Polish farmers blockade borders

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Farmers protesting against the destruction of their livelihoods set up six roadblocks, including one on the Lithuanian border on Tuesday.

Talks between farming unions and the government held Monday agreed a package of subsidies and tariffs aimed at protecting Polish agriculture. However, all farmers did not support the deal and they resumed their blockade action.

In January hundreds of Polish highways and several major border crossings were paralysed for days. Farmers parked their tractors and other heavy machinery across the carriageway, blocking some 200 major highways. The upper-Silesian industrial region of Katowice and the western city of Poznan were particularly hard hit.

Farmers also targeted border crossings to Germany, the Czech Republic and Belarus, creating huge traffic jams. On one occasion there were 50 kilometre tailbacks of trucks awaiting customs clearance on either side of the border at Swiecko/Frankfurt Oder.

The farmers are demanding a halt to foreign food imports and higher prices for their own products. At a number of demonstrations in the South of the country, police used truncheons and water cannon to clear the protestors. The German daily *Frankfurter Rundschau* commented, "What occurred on some streets was almost like a scene from a civil war: The farmers set fire to tyres and threw Molotov cocktails at the police. The most effective weapon has proved to be the liquid manure spray--in most places the biting stench forced the state powers to withdraw without a fight."

One farmers' representative in the eastern Polish town of Sandomierz angrily denounced the government for dubbing their protest an "illegal political action", saying, "What is this about politics? It is simply poverty that is driving our people onto the streets."

The resumption of the blockade action was met by government warnings that the police would use force to remove them. "If protesters do not unblock roads when asked, the police will have to restore legal order using force--water, truncheons, chemicals and physical means."

In words that sound more like a threat than a compromise, Prime Minister Jerzy Buzek told farmers that "the countryside has yet to feel the benefits of market reform".

Farm incomes have been badly hit in recent years. Ten years ago, farmers earned on average one and a half times the income of a town dweller. Today this has sunk to just 40 percent.

The Russian crisis and devaluation of the rouble in August had a drastic effect on Polish exports, particularly of agricultural products. Farmers claim this has been further exacerbated by a European Union (EU) food-aid package to Russia worth $500 million, as well as the import of heavily subsidised EU products that have depressed farm prices.

The price of pork in Poland has halved in two years and that of wheat has dropped by a third. Polish farmers now receive less than two zloty (50 US cents) for a kilo of pork. Although in the EU pork costs $2.40 a kilo to produce, due to subsidies it sells in Poland for around 50 cents, which has severely depressed Polish pork prices. Two years ago Polish farmers received 62 zloty for 100kg of wheat; today they get just 46.

The restructuring of agriculture is one of the most difficult tasks that has faced successive Polish governments. Although agriculture only provides 6 percent of GDP, together with other associated sectors it employs some 25 percent of the working population. There are estimated to be between 2 and 3 million farmers, most working on small-scale family-owned holdings with very low productivity levels. In the time it takes only two Dutch farmers to produce a value of 100,000 *ecus* (European Currency Unit) it would require 25 Polish farmers to generate the same amount, putting the country at the bottom of the EU productivity ladder, just above Portugal.

The devastation facing many small Polish farmers is being used by extreme right-wing forces to promote their agenda. This includes Andrezej Lepper, leader of the *Samoobrona* (Self-Defence) union that refused to sign the recent deal, which he described as "only good for the waste paper basket". Some Polish newspapers have compared Lepper to the ultra-nationalist Vladimir Zhrinovsky in Russia. Other press reports have linked him with anti-Semitic sentiments.

Lepper opposes plans to take Poland into the EU, and the so-called "Europe-isation of Polish farming". Lepper, who

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received just over 1 percent of the vote in the last presidential elections, has made no secret that he wants to bring down the present government.

The global economic crisis has hit the "emerging economies" of eastern Europe particularly hard. This was exacerbated by the devaluation of the rouble last August and a drastic decline in agricultural exports to Russia, which fell 24.3 percent, decreasing their share of overall exports from 8 to 5.9 percent. The effect has been to push down the growth of the economy. GDP grew by 4.8 percent in 1998, the lowest value of the past five years. The figure is below the forecast in the last budget and a further fall is predicted for this year. The small 2.2 percent increase in overall exports to $24.1 billion was dwarfed by a more than 13 percent increase in imports totalling $43.5 billion, resulting in a $19.4 billion trade deficit.

Since the start of the year, the value of the zloty has slipped. Foreign investors remain uncertain about the economic outlook in the face of continuing strikes and demonstrations by farmers and medical personnel. As a result, they have begun to sell the zloty, and even the Bank of Poland followed suit. Some market traders warn that if the zloty devalues further, foreign investors would consider withdrawing from the country.

Officially, unemployment has increased only slightly to 10.4 percent, but this figure is largely illusory as it hides many thousands who are "underemployed" or simply not registered. A further wave of privatisations that will be pushed through this year will send this figure up considerably. The government plans several major sell-offs of state-owned assets. The Plock Refinery, one of the countries largest companies, will be floated on the Warsaw stock exchange and 25 to 35 percent of the major telecommunications firm Telkomunicja Polska SA will be floated off. The state insurance company PZU and Bank Zachodni are also to be sold.

The heated and sometimes violent protests by disgruntled farmers have been matched by a bitter public dispute between the two parties forming Poland's coalition government headed by Solidarity Election Action (AWS) and their junior partners the Freedom Union (UW). This reached a peak in January with newspaper articles quoting Jerzy Wierchowicz, the parliamentary leader of UW, saying, "The coalition might fall apart this week."

A letter to the cabinet from UW party leader Leszek Balcerowicz, leaked to the press, complains that the slowing pace of privatisation could threaten Poland's ability to compete with the West. Balcerowicz, who is both deputy premier and Minister of Finance, is widely regarded as the man who initiated Poland's economic reforms, or "shock therapy". His party are staunch advocates of market economics and privatisation.

Prime Minister Jerzy Buzek is a member of AWS, an alliance of some 30 parties or organisations grouped around *Solidarnosc*, the trade union founded by Lech Walesa. There are three main groupings in AWS: AWS Social Movement (a Christian Democratic-type party), the Conservative-Liberal Association (SKL) and the nationalist Christian-National Union (ZChN). Members of the latter grouping visited General Augusto Pinochet recently to express their solidarity with the former dictator and to protest against his threatened extradition to Spain to face trial. Micha Kaminski of ZChN said, "This was the most important meeting of my entire life." A letter calling for Pinochet's release was signed by 20 other AWS deputies.

One of the priorities of the government is to ensure Polish entry into the EU. A comment in the *Frankfurter Rundschau* points out, "Agriculture is one of the main obstacles on Poland's way into the EU. How is the army of 3 million Polish farmers to be integrated into Brussels' structures? How is an agricultural sector to be reformed that still provides sustenance for a quarter of the population--when in the EU only an average of 5 percent work in farming?"

The EU has warned against any hint of tariffs being imposed on imports. EU Commission spokesman for agriculture Gerry Kiely said, "If the Polish government allow limits on food imports--whether through farmers' blockades or new tariffs--this will send a very bad signal to the talks on EU entry starting in a few months." The government may have patched up its internal difficulties for the moment, but it faces more battles with the farmers if it is to meet the requirements for entry to the EU.

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