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ADAPTATION OF RURAL HOUSEHOLDS IN POLAND TO THE NEEDS OF MULTIFUNCTIONAL DEVELOPMENT OF RURAL AREAS IN THE REGIONS OF FORMER STATE FARM DOMINATION

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ABSTRACT

The aim of the work is to present of the main theoretical aspects of rural household adaptation to the transformed economic system in Poland in the light of needs for multifunctional development of rural areas, mainly in the regions of former state farms domination. The concept of multifunctional development and theories of rural households are discussed. The author presents the socio-economic and social characteristics of rural households, including forms of adaptation. The three forms of socio-economic adaptation: passive, active and structural, are distinguished. The preliminary results of an empirical survey of 161 rural households in eight villages located in three communes of Gołdap district are presented.

Key words: socio-economic adaptation, rural household, transformation of former state farm regions, multifunctional development of rural areas.

INTRODUCTION

Multifunctional rural development consists of diversification of the rural economy to enhance the welfare of rural inhabitants. This diversification is focused on non-agricultural economy, both in the production and service sectors. That obviously does not mean that agriculture will be neglected. Agricultural holdings have a significant role to play in this multifunctional development. Non-agricultural rural activities may be carried out both on farm and in forms detached from agriculture. Development of on-farm non-agricultural functions allows for the improved use of resources available to a farm-based household. Development of non-agricultural off-farm production in rural areas diversifies the rural socio-professional structure and contributes to urbanisation of rural areas.

Rural functions of a non-agricultural nature may be developed by rural inhabitants or people from outside those areas. Although external entities may have a significant role in rural development, the key role is played by the inhabitants, who are simultaneously the manufacturers of goods, providers of services and consumers. Both the rural inhabitants and outsiders operate within households. Households are the key socio-economic structures operating in rural areas, hence they are the entities which allow identification of the condition and tendencies of the rural economy.

RURAL HOUSEHOLD AS A RURAL DEVELOPMENT OPERATOR

A household is the basic economic operator in a general and universal nature, which apart from biological and psychological elements, reflects the basic features of the human being such as social and farming activities. For natural reasons such as a struggle for survival and other wants people experience different needs which, in order to be met, require economic activities, mainly in the form of farming, manufacturing goods and services which are the main ways to answer the constantly appearing and permanently growing needs. An individual is a producer, a purchaser and a consumer of goods. By his nature man is a social being, i.e. he gathers means of living and lives together with others. From the social point of view a family is the smallest unit, whereas from the economic point of view the smallest unit is constituted by a household. A family and a household often constitute a unity which displays the social and economic features of these two components. This particularly close relationship, unifying of these components, occurs in rural households in the agricultural sector. This type of rural household prevails not only in the Polish agricultural sector, but in other countries, and generally across the world.

Rural households, the basic economic units operating in the agricultural sector, have been so far the main concern of agricultural economics and agricultural policy. Community of farms in a specific area forms an agricultural environment which fills in non-urbanised spaces of rural areas. In the past, farming activities almost completely occupied the space and structure of the rural economy. In this situation, identification of a farm as the basic economic unit was justified. This justification resulted from the character of relations between the farm and farmer's family, where household needs were usually overridden by farm needs. The fate of the family was determined by the farm condition and, therefore, priority of farm needs was basically implementing long-term objectives of the household. As non-agricultural functions of a farm and rural areas have been developing and taking shape, the previous unity is giving away. As soon as a farmer's family has access to incomes from non-agricultural sources ensured either both by the farmer himself and members of his family, or from other non-earned sources (such as pensions, retirement income, sale of resources etc.), the farm has become only one of the tools to secure family living and economic support for the rural household members. With the increasing share of non-agricultural incomes, the strategies of the household in respect of household resource control and management are changing.

Under the conditions of rural area multifunctional development, the rural household becomes the main operator rather than the farm, and the strategies for the use and development of existing resources are formulated to meet the needs of such a household. These household needs begin to overcome the farm needs. Both the falling number of farms in rural communities and the decreasing importance of agriculture in rural economy, as well as the declining share of income from farm production in the rural families, support the idea of recognising the rural household, rather than a farm, as the main objective of interest and analyses of socio-economic problems of rural development.

Therefore, it seems that there is a need for a clear distinction between;

- agricultural economic and agricultural policy problems addressed to the farm
- rural development economics and policy addressed to the household

First approach refers to the farm as the enterprise an entity belonging to agricultural having different links with other sectors operating in rural environment under prevailing market economic system and policy and linked closely with the rural family and household.

The second one refers to rural household itself which represents the basic economic unit operating in different sectors of rural economy of which only one is agriculture. Different activities of rural household members are reflected in different economic functions performed on rural areas such as non agricultural production and all kind of service functions.

A household may be analysed from different points of view such as sociology, demography, economics, economic policy or marketing theory. Definitions formulated by the various branches are focused on the aspects specific of the given branch of knowledge. Regardless of the approach, households are always the smallest and the most often occurring socio-economic entity on which the attention of the whole population of the country is focused. Eventually, the national resources are located and the final distribution of the national income is carried in these households. The households contain the national labour resources and an important part of assets, mainly goods of first order. The behaviour of households regarded as microeconomic entities affects the macroeconomic processes, particularly on the labour market, and consumption and saving processes.

From the economic point of view, a household is a voluntary relationship of people who live together and make economic decisions related to income acquisition and spending. The following four aspects reflect the economic features of a household:

- quantitative and qualitative modelling of human resources,
- use of the owned labour capital resources for income acquisition and self-providing different commodities and services,
- modelling of the consumption level and structure,
- saving and investing in development.

The number of persons in a household depends mainly on the demographic issues. Economic conditions influence the number of children in a family, their education and preparation for labour market competitiveness. The household may increase, stay unchanged or use inherited assets and capital for current expenses. In order to gain income the household members market their resources – first of all labour, but also capital, fixed assets, land, funds etc., or use their resources for their own production or service business. In the majority of households salaried labour is the only available source of income necessary for family subsistence. Household activities are mainly focused on answering its members' needs. The aim of the household is to satisfy the needs in the best possible manner. This is reflected by striving towards maximum usefulness, satisfaction from the income based on their own resources, social benefits and public goods.

In their desire to achieve maximum utility, the households primarily to consume at levels which ensure the viable renewal of the resources owned, mainly labour. The households adjust their resources to the consumption needs. However, households adopt long-term-strategies in respect to resources and consumption needs. Each regular household devises its long term development and operation plan, such as planning the number of children, their upbringing and education (i.e., construction of human resources), savings, investments, professional upgrading, re-skilling etc. Formulation of development strategy and planning of household development and operation are carried out in the conditions of a relative household autonomy. i.e., the household is independent of external instructing units and the character of its activities and external relations is not formalised. The household autonomy is limited by the general legal framework of a democratic State. It is also limited by the economic environment, and first of all by the socio-economic system, its functions and business conditions.

HOUSEHOLD ADAPTATION SYSTEM FACTORS

System transformation in Poland, which was initiated in 1989, ensured a new background and new limits for households in general, and for rural households in particular [1]. The most important changes, affecting the behaviours and development strategies of rural households include the following:

- upgrading and strengthening of the value of individual freedom, and therefore of the freedom of rural businesses, leading to the opportunity at individual life modelling;
- considerable limitation, or even abolishment in some cases, of the State protective functions, particularly in the area of social welfare, limitation of collective consumption and accessibility of public goods - a great challenge with which many households could not cope;

- liberalisation of the market, which at the same time meant reduction or abandonment of State intervention in the form of subsidies and support for production and consumption, particularly in the public sector. This situation led to a new equilibrium of the market of commodities and services and had an impact on the development of new relationships between market operators. Withdrawal of subsidies and other economic support affected directly or indirectly the consumer and household members' decisions;
- opening to the world economy and de-monopolization of foreign trade have led to the transformation of the existing deficiency markets into surplus markets where previously unknown competitiveness forms were established and developed;
- restructuring and privatisation of the national economy resulted in fast changes in the organisational structure and operation of the service and production enterprises. These processes led to more rational relationships among production factors, reflected by mass discharges and growing unemployment. The market economy system with preferences for private property has strengthened the private trade and industry sectors and allowed dynamic development of foreign investments in Poland;
- changes in the institutional structure, which consisted of adjusting former institutions to the new economy conditions and in establishing new, previously unknown institutions needed for market economy functioning;
- development of the processes of integration with the European Union structures – first under the agreement associating Poland with the EU, and then under the national programme for the adoption of *Acquis Communautaire* means the European legal order. Three elements: principles, legal system and jurisdiction constitute the *Acquis*. Though the processes often remained at the stage of concept modelling, the importance of their impact on the citizen awareness and long term strategies modelling in the households was growing.

Legal and institutional changes in the ownership system induced by the transformation of the Polish economic system in the nineties led to the implementation of new economic mechanisms based on market economy and substantial restructuring rules. Changes in the macro-economy generated new conditions for microeconomic entity functioning. New operating conditions forced the enterprises and households to undertake adjustment actions. The adjustments appeared to be particularly difficult for rural households in the regions of the former State-owned farms.

ADJUSTMENT OF THE HOUSEHOLDS IN TRANSFORMATION CONDITIONS

Numerous economic bonds between the households and other national economic entities produce the flow of resources and income transfer and, at the same time, constitute an intermediate link between the public, the State and the citizens in the process of return performances and commitments flow. Introduction of the system changes in Poland produced a lot of perturbations in the household functioning. These perturbations forced the households to undertake actions to adjust to the new conditions. Household theoreticians distinguish three trends of adjustment to the external changes, namely: accommodation, adaptation and renewal [6,2,3,8].

According to these concepts accommodation is an instrumental behaviour where external objects are manipulated in order to purchase commodities and services needed for a satisfactory standard of living in normal conditions. This includes activities carried out by a household in order to acquire commodities and services using usual methods such as purchase, commodity exchange, mutual labour services etc. Accommodation consists of activities which are undertaken in order to change the household functioning conditions in different areas. These activities include purchase of foodstuffs, clothes or other commodities and services, home production, and direct neighbourly exchange of commodities and services between households.

Adaptation covers household activities aimed at the changes in the household itself in order to achieve greater satisfaction of household needs, changes in needs and the change of the existing factors. The changes relate to the household structure, its organisation and orientation in respect of welfare. Hence, adaptation produces changes inside the households and is a typical method applied when the accommodation processes fail. Two main types of adaptation process are distinguished: efforts to reduce the needs and actions aimed to attenuate the constraints.

Reduction of needs consists in the reduction of the need implementation scope, hence, it is an activity which leads to a lower standard in one of the household areas without prejudice to its other functioning areas. Therefore, pressure on the household resources and welfare is reduced. Changes in the need priorities, implementation form, better self-satisfaction, extension of the commodity using time etc are practical adaptation activities. In consequence adaptation consisting in need reduction results in provision of conditions which reflect a satisfactory standard of welfare and life.

Attenuation of constraints consists of the reduction of the constraints in order to build up the resources which are aimed to satisfy the needs. The ability of a household to satisfy the needs depends upon the power of constraints, which may differ. The constraints preventing the household members from satisfying their needs may include:

- predispositions, qualifications and skills of the household members,
- organisation of the households, including the structure and distribution of roles, the degree of internal integration and the flexibility,
- market, including prices and commodity and service supply, credit availability etc.,
- material resources and human resources of a household, such as income from savings, material goods, professional skills, access to information etc.,
- culture determining the standard of socially recognised aspirations, behavioural patterns pertinent to the need satisfaction complete with the means serving the purpose of need satisfaction.

This group of constraints also includes the external and internal infrastructure of the household.

If a pathological situation occurs in a household the proper method of adjustment is the renewal. This is a process which consists of the reconstitution, reconstruction or thorough renovation of an inefficient household so as to allow it to operate again as an organisation efficiently satisfying the needs. Renewal often requires an external intervention and assistance.

The discussed forms of household adjustments are examined mainly in the sociological aspect. The socio-economic dimension of adaptation refers to the income area, the use of possessed resources and the modelling of long-term development strategy of the household. Socio-economic adaptation is a process of adjusting the consumption level to the opportunities of acquiring income in the process of better use of possessed resources in the new system conditions, and of modelling these resources on a long-term basis.

On the basis of the resource use criterion three basic forms of socio-economic adaptation may be distinguished:

- passive adaptation,
- active adaptation,
- structural adaptation.

Passive adaptation mainly includes temporary short-term actions which aim at rationalisation of consumption and welfare standards of the household members so as to match the reduced income and other constraints encountered during the transformation process. Loss or reduction of income due to unemployment, increased consumption commodity prices or higher cost of living and household functioning force the households to restrict the needs, i.e. to lower the standard and change the consumption structure. In this respect households benefit from different forms of social relief and mutual aid. Such an adaptation strategy is mainly directed inwards.

Active adaptation consists of undertaking actions which allow more rational use of the resources owned, particularly labour resources. These actions include new jobs, self-employment, development of self-providing activity. In this case the households benefit from the assistance of institutions dealing with the labour market (labour offices, advisory and education institutions). At this stage of adjustments the implemented strategy aims at the adjustment of the internal resources to the opportunities and possibilities provided by the environment and transforming elements of the socio-economic system.

Structural adaptation consists of long-term modelling of the human and material resources structure in the household. The personal aspect of this adaptation is associated with the decisions related to the number of children, their education and adaptation to the labour market requirements and re-skilling. In the aspect of material and fund resources, structural adaptation covers saving and investment. This leads to the modelling of a new structure of the resources which ensure implementation of the household strategic objectives.

Adjustment processes have universal character and concern all households – specificity and differentiation of the processes are determined by the environment and background of the households. Adaptation of rural households in the rural environment shows a specificity. Adjustment of rural households in rural areas in which State-owned farms once prevailed is a specific case. Household adjustment processes in these areas are associated with the concept of multifunctional rural development.

STUDY OF HOUSEHOLDS IN VIEW OF THE NEED FOR MULTIFUNCTIONAL DEVELOPMENT IN THE FORMER AREAS OF STATE-OWNED FARMS

Adaptation of households to the new external conditions enlarge multifunctionality of rural areas. Transition of centrally planned to the market economic system create new conditions market economic system create new condition for rural households in both private farm and in state owned farm sector. In Poland state farm sector participate less than 15 percent of agricultural land and agricultural outputs in average. However in the North and West part of the country the share of state farms was much highest, sometimes above 50% of land. Restructurisation and privatisation of this sector led to different, not always positive results. Adaptation of households linked formally with the state farms constitute on of the most difficult problems of transformation.

In the regions where State-owned farms prevailed or were numerous, conditions, factors and opportunities for the development of non-agricultural functions were positively different. In the regions with prevailing individual farms than structural transformation in these State owned farm regions led to a decline in farm production, discharging of labour and destruction of the existing socio-economic structures. In the areas of former State-owned farms, transformation primarily caused a general regression, i.e., retardation in the multifunctional development of rural areas [7]. In general, the State-owned farms rated as agricultural enterprises carried out a number of production and service functions of non-agricultural character. The State-owned farms included agri-food processing plants, repair shops, transport operators etc.

Restructuring and privatisation of the State-owned farms have led to increase the number of economic operators but the destruction of the existing structures had often adverse impacts on the agricultural and non-agricultural functions. Newly established farms, either private or leased, have limited their agricultural production to a very narrow specialisation. After the restructuring process was completed many areas of non-agricultural character have changed their operation profile. One of the momentous outcomes of State-owned farms transformation was unemployment. It mainly affects the former State-owned farm labour and households associated with these enterprises – the household members run up against serious adjustment difficulties because of, in particular, deterioration of the whole infrastructure associated with the former State-owned farms, and narrow professional specialisation, which has become of little use under the new economic system. Abolition of the social safeguard scheme established under the central planning system and entrepreneurship disability of the former State farm labour have aggravated the situation. The entrepreneurship attitudes and activities of the household members may considerably affect the reconstruction of non-agricultural functions in the rural areas. Individual agricultural production undertaken by the former State farm workers may also have an effect on the development of former State farm regions. Despite obstacles in the implementation of, and sometimes rather poor results of multifunctional rural development programmes such a concept of multifunctional development in former State farm areas seems proper. This approach is confirmed by assuming the multifunctionality to be the basic idea of further reform of the EU common agricultural policy.

Poor effectiveness of the multifunctional rural development policy applied so far induces the search for the reasons of such failures in this seemingly proper approach. Lack of funds and budgetary support cannot be accounted for as the only reasons for failures of multifunctional rural development. Many reasons of this state do seem to point to the households, attitudes of their members, capacity to adjust to the new reality and to operate under a new regime. Hence the concept to study the behaviours and adjustment of the rural households to the conditions imposed by the transformation processes. A part of this study has been carried out in the regions of the former State farms. More careful insight in the aspects inherent to the households, their structure, activities, attitudes etc. will enable the search for the actual reasons, difficulties and development barriers.

Study of household adjustment in the transformation conditions has been carried out, among others, in the north part of Warmia and Mazury, in the communities of Gołdap, Banie Mazurskie and Dubeninki (now in Gołdap District), where typically State farms prevailed in the agricultural structure of the region [7]. At that time in the State Agricultural Enterprises specific non agricultural functions are operated.

In 1979 Romnicki Agricultural Complex had been established in this region. It covered the area of 20602 ha, including 16814 ha of farmland. The Complex comprised a distillery, feedstuff mixing plant, green fodder drying plant, sawmill and peat plant. The employment amounted to 1500 persons; the Complex constructed 100 km of internal roads for its own and farmers' needs and recultivated 4300 ha of bush-grown land; it also constructed a number of housing estates in Gołdap and several other localities. This extensive social activity allowed to create a huge non-productive fixed capital such as: apartments, schools, kindergartens, first-aid rooms, cultural and sport centres. All State farms in the studied region were liquidated by way of the law of January 1, 1992. Liquidation of the farms entailed disappearance of many functions fulfilled by these enterprises.

The study dealt with the households in the former State farm rural areas functioning under the regime changes inherent to the transformation process, the gist of which consists of replacing centrally planned economy with a market economy. The basic objective of the study was to determine the primary changes in the functioning of households and the adjustment mechanisms in dealing with the new socio-economic reality of the country. In order to obtain source material reflecting the impact of system changes on household life research was carried out on a sample of 161 rural households situated in 8 villages on the area of three communes in Goldap District (data in [table 1](#)). The method of survey was the questionnaire which focused on the household related issues such as demographic and social characteristics, housing conditions; economic basis, status and opportunities of the rural households; assessment of the socio-economic situation, etc. was applied.

Table 1. Selection of the sample group of rural households in Goldap Powiat

Gmina	Name of the village	Population number	Number of households surveyed
Gołdap	Grabowo	629	22
	Galwiecie PGR	358	31
	Galwiecie	104	18
Banie Mazurskie	Banie Mazurskie	1490	27
	Lis	247	17
	Dąbrówka Polska	130	16
Dubeninki	Dubeninki	770	18
	Łoe	145	12
Razem		3873	161

Source: Goldap Municipal Office, Banie Gmina Office, Dubieninki Gmina Office

The surveys provide source material which was used for the formulation of conclusions related to the impact of system changes on rural households in Poland.

In this paper we only provide the demographic and professional characteristics of the households subject to survey.

CHARACTERISTIC OF THE SURVEYED SAMPLE

In this paper only some demographical and social characteristics of the surveyed sample are presented.

Collected information on kinship between respondents and the remaining persons in the household allowed the family situation in the surveyed households to be determined and the household structure features to be defined according to family type. [Table 2](#) shows the type and generation structure of the families.

Table 2. Households according to type and generation structure

Households	Number of household	Structure in
One generation family	28	17.4
in that:		
– one person	11	6.8
– married couple without children	14	8.7
– single persons with relatives	1	0.6
– married couple without children and with relatives	2	1.2
Two generations family	116	72.0
in that:		
– married couple with children	100	62.1
– single mother/father with children	3	1.9
– single persons with parents	5	3.1
– married couple with children and relatives	7	4.3
– married couple without children with parents	1	0.6
Three generation family that: married couple with children and parent	17	10.6
	17	10.6
Total:	161	100.0

Source: own survey

The surveyed group included 28 single-generation families. Fifty percent of these families were childless and 39.2% were single person households. Married couples with children as two-generation families constituted 72% of and dominated in the surveyed population. Typical three-generation families including two families are married couples with children and parents. Married couples with children and relatives or a single with parents occur less frequently. Surveyed households are mostly family households. A household with a relationship such as wife-husband and/or parent-child is considered a family household. Married couples with children have the major share in this group (62.1%). For 161 surveyed households 127 families (i.e. 78.9%) had children. One-person households constitute 6.8% and several person non-family only 0.6% of the total.

The largest number of surveyed families (23.6%) had two children. Families with three or greater number of children were also relatively numerous. Numerous children families constitute almost 37% of the surveyed households.

In the surveyed households the prevailing group (21.1% of the total) includes persons 35 to 44 year old. The next group includes persons 18 to 24 year old (18.7%). Number of household members 45 to 54 year old is the same. The number of persons 25 to 34 year old is slightly lower (16.9%). Over 80% of the adults in surveyed households belong to the productive age group.

HOUSEHOLD STRUCTURE ACCORDING TO THE MAIN MEANS OF SUBSISTENCE

During transformation period Poland faced a totally new labour market situation. Unemployment caused the uncertainty among labour. Such features as entrepreneurship, flexible reaction to the changes, quick decision making, innovativeness have become important. One of the conditions which affects the living standard of households is the affiliation with a particular socio-professional category. [Table 3](#) shows the results of household structure analysis according to the subsistence means.

Table 3. Economic status of adult family members

Economic Status	Number of persons	%
Employed	128	30.4
Entrepreneur	8	1.9
Unemployed	138	32.8
House worker	8	1.9
Student	33	7.8
Pensioner	71	16.9
Disabled	2	0.5
Soldier	2	0.5
Farmer	31	7.4
Total	421	100

Source: own survey

For 421 adult members of surveyed families living in common households as many as 138 persons were unemployed (32%). Employed (128) persons formed the second group which was as numerous as the first one (30.4%). The pensioners (71 persons – 16.8%) were the third group. Thirty one persons out of the surveyed population considered themselves farmers (7.4%). Eight persons (1.9%) worked at home. In 161 surveyed households there were 33 students (7.8%) and only eight businessmen (1.9%). Two persons were disabled and two were in the army.

[Table 5](#) shows the employment structure of the surveyed households members. As many as 82 (i.e. 58.9%) are employed in public services. Private services and trade rated the second with 28 persons (20.1%); farming, forestry, fishery – 19 persons (13.7%) and industry, building trade and mining – 10 persons (7.2%).

Out of 160 surveyed families only 22 (13.75%) attempted during transformation to run a own business activity – most often in commerce, construction and repair services. Three households attempted to establish a forestry service plant, whereas another two households made an attempt to run a fuel station. The remaining nine persons tried to run other services. Only three households (1.9%) receiving total incomes from their own business and the some number receive half and more income from own business ([table 4](#)) In the surveyed group.

Table 4. Main family income source

Source of incomes	Full income from them	%
Total income from:		
Employed work	46	28.6
Own business	3	1.9
Social allowance only	19	11.8
Selling farm products	6	3.7
Old age or disability pension only	19	11.8
Half and more income from the		
employed work	30	18.6
own business	3	1.9
social allowance	8	5.0
old age or disability pension	18	11.2
selling farm products	9	5.6
Total	161	100.0

Source: own survey

There were 46 households, (28.6%), living on fixed incomes from salaried labour. Nineteen households (11.8%) lived on benefits, and the same number lived on disability or old age pensions. In six households sale of farm products is the income source. Another type of households includes those where more than the half of income originated from salaried labour, self-employment, benefits, pensions or farm product sale. The remainder of income was derived from other sources. There were 68 such households (42.3%).

Table 5. Economic status of adult family members

Economic Status	Number of persons	%
Employed	128	30.4
Entrepreneur	8	1.9
Unemployed	138	32.8
House worker	8	1.9
Student	33	7.8
Pensioner	71	16.9
Disabled	2	0.5
Soldier	2	0.5
Farmer	31	7.4
Total	421	100

Source: own survey

The data from [table 5](#) show that the largest number of families, as many as 74, carried out all, or almost all, repairs of the house or car on their own. Another service frequently carried out on was own is transportation. Seventy one households satisfied totally or partially their transportation needs by means of their own transport. Eighteen families entirely provided their household with fresh foodstuffs whereas 50 households do it partially. In every second household almost half or more of domestic services were done, on their own. 15 households use only own farm machines.

On the other hand there were 38 households in which all fresh foodstuffs were purchased. The remaining households use only, half or a part of foodstuffs produced on the farm. Sixty eight households do not use their own means of transport and 73 households did not carry out any domestic services. Thus, high self-providing level occurs particularly in respect of foodstuffs and repair work.

CONCLUSIONS

Results of the surveyed household structure analysis according to the living source allowed observation of tendencies of changes which took place during transformation. The basic survey results may be formulated as follows:

1. During transformation a specific socio-economic category of households appeared where the main source of living is ensured by unemployment benefits. These households constitute 11.8% of the total

number of surveyed households. The number of these households may also include those in which half or more of incomes originates from the benefits. There are about 5% of such households. As the survey shows 32.7% of household members are unemployed and it may be assumed that 15.9% of surveyed persons are unemployed ineligible for unemployment benefits.

2. In the surveyed households about 23% of persons live mainly on other type of social benefits such as old age pensions or disabled pensions. This is due to the aging population, increased number of agricultural, disabled, survivors', combatants' pensions and to the phenomena produced by the system transformation and directly associated with unemployment. The increasing threat of job loss induces many employees to take the opportunity of earlier retirement.
3. Equilibrium of the domestic budgets are maintained using extra income, aggregating different sources of income in the households. In the surveyed group such households constituted 42.3% of the total. Aggregation of income from different sources reduces material discrepancies between socio-economic groups and the accumulation due to job loss and family existence threats.
4. Private business is another symptom of our times. 13.7% of respondents attempted to run a business. The survey shows that in six households the private business is the only or the main source of income. This may mean that out of 22 private business attempts six (i.e. 27%) have succeeded.
5. The surveyed households maintain their standard of living not only through the search for extra income but also through extra activities in the area of need satisfaction. The forms of activities, which enable the use of domestic labour resources for satisfying the needs are introduced and natural ways of consumption goods production, have been introduced. The development of natural forms to satisfy the needs by way of domestic services and production increases the opportunities to satisfy other needs which require spending. Therefore, 42.5% of surveyed households consume all or half of the fresh foodstuffs produced on their own. Decidedly more respondents carry out a number of services in their farms on their own. Apart from a relatively low income level of the majority of respondents, this situation is favoured by the service prices which prohibit market consumption.

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