



## Structural change and social security: semi-subsistence farming in Poland, Romania, and Bulgaria

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Results drawn from the project "Sustainability of semi-subsistence farming systems in New Member States and Acceding Countries (S-FARM)", Contract No. 150652-2006 F1SC-DE

European Network for Rural Development  
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# Structure of talk

1. Need for structural change
2. S-FARM project
3. Characteristics of semi-subsistence farm households
4. Future prospects
5. Conclusions



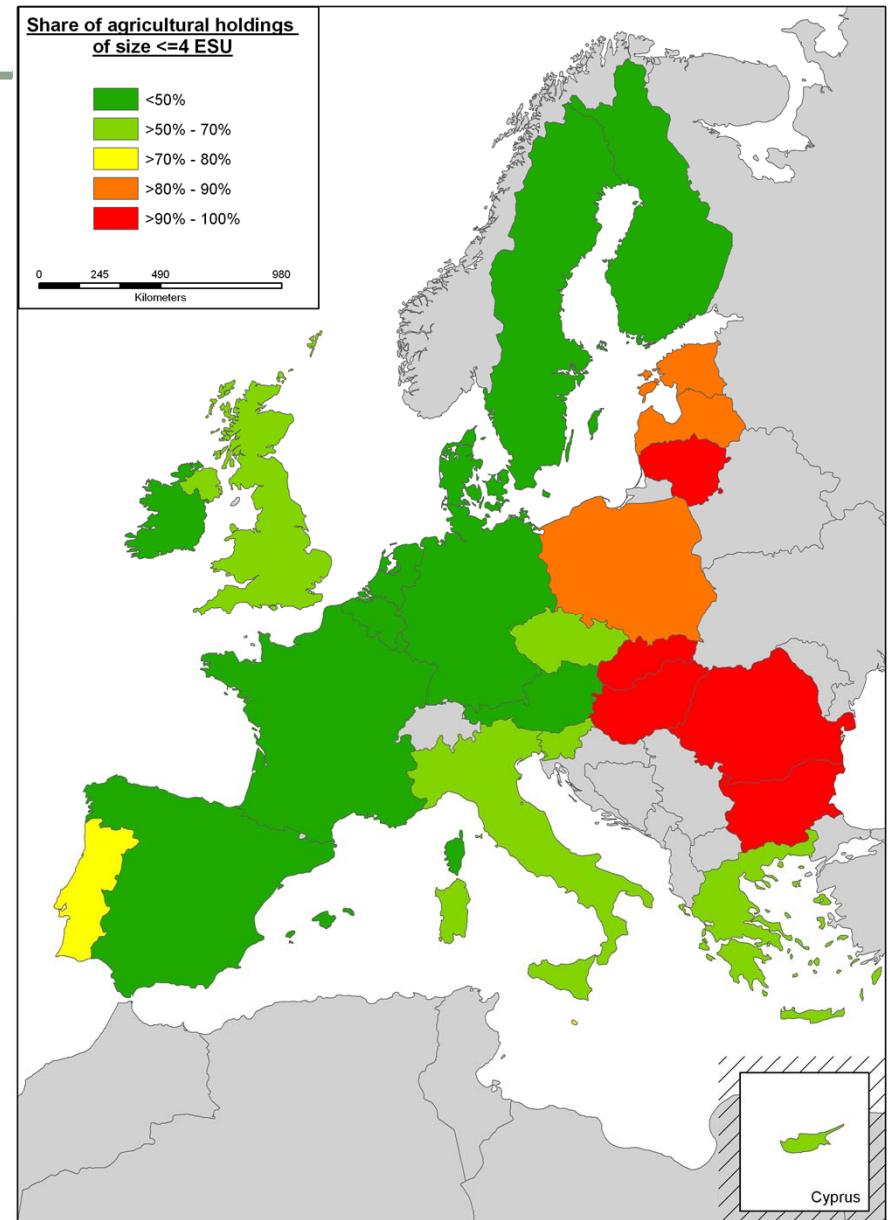
# 1. Need for structural change

Share of agricultural holdings  
 $\leq 4$  ESU in 2007

80.5% in Poland

98.3% in Romania

95.6% in Bulgaria



Source: Eurostat.

# 1. Need for structural change

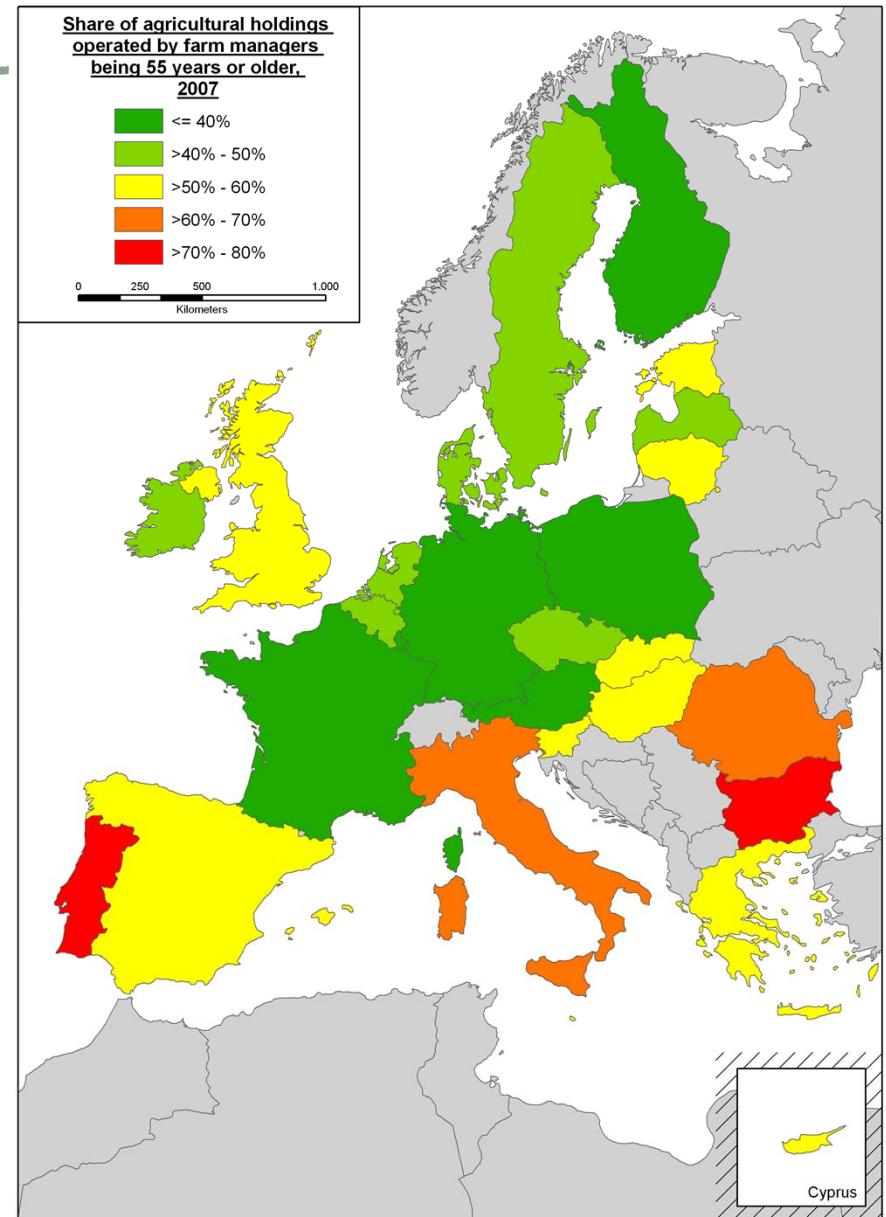
Share of agricultural holdings operated by farmers  $\geq 55$  years in 2007

35.1% in Poland

66.8% in Romania

70.1% in Bulgaria

Source: Eurostat.



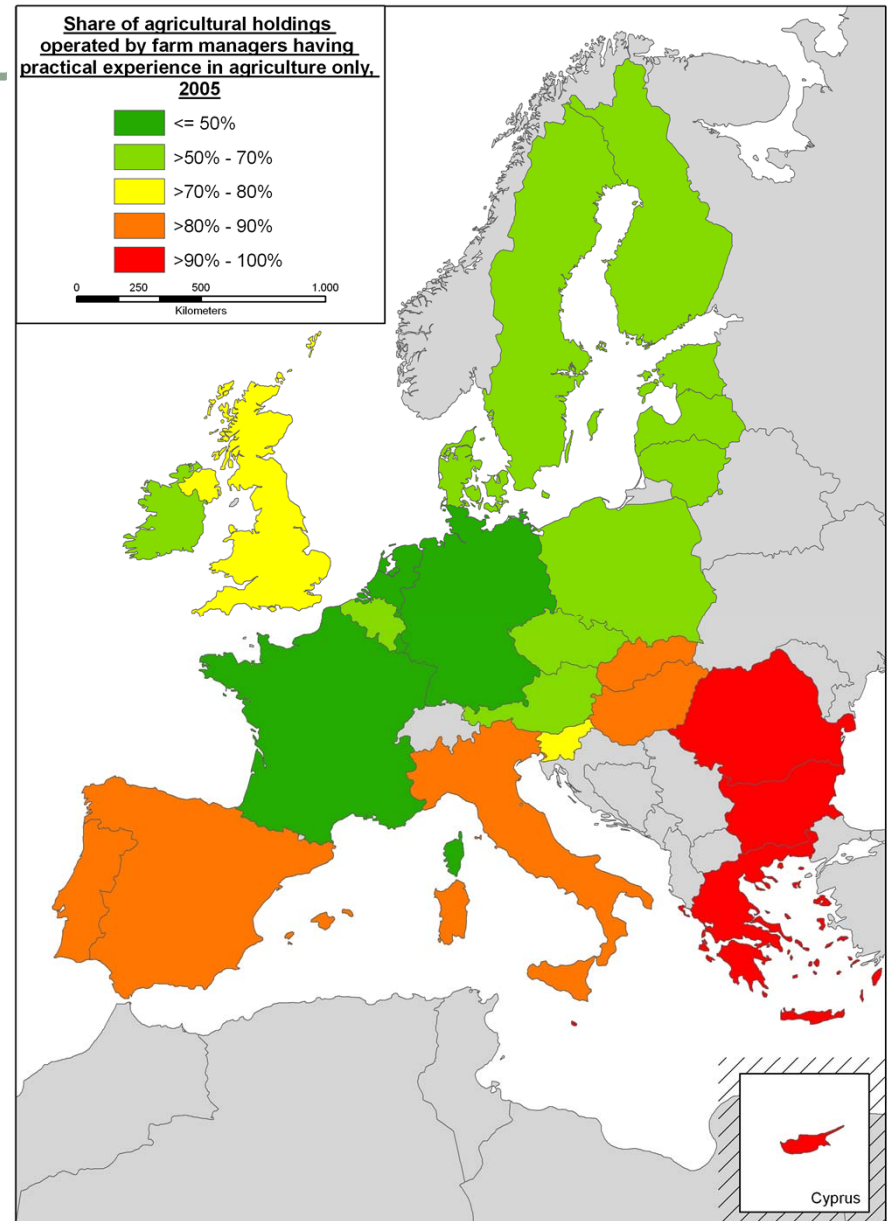
# 1. Need for structural change

Share of agricultural holdings operated by farmers with only practical experience in 2005

61.5% in Poland

92.6% in Romania

94.7% in Bulgaria



Source: Eurostat.

## 2. S-FARM project

- Financed and coordinated by **EC JRC IPTS, AGRILIFE Unit (SUSTAG Action)** executed by **IAMO** and its partners from **WAW** (Poland), **USAMVB** (Romania), **UNWE** (Bulgaria), and **Graham Dalton** (UK)



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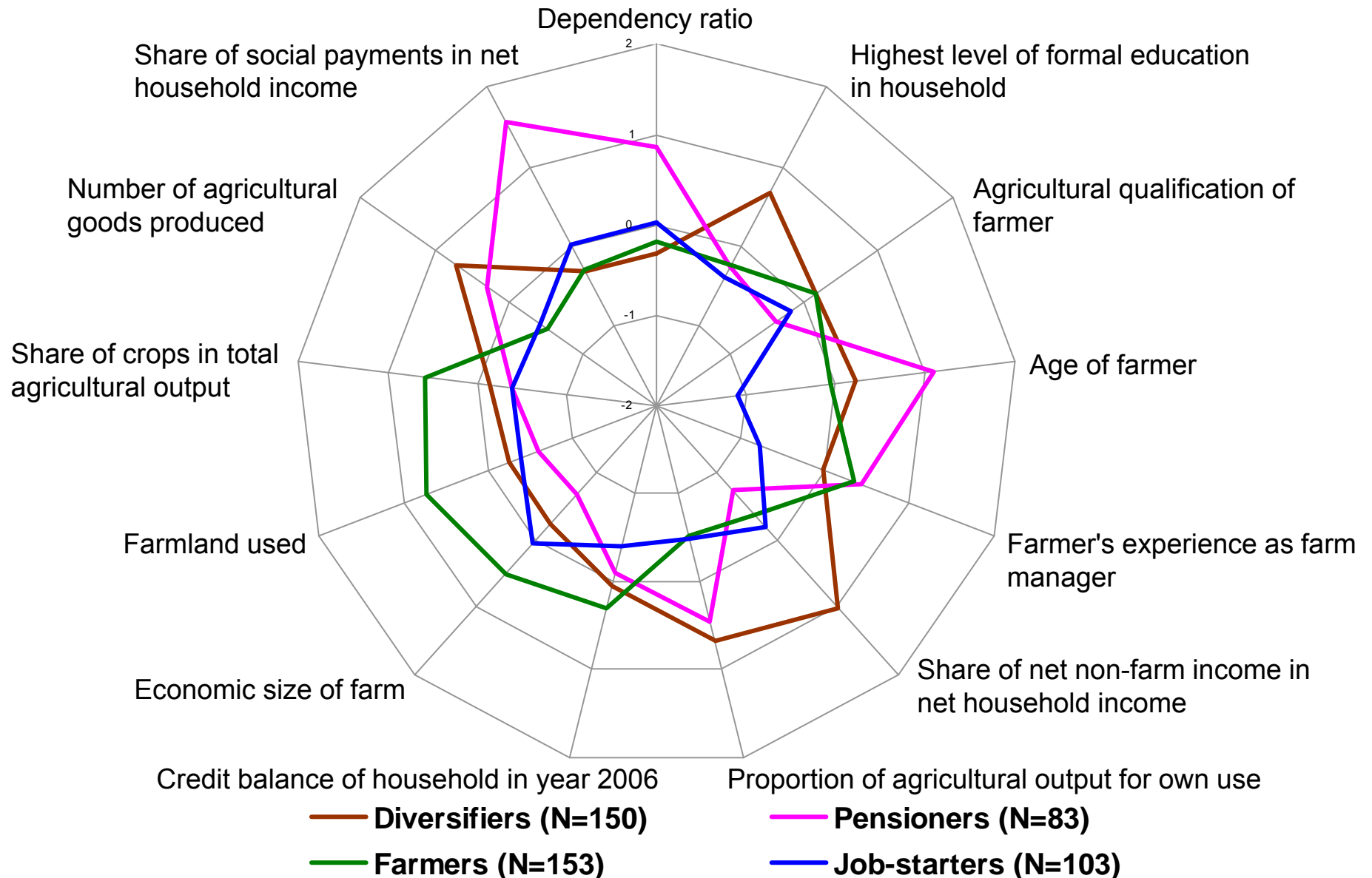
- Research questions:
  - What characterises semi-subsistence farm households in Central and South-eastern Europe?
  - Which development strategies could promote them most?

## 2. S-FARM project

- **Semi-subsistence farm household (SFH):** household operating a farm of size **1 to 4 ESU** marketing part of its agricultural production
- **Surveys** in Poland (N=158), Romania (N=153), and Bulgaria (N=178) in 2007 referring to year 2006
- **Cluster analysis** and **multiobjective linear programming model**



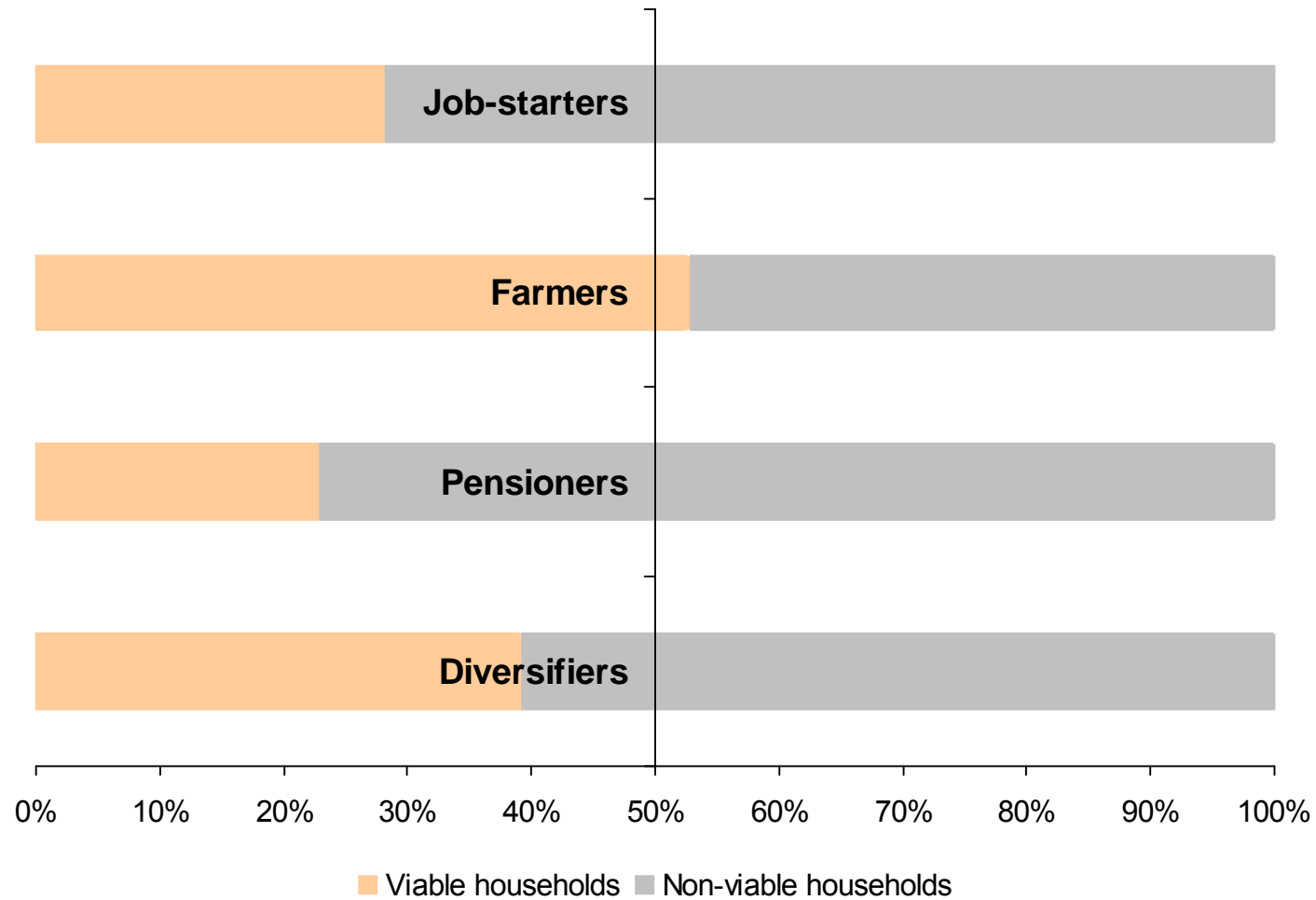
### 3. Characteristics of SFHs – Typology of households



Source: Own calculation with data from project survey.



### 3. Characteristics of SFHs - Viability



Note: Viability=net household income / living expenditures

Source: Own calculation with data from project survey.

### 3. Characteristics of SFHs - Income

	<b>Diversifiers</b>	<b>Pensioners</b>	<b>Farmers</b>	<b>Job-starters</b>	<b>Sample</b>
Net household income (EUR) of which	3,486	1,969	5,413	2,895	3,438
non-farm	2,350	0	0	1,069	1,233
social payments	483	1,439	403	589	718
subsidies	0	0	1,707	100	85

Source: Own calculation with data from project survey.

### 3. Characteristics of SFHs - Budget

#### Household income and living expenditures (EUR) in 2006

	<b>Diversifiers</b>	<b>Pensioners</b>	<b>Farmers</b>	<b>Job-starters</b>	<b>Sample</b>
Net household income	3,486	1,969	5,413	2,895	3,438
<b>per member</b>	<b>1,059</b>	<b>734</b>	<b>1,633</b>	<b>898</b>	<b>1,096</b>
Household living expenditures	4,323	2,960	5,244	5,556	4,409
<b>per member</b>	<b>1,327</b>	<b>1,090</b>	<b>1,523</b>	<b>1,456</b>	<b>1,388</b>

Source: Own calculation with data from project survey.

Poverty lines in 2006 (Davidova 2010):

Poland 1,867 EUR

Romania 828 EUR

Bulgaria 1,022 EUR

Mean consumption expenditure per adult equivalent in 2005 by Eurostat:

Poland 3,530 EUR

Romania 1,541 EUR

Bulgaria 1,798 EUR

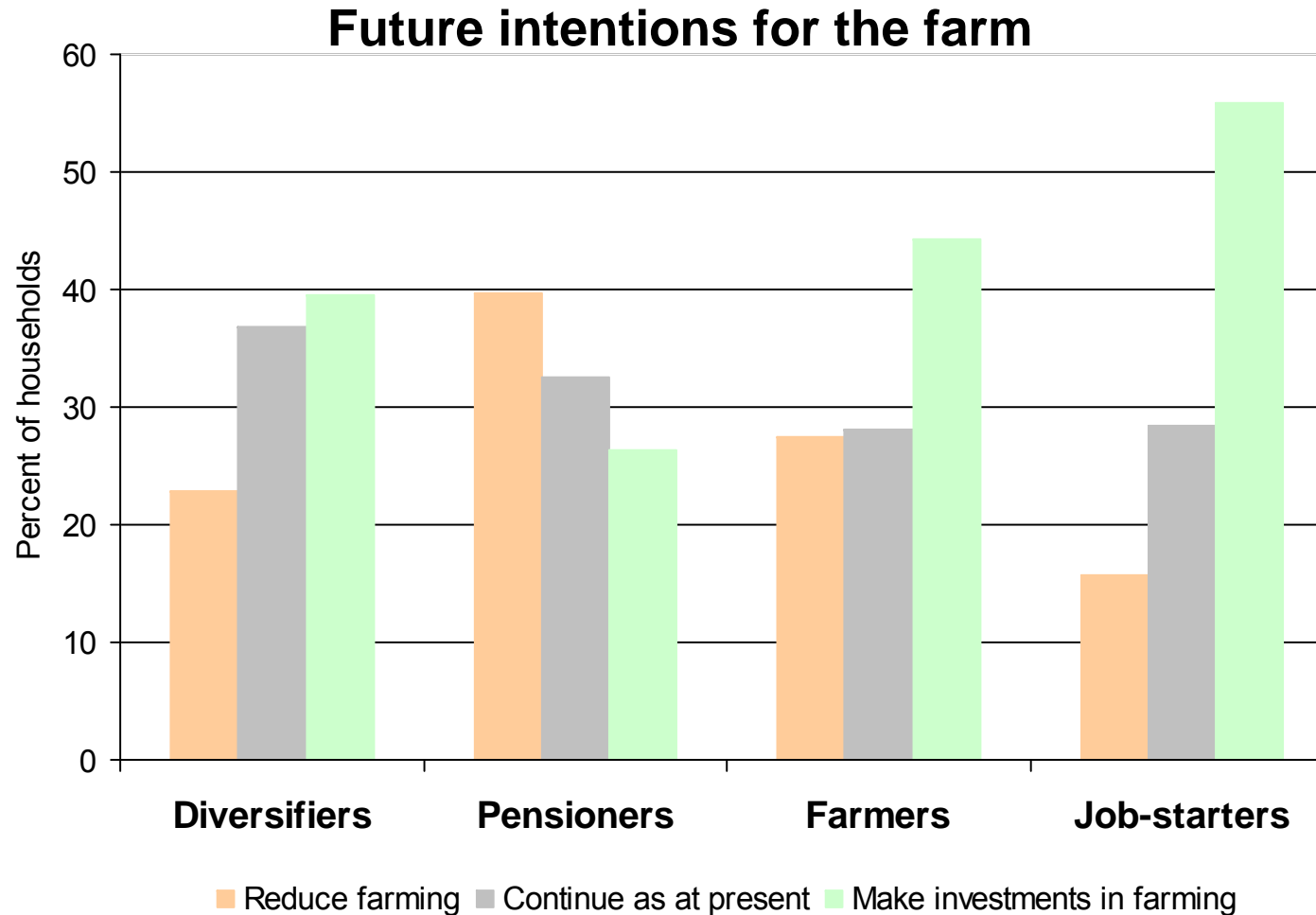
### 3. Characteristics of SFHs - Farming

#### Agricultural output, variable costs and own use (EUR) in 2006

	<b>Diversifiers</b>	<b>Pensioners</b>	<b>Farmers</b>	<b>Job-starters</b>	<b>Sample</b>
Agricultural output	3,343	2,212	6,692	4,599	4,258
Variable costs	590	450	1,680	1,111	883
Own used agricultural output	2,375	1,230	2,655	1,641	1,016
per member	708	486	737	464	588

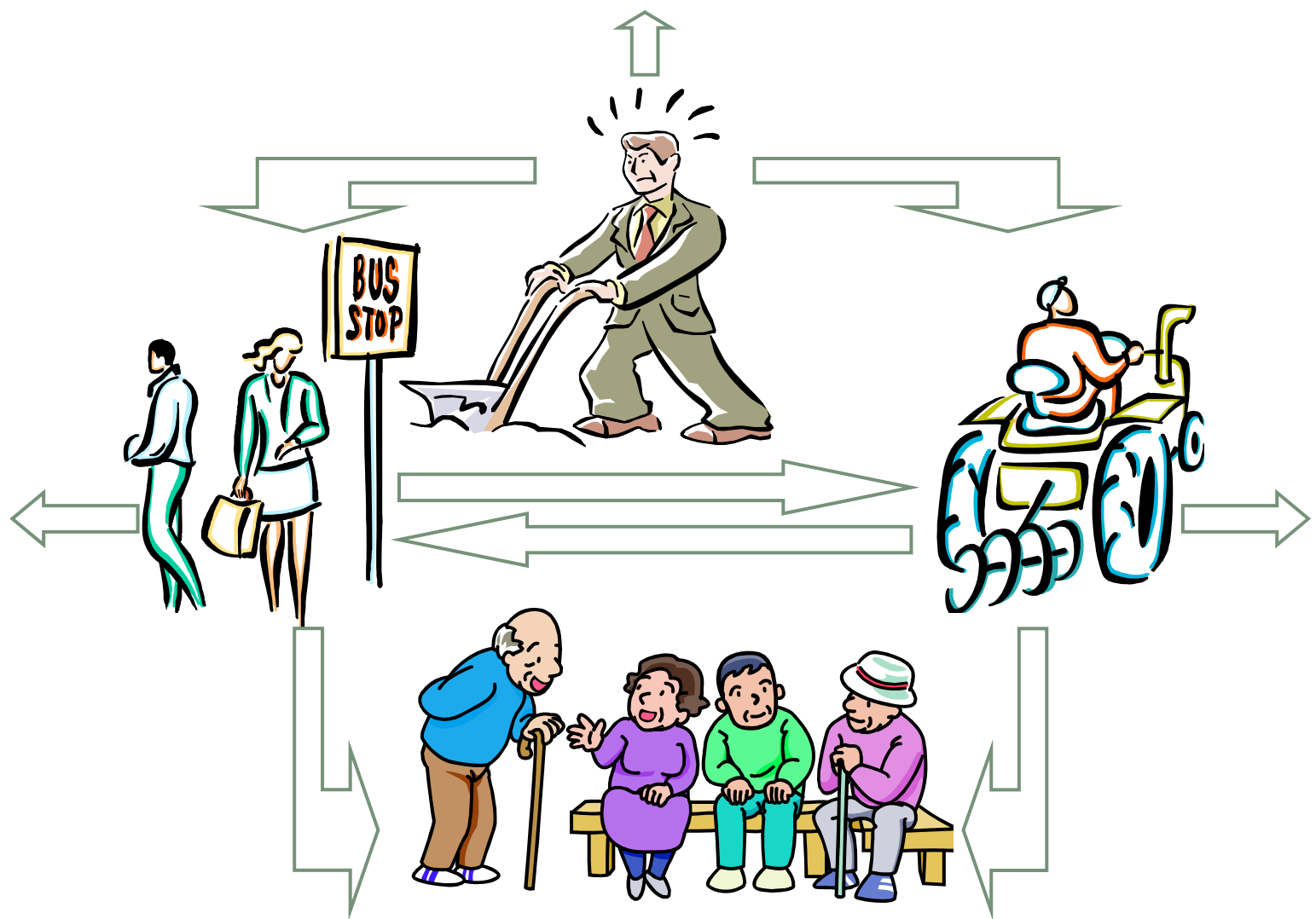
Source: Own calculation with data from project survey.

### 3. Characteristics of SFHs – Intentions



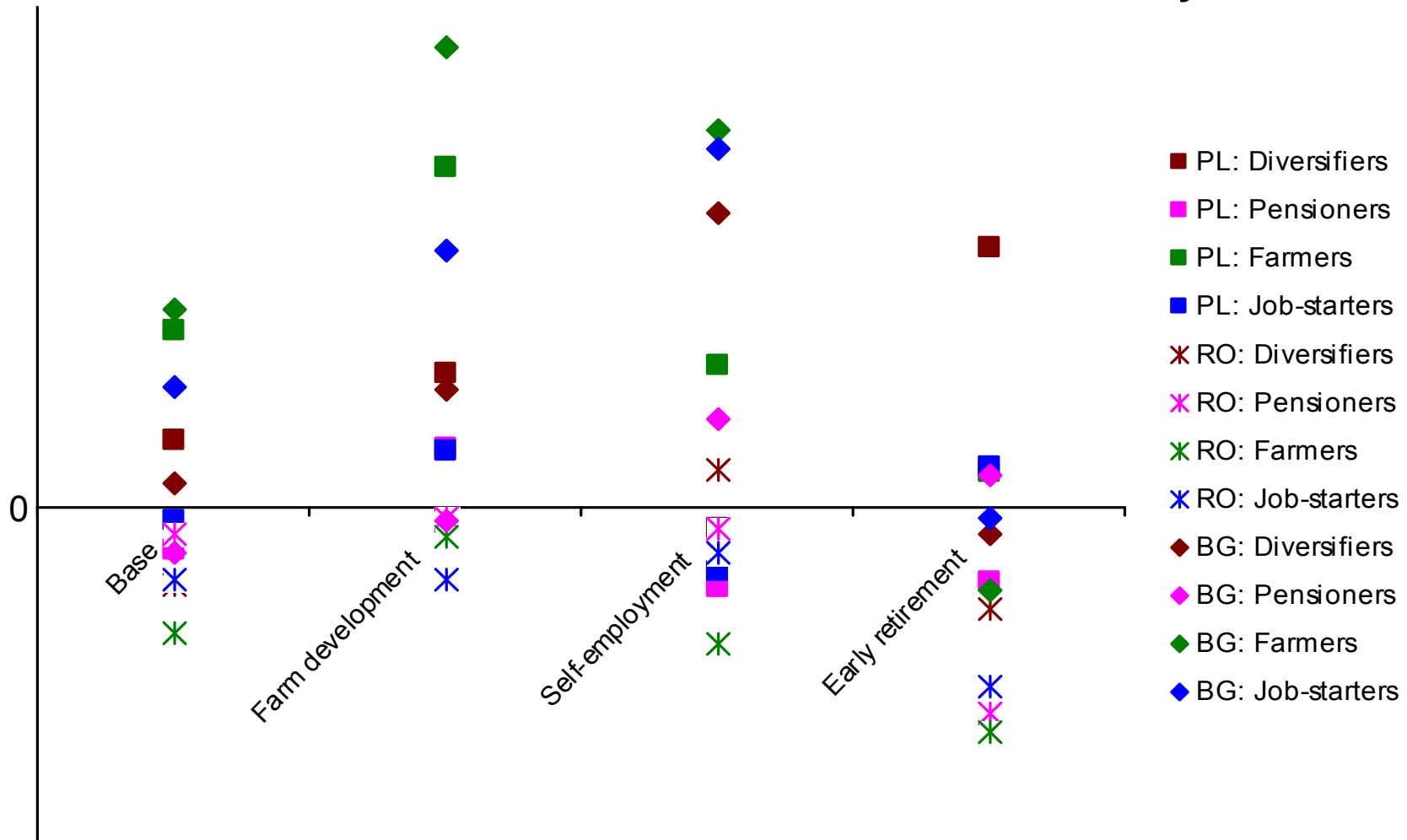
Source: Own calculation with data from project survey.

# 4. Future prospects



# 4. Future prospects

## Simulated annual credit balance of households in year 2016



Source: Simulation results.

## 5. Conclusions

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- Semi-subsistence is a multi-faceted phenomenon.
- Structural change is possible but semi-subsistence will not diminish in the short term.
- Policy support needs to be finely targeted to household type.
  - Farmers: farm investment support accompanied by extension service
  - Diversifiers: no target group for farm investment or diversification support
  - Pensioners: social policy
  - Job-starters: general and agricultural training, farm investment support accompanied by extension service



# Thank you very much!



## Publications:

Final report:

<http://ipts.jrc.ec.europa.eu/publications/pub.cfm?id=3599>

IAAE 2009 poster paper:

<http://purl.umn.edu/51444>