. As the interviewee above said, they already invested their meager resources in meeting EU regulations but they have difficulties with paying for these investments. Entering the EU would make export to the EU possible for this group and they would be able to stay in the market even without CAP subsidies (#16, #18, #20). Since the necessary size of the CAP subsidies varies depending largely on the size of landholding, the conflict in this stratum derives largely from Poland's agrarian structure.

Aside from differences of opinions about the speed of EU accession, the members of the stratum have more or less similar attitudes toward EU membership. They think that agriculture deserves subsidies: "If the West gives subsidies it means that agriculture needs them" (#13). They think that small landowners deserve subsidies: small farms are

ecologically friendly therefore they deserve state support (#12). They also deserve subsidies as members of the Polish nation: "Polish peasants fed and defended the nation. Now the nation should help us" (#12); "We fed the communist industrialization but we never got compensated for that" (#2). Some of them hold that the West owes Poland: "The West sold us to Stalin despite of the fact that we were the West's allies in the War. Communists kept peasants backward. Now it's time that the West pays its old debt" (#11); "Germany never paid for what Hitler did to us" (#20). In addition, those who participate in the opposition movement think that they do service to the Polish nation: if they get more subsidies, they will be more prosperous, providing for some economic growth in the country (#12). This "trickle up" attitude is present among some elite stratum members but it is expressed by the middle stratum most often.

In sum, we can say that the middle stratum supports EU membership and engages in the anti-integration movement for the same reason: the CAP subsidies. Some peasants engage in opposition as a means of bargaining with the EU about the conditions of Poland's membership.

## 6. A Disappearing Stratum

What are the sources of strength of opposition in this middle stratum? My interviewees most often list the commonality of their economic interests in opposing EU membership: "The Union is bad for all of us" (#16); "We are all peasants, we support each other" (#2). Another source is their political education: "We are not stupid, we know what is happening" (#12); "We went to schools, we know how to operate in democracy" (#20); "We saw how Solidarnosc talked with the authorities" (#2); "I knew some people

from [Solidarnosc of Individual Farmers], I learned from them" (#5). Democratic conditions in the country are also helpful: "A peasant is smart and knows when to jump and when to sit quiet; now it's time for jumping" (#18). Financial resources are important as well: "People still have money to travel to demonstrations" (#11). However, peasants view the issue of money as hindering rather than facilitating their political activities. They complain about a lack of wealthy contributors to the parties (#7, #9, #22). This is confirmed by official lists of contributions to the parties. But this means that the parties take their funds from the smaller contributors, like the middle stratum. Thus, though not acknowledged by my interviewees, the fact that the middle stratum is able to support its parties contributes to the overall effectiveness of this stratum. The political opportunity provided by the national referendum about EU membership figures as a very important factor: "Everybody knows that the chance we have now is one in millions; we can get a lot for our yes in the referendum" (#11). Determination seems to be the most important factor contributing to this stratum's political activization: "If I don't protest now, I'll lose my land; we kept it even through the depression" of the 1930s (#2); "I can't sit and do nothing, it's about my inheritance!" (#16); "I have four children; we are paupers without subsidies" (#8). This determination has its basis in private land ownership preserved under communist rule: "It's not about some stupid factory that you can build anew, it's about land; you can't replace land" (#2).

Do they plan to continue their political activities after the accession? Some of them just shrug (#18): "What's the use after they [EU supporters] win the referendum" (#16)? Others say that work on their enterprises may be too consuming to keep political

participation going (#13, #20). A few think that they will continue (#2, #8): "We'll be reduced to nothing ... a person has to do something about it" (#11).

Considering the conditions of Poland's membership in the EU signed in Copenhagen in 2002, members of this stratum ale likely to change their position. After accession to the EU they will join either the farmer class whose political activities are not of concern here, or the stratum of poor peasants whose prospects for political effectiveness we will discuss in the next chapter.

#### **CHAPTER 6**

#### THE POOR STRATUM OF PEASANTS

In this chapter I discuss attitudes and actions of members of the poor peasant stratum. I discuss the economic pauperization and political marginalization of this stratum as well as its bleak prospects. The question to be answered is why members of this stratum engage in opposition against membership in the EU if they support incorporation and whether they are likely to continue their opposition after accession to the EU. I show that the poor stratum peasants are unlikely to engage in numbers in the anti-European integration movement after accession to the EU, even though they are likely to be dissatisfied with the EU and state policies.

### 1. The Poor Peasants

The stratum of poor peasants consists of owners of landholdings between 1 and 6.4 hectares. Some of them, particularly owners of larger plots of land, try to produce for the market, but the whole stratum produces predominantly for its own consumption (Wos, 1998: 33). Production here involves almost entirely household labor, sometimes with the help of a tractor, sometimes horses. The number of these households decreased from 1,962 thousand in 1990 to 1448 thousand in 1996. The amount of land they owned decreased from 37% to 30.8% of peasant land (Wos, 1998: 29). There was hardly any influx of technology and equipment to these households and their conditions of life are very poor (#27, #28, #32).

The group of 9 peasants whose views on attitudes and actions are representative of this stratum are presented below. They own between 1 and 6 hectares of land and they all sell their goods occasionally. In political terms three of them were field activists. One of them is most likely to vote for the Democratic Left Alliance, four for the PPP, and one for the SDP. The three activists work for the SDP. Eight of the interviewees had participated in protest actions.

The opinions of the nine peasants of the poor stratum (interviewees marked #1, #3, #6, #10, #15, #19, #21, #23, #24) are supplemented with opinions of peasant leaders (interviewees marked: #4, #7, #9, #14, #17, #22, #25, #26) and opinions of experts (interviewees marked #27 through #35) who are knowledgeable about this stratum.

### 2. Impact of European Integration

This stratum was joined by some members of the middle stratum while some poor peasants moved to the group of landless peasants (#27, 30). The members of this stratum more or less underwent the changes described below.

Poor peasants had three sources of income under the communist regime: state pensions (old age and disability) which they started receiving in 1972, and agricultural income, and employment. The more fortunate of them worked for the local businesses, mainly cooperatives and state farms; the less fortunate commuted to towns to work. Agricultural income was good in the 1980s but in 1990 they could not sell anything at the price the buyers offered. Then the state enterprises began to lay off workers; bankruptcies of cooperatives and state farms took large portions of income away from them. The first time I heard that story was in Warsaw in November 2000. A man with his wife and three

children (5, 8, and 9 year old) lived in a tool shack on my friend's vegetable garden; there was no electricity. The man said that there was no job around his village and no buyers for his 4 hectares of land. At the time, his family lived from occasional jobs and from what they found in dumpsters in the capital.

Scholars at Torun University dubbed the situation in villages in northern Poland "potato poverty". Growing potatoes is cheap, does not require good soil and one can live on them until spring. The problem is that there are not enough potatoes. Torun scholars report that school lunches became the main, or only, meal for many village children (Zablocki, at al, 1999). Thus, during European integration the living conditions of the poor have deteriorated. They lost their jobs outside the household at the same time that the prices of goods they could produce went rapidly down (#28), as my interviewees from all peasant strata confirmed. Their livelihood comes from occasional jobs, searching dumpsters for recyclables, begging and stealing (#29). Peasants of all strata, but a few members of the elite, justified the behaviour of the poor: "if the shop won't give you bread on credit, what you can do if you have children to feed?" (#9) Those whose family members receive state pensions are considered to be lucky in this group (#6). The only resource left to this group is ownership of pieces of land which are "too small to support a family, but too large to give up for nothing" (#12). An agricultural expert in the Polish Peasant Party from a university who participated in EU negotiations maintained that peasants have difficulties with selling their land and prices of it are very low (#29). For these reasons if my interviewee sold his land he would receive only a fraction of what he would have to pay for a similar plot in Western Europe. Moreover, selling the land is not an appealing option because "it provides too little money to live on from savings" (#3), but finding non-agricultural employment is next to impossible: "if people with Master's degrees cannot find jobs, who will hire an unskilled peasant?" (#19).

The stratum of the poor peasants experienced immiseration during European integration and they blame the EU and Polish authorities for that. They say that the state subsidies are set up in such a way that they predominantly benefit more prosperous peasants. The state purchasing agencies prefer to do business with sellers of larger quantities; as emergency purchases are limited, smaller producers seldom participate in them (#1, #10). Some subsidies are available only for better off peasants: subsidies for fuel depend on registration of the equipment, but the poor peasants' tractors produced in the 1970s - repaired with wire - cannot pass inspections necessary for registration; consequently they are ineligible for fuel subsidies (#19, #28). They also say that the foreign direct investment from the EU destroys their livelihood: "Foreigners import their goods for production, they don't need ours" (#23), says one man. He is referring to monopolization of some sectors of food processing industry by the FDI which led to destruction of Polish tobacco and hop growing as the beer and cigarette companies import components for their production when there are no other buyers for these articles. "The wind always blows against peasants. The Union is not better" (#10).

While some of the poor participate in the political process, many of them grew politically apathetic. "They will come to a meeting if there is nothing better to do but don't count on many of them for an action or election" (#6), said one of the activists in this stratum. "There are very few people like me, the rest just do not give a damn" (#1), says another activist. "If you have good field activists somewhere, you can count on the poor, otherwise forget their participation in any action" (#7), says a peasant leader. While

the peasant leaders explain the political lethargy with the poverty of this stratum (#28, #30), the poor peasants add that they do not participate in politics because they distrust their leaders.

Aside from a few activists in this stratum, the poor have no trust in the political process: "they will do what is good for them, no matter what we do" (#6). "They" refers to the country's establishment, including its peasant leaders. The more politically active peasants in this stratum say that distrust of the peasant leaders is a major reason for this stratum's political apathy, next to poverty. "Various people come here to get us to vote for them. But how do we know that they will do what they promised?"(#23), was a refrain I heard in this stratum many times. "Lepper may be good, but people change when they get to power" (#19), said a few peasants, despite the fact the leader of the Self Defense Party enjoys a large degree of trust in villages: "if Lepper does not help, there is no hope" (#10).

Those of the poor stratum who are active politically think that peasants enjoy some political success but their overall effectiveness is low. "Do you think so many people would live like that if they could do anything about it?"(#10), a field activist from this stratum asked me. Peasants point out that even when they win a concession the more powerful are the major beneficiaries of these concessions. "We made blockades to get some fuel subsidies; now it occurs that these are only for richer peasants" (#6). "The state buys grains from richer peasants but we have to sell ours for much less" (#3). "After many years of talks we got the law about protection of Polish land. A few months later the government made and passed another law that nullified ours; ours said that foreigners cannot buy Polish land but theirs said that foreign banks can repossess land" (#3). The

issue of the land purchases is actually a divisive issue in villages. Comments of a few less prosperous peasants were summarized by one as follows: "I would not be in a hurry with bans on foreigners. When the foreigners buy, prices go up and we'll be able to sell our land better. These protections are good, but for the rich: they will get our land for free" (#10). In sum, while state policies do articulate interests of the poor peasants, they seem to be articulating them to a degree much lower than those of the other strata.

### 3. Expected Impact of EU Membership

The poor like the idea of the modernization of the country, but they say that they will enjoy very few benefits from this process (#10, #21), and experts concur (#28, #30). Owners of small pieces of land have no means to conduct profitable agricultural production under conditions of competition with industrial farmers. Some poor peasants may be able to find a niche, but how many ecological farms or organic farms can function in Poland (#27, #32)? The poor hope for some EU social policies but they are pessimistic (#1, #23, #24).

The CAP subsidies granted to small landholders under conditions of the Accession Treaty will help this stratum to hold to the land for the first three to six years after accession. But as the ban on foreign trade in Polish land expires after 6 years and prices of land go up, many poor peasants are likely to sell their land. By that time the EU early retirement pensions will be available for them. The poor stratum will remain economically marginalized, but it will have some sources of income (#29, #30, #32). However, there is very little hope that these peasants will be able to move out of their occupational position: "Continued restructuring of the Polish economy in order to

decrease its productive capabilities probably will keep unemployment rates high" (#32), giving peasants no room to join the working class.

This stratum's already weak political influence is expected to fade (#1, #15, #24, #31, #34). Encompassing over one million households, it will constitute a large electorate, but it is unlikely to be of political importance: "deteriorating education for peasant children spells a shortage of political leaders and interested voters" (#31); "Peasants won't have money for political activism" (#30).

# 4. Attitudes toward EU Membership

The poor peasants' attitudes toward EU membership are those of mild interest: "it neither cools nor warms peasants like me" (#23), they say in one way or another. Only after such a preamble do some of them speak of what they like and dislike about the EU. They do not wish to have EU laws take priority over the Polish laws (#1, #15). They think that foreign presence in the Polish economy is bad (#1, #15, #19). Some think that EU subsidies may be dangerous: "What if they ask us to pay them back?" (#19), or that they are handouts: "We are not beggars to take from foreigners" (#6). On more concrete levels, they welcome EU membership because: "maybe prices of land will go up and we'll be able to sell it" (#6) and because "foreigners may build a factory here" and create some jobs (#24). Yet my interviewees from this stratum unanimously, though unenthusiastically, support EU membership.

Scholars found that, generally, the poor are likely to hold an anti-European integration position. Still, my interviewees from the poor stratum and their families and neighbors support entering the EU. Moreover, scholars found that supporter of EU

membership are very likely to vote for parties of the two major formations, but the poor peasants vote for both pro- and anti-integration political parties. Why do the poor peasants engage in opposition if they support EU membership? Are they likely to continue their engagement?

### 5. Hope and Support for EU Membership

Peasants have some expectations about EU membership. Many of the poor have very limited and irregular incomes. Experts say if there were some subsidies for the small peasants it would help them immensely (#27, #32), and some of the poor peasants hope that this will happen, which leads them to support membership (#3, #6, #19).

However, in general peasants in this stratum do not expect to receive much, if anything, and they are bitter about that. They built socialism; the army seized their goods, leaving them starving but provided food for cities (#10); communists did not give them a chance to move to other occupations and now they are stuck in poverty (#19); they are Poles too (#6, #23, #24) and thus they should receive some kind of relief, if not from the EU then from the Polish state.

While attitudes in this stratum are more or less similar, the actions differ, to a large extent based on the size of landownership: peasants who have more land seem to be more likely to engage in the opposition movement while those with less land tend to be inactive politically (#1, #21, #27, #28, #34, #35).

Despite European integration hitting the poor hard, peasants support EU membership because they hope for some relief. Some of them are involved in the opposition movement to make that happen: they vote for parties they believe are likely

"to do something about that mess" (#10) and they participate in protest actions (#1, #3, #6, #15, #21, #23). Others tend to remain inactive politically or "go to vote when there is nothing better to do" (#1).

#### 6. The Absent Electorate

This stratum will be joined by a large part of the middle stratum to encompass the whole class of peasants. Although peasants are likely to preserve some commonality in their economic position and the democratic process and political freedoms are expected to stay in place, this transformed class of peasants is likely to be inactive politically. Peasants' growing difficulties with accessing the education system do not promise the development or maintenance of an educated electorate and political cadre (#30). Economic resources may be in short supply after the CAP subsidies for the small landholdings run out (#1). There will not be a clear and generally accepted political objective or a course of action for the class (#31). The urgency to become involved in politics is likely to end with the end of negotiations between Poland and the EU if a majority of the middle stratum is satisfied with the subsidies (#28). In sum, the new class of peasants is likely to fit Marx's observation that this class is ineffective politically: small-holding peasants "do not form a class. They are consequently incapable of enforcing their class interests in their own name, whether through a parliament or through a convention" (Marx, 1977: 318).

### **CHAPTER 7**

#### THE PEASANTRY AND THE EUROPEAN UNION

In the previous chapters I discussed attitudes and actions toward the prospect of EU membership of three strata of Polish peasants, seeking answers to the question of why peasants oppose incorporation into the EU and how likely their opposition is to persist after Poland's accession to the EU.

## **Impact of European Integration on the Peasant Class**

In chapter 3, I divided the peasant class into three strata – elite, middle and the poor – based on the size of their landholdings. In the following three chapters I discussed their political effectiveness and changes in the material conditions of the three strata. My interviewees told me that the large majority of the peasant class experienced severe deterioration of their economic conditions. Peasants maintained that the significant influence of the EU on the policies of the Polish state largely contributed to that development for the middle and poor strata of the peasant class. At the same time, EU and state policies stimulated the development of enterprises of the peasant elite.

European integration differentially affected various strata in the peasant class. While the elite and some members of the middle stratum benefited from the liberalization of the flow of goods, services and capital between Poland and the EU, the peasants who are less endowed with land, experienced a severe slump in their incomes in the wake of this liberalization. The overall drop in agricultural income is presented in Figure 11.

Figure 11: Indices of Gross Disposable Income (real) of The Household Sector

YEAR  (previous year =100 if not stated otherwise		Sub-Sector					
		Per capita	Wage earners	Private farm owners	Private owners and self employed outside agriculture	Non- earned income recipients	index of prices
1995*		105.9	110.0	114.1	101.2	104.4	126.8
1996		104.7	107.4	90.9	104.9	103.4	119.4
1997		107.0	107.0	91.7	110.2	106.0	114.8
1998		104.6	104.8	91.0	106.3	104.2	111.6
1999	. 141	102.7	103.1	75.8	103.6	104.6	107.4
	1995=100	120.4	124.1	57.5	127.3	119.5	164.3

<sup>\*</sup> The methodology for creating national statistics pertaining to the level and dynamics of change of farmers' income was under constant revisions until 1994. This does not allow for a graphic presentation of the dynamics of change between 1989 and 1984. Source: GUS, 2000: 552, 321

Particular producers in agriculture are variously affected by these problems and they adjusted accordingly to the changing situation. Depending on the size of the landholding and the level of mechanization, peasants responded in one of three ways.

The smallest enterprises constitute a source of supplemental income and a guarantee of a minimal level of existence. On average, the owners finance their losses from agricultural production with income from the other sources, often the retirement benefits of family members and/or occasional employment. Production here is labor-intensive. The enterprises attempt to be self-sufficient; for example, they produce their own animal fodder. They earn small a agricultural income which "covers about 35% of their labour value. Other elements of production are not covered by agricultural income at all" (Jozwiak, 1998: 20). These farms do not acquire commercial credits. Some

investments may go into agricultural machinery when the owner temporarily has disposable income. However, the scale of the investments does not lead to the necessary replacement of used equipment.

The medium sized enterprises and intensive farms (hot houses, mushroom growing, orchards) constitute an important source of income. The other sources of income serve to balance agricultural income. There is labor-intensive production in these enterprises but there is a higher level of mechanization than in the small enterprises and production brings in more income. This income covers between 65 and 75% of labor costs of the family; other costs of production are not covered (Jozwiak, 1998: 21). Depending on the year, between 9 and 16% of these households take commercial credits (Jozwiak, 1998: 21). Investments conducted in these enterprises, based mainly on private loans and own resources, seldom allow for replacement of used fixed assets, which consists mainly of building repairs and purchases of used machinery. Between 19 and 27% of these households invest (Jozwiak, 1998: 21). However, many of them rely on worm equipment and machinery purchased during the 1970s and their productive life is coming to the end.

The most prosperous households are the ones conducting cash crop production (grains and sugar beets, for example) and small enterprises conducting intensive production (poultry, mushrooms, for example). Agricultural as well as other forms production or services are the basic or only source of income. There is specialization of highly intensive production. Agricultural income covers costs of labor and "almost entirely" the other costs of production. These farms take commercial credits as a rule and

invest in new machinery. Between 1990 and 1996, they bought 18,600 new tractors, and sold 38,200 used ones annually (Jozwiak, 1998: 23).

Peasants maintain that the agricultural subsidies to the EU farmers are a major reason for the drop in their agricultural income. Polish state subsidies are meager and their benefits depend on the size of landholding. By comparison, EU subsidies are much larger. This leads to a situation where only the largest Polish producers can maintain sizeable profits under conditions of trade and capital flow liberalization. But even their agricultural income is smaller than that of EU farmers. Yet the elite stratum owns considerable economic reserves, unlike the middle stratum whose many members have no means to finance simple replacement of their equipment. The poor not only lost access to the market in agricultural goods but also supplementary incomes. In sum, the peasant economic position depends largely, or predominantly, on the size of their land ownership. As one of their leaders (#17) summarized the peasant situation, "it's not the land ownership, but the size of it that matters."

During European integration, the macro-economic indicators for the peasant class were as shown in Figure 12.

Figure 12: STRUCTURAL CHANGES IN THE PEASANT CLASS: 1990 - 1996

Size of land ownership in hectares	# of households	Change: 1996 - 1990	% of all peasant households	Change: 1996 - 1990	% of all peasant land	Change: 1996 - 1990
1 -6.4	1,319,000	-129,000	67.1	-0.6	30.8	-6.2
6.5 – 14.4	472,000	-88,000	24.0	-2.2	33.7	-9.0
14.5 - +	171,000	+41,000	8.9	+2.8	35.5	+15.2
All peasants	1,962,000	17 - 17 - 1900 1801	100.0		100.0	

Based on: Wos, 2000: 29

Figure 12 indicates that there was a significant growth of the elite stratum and some decline in the number of smaller peasant households as well as of the amount of land the lower strata own. We can see that in 1996 the elite stratum almost reached the numerical goal of the EU agricultural reform in Poland set at about 200 000 peasant households entering the farmer class by 2014. It is difficult to imagine that after 1996 the elite stratum did not grow, taking into consideration what a few representatives of this stratum and experts told us about its material conditions in 2000/2001. Thus, it is very likely that access to the farmer class was essentially becoming closed for the other peasant strata by the time of EU accession in 2004. On the other hand, the economy did not provide the peasant class with opportunities to join non-agricultural occupations.

Overall, the Polish economy has been in decline since 1976. The shock therapy of 1990-1993 sped up that decline: the GDP for 1993 was 98.1% of that in 1990 (GUS, 2000: LVIII). Some economic growth followed that period, as Figure 13 indicates.

Figure 13: INDICES OF ECONOMIC PERFORMANCE

Year	GDP	Populations' income	Investme nt	Retail sales	Import	Export	Foreign trade balance (in million ZLP)	
		Previous year = 100						
1995*	107.0	102.8	117.1	102.3	120.5	116.7	- 14 987.2	
1997	106.8	105.9	122.2	106.8	122.0	113.7	- 54 418.2	
1998	104.8	103.3	115.3	102.6	114.6	109.4	- 64 315.1	
1999	104.1	104.7	105.9	104.0	104.4	102.0	- 73 642.1	
1990 = 100		1992 = 100: 126.0	221.8		474.7	180.8		
1995 = 100	129.7	120.9	177.9	·	186.9	139.1		
2000	104.0		101.4	101.0	110.8	125.3	- 75 163.1	
2001	101.0		91.5	100.2	103.2	111.8	- 58 138.3	

<sup>\*</sup> The methodology for creating national statistics pertaining to the level and dynamics of change of farmers' income was under constant revisions until 1994. This does not allow for a graphic presentation of the dynamics of change between 1989 and 1984. Sources: GUS, 2000; GUS Internet Page

During the first period of integration, there was a rapid fall in the levels of production, investment, and population income. In 1990, the country's GDP represented 88.4% of that in the previous year; it sank less deeply in 1992, to 92.4% of that in 1991. At that point it represented 91% of 1980 GDP (GUS, 1994). The GDP regained its 1990 level between 1994 and 1995 (Wos, 1999: 2). The overall investments in 1990 fell to 89.9% of those in the previous year and they fell less steeply in the next year: 95.9% of that in 1991. In 1994, the levels of investment exceeded those in 1990. The population's real income in 1990 represented 75.6% of that of the previous year and continued to decrease until 1993. In 1994 it represented 95.3% of that of 1990. The income levels caught up with their 1990 real value in the next year. The levels of individual consumption in 1990 represented 84.3% of that in the previous year. They caught up with their 1990 levels in 1992 though they represented only 92.1% of that of 1980 (GUS, 1994; GUS, 1995). At the same time, there was a rapid increase in the value of imports. In 1990, imports represented 88% of those in 1980. However, they increased to 123% in 1991 and, in 1992, to 140% of those in 1980 (GUS, 1994). The table above shows that the rates of GDP growth, investment rates, the population's real income and the value of exports displayed a declining tendency, while Poland's negative balance of trade was on the rise. All the above resulted in high unemployment rates.

By 2002 the unemployment rate reached 20% and has stayed there, changing but a few decimal points in one direction or the other, until Poland's accession to the EU in 2004. In some areas of the country these rates doubled (GUS, 2004). These rates do not

Figure 14: UNEMPLOYMENT RATES

	Unemployment rates
May 1994	16.4
1995	14.9
May 1996	15.1
1997	10.4
1998	10.4
1999	13.1
2000	15.1
2001	17.5

Source: GUS, Special Bulletin, 2001

include the rural unemployed and the un-registered unemployed. The economic situation in the country prevented peasants from joining non-agricultural occupations. Peasants from the lower strata complained about the lack of opportunities to gain such employment and the low rate of outflow of peasants from the occupation – the agricultural population in the country decreased from 24.9% in 1990 to 20.5% of the whole population in 1998 (GUS, 2000: 645) – and economic difficulties in the country indicate that this was the case.

European integration provided all peasants with opportunities to improve their economic position through the political process, and peasants took advantage of this opportunity. They organized new political parties, worked and voted for the existing parties, organized and participated in political actions protesting membership in the European Union, and forced the government into negotiations regarding conditions of EU membership. Yet the poor and middle strata, as well as some in the elite, complain that

the EU precludes them from having influence on state policies. At the same time, more prosperous peasants complain that the "rabble" have too much influence on state policies (#4).

Despite these complaints, both groups of peasants have their interests articulated in state policies, to some extent. The regime removed some macro-economic instruments from the reach of democratically elected bodies, but governments still hold some influence on the economy, among other things, through state owned enterprises, to respond positively to populist pressures. The Polish governments did respond to these pressures. For example, they restricted import and capital flows from the EU and maintained social policies for peasants. However, these revisions do not evenly affect all peasant strata. For structural reasons, the elite stratum benefits from state agricultural subsidies the most, but there is little left for the poor. On the other hand, the state insurance system benefits mainly the middle and poor strata (#30).

Wos maintains that non-agricultural income stabilizes levels of villagers' personal income (Wos, 2000:23) and the general statistics support that claim, as we can see in Figure 15.

Figure 15: INCOME IN VILLAGES

Year	Real Agricultural Income (in ZLP, per farm)	Personal Income
1995	6 075	12 417
1998	3 787	12 496

Source: Instytut Ekonomiki Rolnictwa i Gospodarki Zywnosciowej, 1999: 9

Personal income includes income from agricultural production and from social benefits and jobs outside one's farm. Considering that there are high unemployment rates,

particularly in the countryside, income from additional work cannot be large. Thus, the social insurance system financed by the state seems to make the difference. The middle stratum appears to be the most active politically and pulls other peasants into the movement. Goodman and Redclift's warning that a strong middle stratum may have great influence on agricultural policies finds confirmation here. But the anxieties about the threat of democracy to economic reforms do not find support here. While those disadvantaged by European integration were able to moderate state policies for their benefit, the regional transformation remained firmly on track, as Poland's signing the accession agreement in December 2002 indicates. This lends support to Offe's thesis that simultaneity of democratization and marketization may be beneficial for the disadvantaged as well and it dispels concerns of Ost (1992) and Sachs and Lipton (1990) about democracy derailing the market.

# **Expected Impact of EU Membership on the Peasant Class**

In the three previous chapters I have presented and discussed statements of representatives of the peasant strata and of experts regarding peasants' expectations about the impact of EU membership on their situation.

All three strata of peasants expect that EU membership will improve/provide for transparency in governments' wheeling and dealing, protection from domestic opponents, and result in large improvements in the way business of the state and the economy is conducted. Only the small peasant elite are assured a positive economic impact from EU membership on them. They expect to join the farmer class soon after the accession. The middle stratum also expect to join the farmers but are aware that only about one out of six

them will actually make it and the rest of them will slide down to the stratum of poor peasants. The poor stratum anticipates the loss of their land and an absence of means of support. After the EU agricultural reform in Poland, the transformed peasant class is likely to be less active politically than it was before accession.

In light of the conditions of Poland's membership in the EU as agreed upon in 2002 in Copenhagen, EU accession is likely to ease the pains of further transformation only to a limited degree. As I mentioned earlier, opportunities for the poorer peasants to enter the farmer class will be very limited considering the EU's numerical goals for the agricultural reform. The remaining households are likely to fall out of the market as the subsidies for their production will gradually decrease after 2004, which will make their production unprofitable. This would be a significant problem for any country: about 15 - 18% of the population needs to change its ways of life over a short period of ten years, as the EU reform envisions. But in Poland's case, the situation is even more complicated because the economy appears incapable of absorbing so vast a number of people.

The conditions of EU membership involve a further reduction of Poland's productive capacities, particularly in heavy industry, which still employs a significant number of people. Even if EU accession brings the expected boost to the economy, such a boost is unlikely to significantly reduce unemployment in cities, considering the deterioration of the economic situation amongst the Western members of the EU. Thus it appears unlikely that the non-agricultural sector of the economy will be able to absorb the large part of the middle stratum and the poor stratum of the peasant class that will be displaced.

The early retirement pensions, financed 80% by the EU, provide a partial solution to the problem faced by peasants: they need to somehow survive until they are 55 years old and eligible for the pensions; after they pass 65, the state insurance system picks up pension payments. However, the pensions will not solve the problems of younger people.

# Peasants' Attitudes toward EU Membership

My interviewees' attitudes toward EU membership indicate that the reports that the Polish peasantry opposes incorporation into the EU were false. Even though peasants have numerous reservations about membership and various ideas about how to change some of its conditions, they are more or less interested in being incorporated into the EU. However, many of them engage in opposition to EU membership in order to improve their stakes. Peasants' attitudes and actions toward the EU seem to derive largely from their economic calculations based on the size of their land ownership; thus, in this sense, we can say that agriculture's problems with accession to the EU derive directly from Poland's agrarian structure.

### **Prospects for Persistence of the Peasant Opposition to EU Membership**

In the previous three chapters I also discussed the strength of peasants' opposition to EU membership. We saw that peasants engage in support or opposition to EU membership based on their calculations as to which political activity is most likely to result in meeting their political and economic goals. Even though peasants are supportive of EU membership they participate in opposition in order to improve the conditions of EU membership. They attempted to improve these conditions because they considered

them to be unjust for Poland, and the democratic political process and the national referendum concerning EU membership provided them with an opportunity to achieve a more favorable outcome.

The moral and economic considerations of some members of the peasant elite provide peasants with leaders. The desperate economic situation of the middle stratum activates this stratum politically, which provides the whole class with field activists, a determined electorate, and the bulk of participants in extra-parliamentary actions. Some more active members of the poor stratum provide support to the anti-integration movement.

The strength of the peasant anti-integration movement derives from numerous sources. The most often-listed source of strength is the common economic position and common interests in the modification of Poland's conditions of membership on the part of almost all peasants. Another source is the existence of political freedoms and democracy, which facilitate political organizing. Yet another important factor is the existence of strong and broadly shared justifications for opposition to EU membership: national egalitarianism and the "national and class account approach" (other nations or classes owe peasants) cement the opponent's ideology in a common economic position.

The legacy of the past is also listed as an important factor. The Soviet educational system provided Polish peasants with access to education. Today's peasants have completed at least 8 years of schooling and they are avid observers of political and economic events in the country. Their political leaders are peasant graduates of Soviet-type universities. In other words, the Soviet system provided peasants with an educated electorate and cadre, and thus contributed to their politicization. Although very few

preserved their political positions, they maintained working relations with former political colleagues. Others developed connections with the social movement Solidarnosc and this eased their entry into politics. Thus the Communist Party and Solidarnosc contributed to the development of a peasant leadership. Private land ownership not only provided peasants with some means of sustenance, but also with funds necessary for political action; it also now gives them a strong incentive for political action.

While all these factors are important, the factor underlying all of them is the stratification of peasant landholdings. A large part of the peasant class is made up of middle stratum peasants who, under conditions of EU membership, may advance socially to the stratum of farmers but also risk loss of their land and social degradation to the ranks of the village poor. This precarious position gives the middle stratum a strong motivation to improve their economic situation politically. Sharing with other peasant strata the difficulties of European integration and justifications for political action, the middle stratum took advantage of existing political opportunities and became an engine of the anti-integration movement.

The strength of the movement also derives from the clarity of its goals and strategies. Peasants share a tangible, easily understood objective, namely, the inclusion of their enterprises into the CAP system of subsidies. They also have a simple, broadly shared strategy for achieving that goal: opposition to EU accession in the national referendum. All these factors contribute to the peasant movement's strength now. However, it is very unlikely that they will maintain that strength under conditions of EU membership.

Finally, I discussed the possible impact of EU membership on the factors determining the current political effectiveness of the peasant opposition movement. Under conditions of EU membership, the current middle class of peasants will cease to exist when the peasantry's upper stratum moves out of the peasant class. The remaining peasants - degraded middle stratum members and the current poor - will maintain a common economic position in the sense that they are unlikely to leave villages in the face of expected unemployment even if they sell their land; they are bound to be poor. Among themselves, peasants are likely to be differentiated according to the size of their pensions rather than size of land ownership. Economic changes are likely to curtail funds that peasants can spend for political activities. Moving decision-making institutions to Brussels will make peasant access to them more difficult. Obstructed access to education for peasant children will limit the expression of political interests by the peasant electorate. The expense of higher education will limit the development of a newly educated peasant leadership. In this situation, the transformed peasant class will be unlikely to contribute significantly to the anti-European integration movement even though it is likely to be dissatisfied with state and EU policies. More or less understanding the general situation of their class and hoping to improve their individual positions, peasants engage in opposition to EU membership now, while conditions are still favorable for them.

#### CONCLUSION

This study found that many peasants oppose Poland's membership in the EU in response to the impact of policies of European integration on their economy. The systemic transformation from Soviet communism to market democracy eroded their sources of income. This lends ground to some scholars' warnings against reliance on market mechanisms for the well being of the whole society.

As scholars who have studied public opinion speculated, dissatisfaction with the economy largely contributed to opposition to Poland's membership in the EU: through participation in the movement, peasants attempted to moderate the state policies of European integration so that these policies would be less harmful to them.

As among the general population, the free flow of goods, services and capital was the major issue contributing to opposition. But unlike the general population, peasants do not particularly oppose limitations of state sovereignty. Some actually welcome that development. Also unlike findings of opinion polls, my interviewees did not raise the issue of the incompatibility of Polish and western value and belief systems. This may be due to the relatively low number of my interviewees combined with the likelihood that there are very few such opponents in the whole population.

Yet value and belief systems did play an important role in peasants' opposition to EU membership. The ideal of national egalitarianism provides justifications for opposition and helps pull together peasant strata that have varying degrees of economic interests in opposition.

As some scholars have pointed out, the legacy of the past was an important factor. Social connections and methods of political participation developed in the Communist Party and in the social movement Solidarnosc, contribute to the political effectiveness of peasants. Education of the cadre and electorate, another carry-over from Soviet communism, helped with political organizing, and private land ownership provided a strong stimulus to engage in political action.

The stratification of the Polish peasantry, another legacy of the past, proved to have a large role in peasant opposition to EU membership. Policies of European integration stimulated the growth of a few large peasant enterprises but pushed many smaller enterprises out of the market. While the poor saw little chance of keeping their enterprises going under policies of European integration, some peasants in the middle stratum had opportunities to join the elite stratum. However, the majority of the middle stratum peasants experienced negative impact of policies of European integration and engaged in opposition to EU membership in order to modify these policies.

This study lends some support to the claim that the legacy of the past may be detrimental for market reforms: the legacy of Soviet communism endowed peasants with the capacity to be a force of resistance. The study also lends some support to the thesis that simultaneity of marketization and democratization may actually provide for some articulation of interests of the disadvantaged in state and EU policies. However, neither the fears that democracy would derail market reforms nor that market reforms would derail democracy find confirmation here: though sometimes slowly, economic reforms progressed and democracy has became the only game in town.

Peasants also engaged in opposition to EU membership in response to the anticipated impact of EU membership on their economy. Peasants knew that EU agricultural reform would force nine out of ten of them to close their enterprises permanently, but it was unclear at the time the interviews were conducted with middle and poor strata peasants how this 15 -18% of the Polish population would support themselves in a country ravaged by unemployment.

The accession treaty that grants CAP subsidies to Polish agriculture and pensions to the peasants who will not be able to withstand competition with larger farmers is likely to reduce the impetus for peasant opposition to EU membership in the future. Moreover, the major obstacle to agricultural reforms, the strong middle stratum, is likely to disappear. It is unlikely that the new structure of land ownership would promote the development of a strong middle stratum among the reformed peasant class in Poland.

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#### **APPENDIX 1**

### INTERVIEW SCHEDULE

How did European integration affect your economic situation? How did it affect the people you know?

How did you respond? What was the response of peasants whom you know?

What was the outcome of your responses?

How did the experience of Solidarnosc and private land ownership contribute to the success or failure of the transformation in your own situation?

How do you think membership in the EU is going to affect you?

What aspects of EU membership do you support and why?

What aspects of EU membership do you oppose and why?

If today were the deadline for signing up for the EU, would you do it?

Are you active politically? If so, what do you want to achieve? At what point do you think you will stop your political activities and why?

#### APPENDIX 2

# LIST OF CITED INTERVIEWEES

# THE POOR STRATUM

#	Land Owned (hectares)	Additional Sources of Income in the Household	Economic Relations with the EU	Political Affiliations and Position	Participation in Anti- Integration Movement	Major Motivations for Opposition
1	. 2	Work, pension		SDP activist	Yes	CAP subsidies
3	5	Work abroad	Work in the EU	PPP	Yes .	CAP subsidies, EU regulation of production
6	5	Occasional work		PPP	Yes	CAP subsidies
10	4	Work		SDP activist	Yes	CAP subsidies
15	3	Work, pension		SDP	Yes	CAP subsidies
19	6	Work		PPP	Yes	Solidarity with peasants
21	5 .	Pension		SDP activist	Yes	CAP subsidies
23	1	Work, pension		PPP	Yes	Solidarity with peasants
24	2	Work		DLA	No	

# THE MIDDLE STRATUM

#	Land Owned (hectares)	Additional Sources of Income in the Household	Economic Relations with the EU	Political Affiliations and Position	Participation in Anti- Integration Movement	Major Motivations for Political Activism
2	14	Work abroad	Work in the EU, production for FDI	PPP	No	CAP subsidies, EU regulations of production
5	10	Work, pension		SDP activist	Yes	Protection from imports, debt relief
8	11	Work		PPP activist	No	Protection from privatization by FDI
11	8	Work, pension		SDP activist	Yes	CAP subsidies
12	10	Work, pension		EAS	No	Defense from communism
13	12	Work abroad	Work in the EU, production for FDI	DLA activist	Yes	Speeding up EU accession
16	14	Work abroad, pension	Work in the EU, production for FDI	DLA activist	Yes	Speeding up EU accession
18	12	Work, pension	Employer exports to the EU	PPP activist	Support	Speeding up EU accession
20	14	Work, pension	Productio n for FDI	PPP activist	No	Speeding up EU accession

# THE ELITE STRATUM

#	Land Owned (hectares)	Additional Sources of Income in the Household	Economic Relations with the EU	Political Affiliations and Position	Participation in Anti- Integration Movement	Major Motivations for Political Activism
4	170	Work	Export production	CPP leader	No	Protection from populist demands
7	130	Work	Productio n for FDI	PPP leader	Yes	Introducing special legislation
9	75	Work	Productio n for FDI	PPP leader	Yes	Defense of Poland
14	68	Work	Export production	PPP leader	Yes	Defense of land from foreign buyers
17	208	Work	Productio n for FDI	PPP leader	Support	Support for pro- integration faction of the PPP
22	78	Work	Export production	PPP leader	No	Defense of land from foreign buyers
25	190	Work	Export production	CPP leader	No	CAP subsidies
26	90	Work	Export production	SDP leader	Yes	Improving conditions of EU membership

# **EXPERTS**

# 27	The leader of a socio-economic peasant organization, working predominantly with the middle stratum peasants
# 28	A leader of an anti-integration party
# 29	A PPP economic expert for negotiations with the EU, an active scholar
# 30	A retired economy professor, expert of the PPP

# 31	A politician in the PPP
# 32	A retired economy professor connected with a social democratic economic journal
# 33	A PPP politician
# 34	Political expert of a post-communist party
# 35	A middle ranking employee in the PPP