

INSTITUTIONAL ENVIRONMENT OF AGRIBUSINESS – NATURE AND MANAGERIAL REALM

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Purpose: The aim of research was to present the consideration of an economic institutional area, which has direct reference to the tasks and functions of Polish agribusiness institutions.

Design/methodology/approach: Owing to a large number of various entities which entail the institutional environment of agribusiness, visual methods and case study have been used for the analysis of the subject matter. This enabled to refer to the management of agricultural-related organisations like consultation and governmental agencies, as well as transnational organisations.

Findings: The original task-based classification of the agricultural-related institutions has been done with the indication of their functions including the field of management and coordination.

Practical implications: The study indicates the purposefulness of the coordination of local government and farmers' trustees' works in order to solve conflicts efficiently, to avoid long-term protests.

Originality/value: The study encompasses the complexity of the agribusiness environment in an original way, which facilitates cognition and understanding of its nature. The study is addressed to local farmers' organisations, agricultural services and students of agricultural economics.

Keywords: institutional characteristics, institutions of agribusiness environment, syndicated organisations, cattle breeders associations.

Category of the paper: conceptual paper; case study.

1. Introduction – the nature of institutional economy

In order to carry out the analysis and even superficial synthetic evaluation of institutional management of agribusiness, it is important to refer in the first place to the origins of this field of economy such as institutionalism or institutional economics which is also related to the theory of management. Institutional economics first emerged as a science amongst American

economists only in the twenties and thirties of the 20th century. However, it bloomed and reached its peak, when introduced to the field of economics by T. Veblen, W.C. Mitchell and J.R. Commons, later coming to a crisis and then regress. The most eminent economists who shaped the research in the field soon left the trend and returned to classic (neoclassical) economics. Yet, this did not result in the annihilation of institutional economics but led to its revival and spread over other disciplines of science and research as well as exploration of the world, including social sciences, trade and industry economics, management, sociology, political science, law and social anthropology (Wilkin, 2016). In the next years, there came economists, including later Nobel Prize winners, such as Oliver Eaton Williamson (awarded with the equivalent to the Nobel Prize, the Prize of the Bank of Sweden), and little less known in Poland, an American economist Elinor Ostrom, who specialises in political economics. Some references to institutional economics can be found in the works of Friedrich August von Hayek, Gunnar Myrdal and Joseph E. Stiglitz (Górniak, 2013). It was them who revived, renewed and extended the approach to social and economic analyses towards the institutional research field. Presently they are regarded to be the founders of the New Institutional Economics (NIE), the science more extensive and, as it seems, well rooted in the field of economics (Douglas, 2011). Getting to know people as the participants and designers of social and economic traits of life, those who enter various interactions with business entities, the state or the market (Zuzek, 2018), constitutes the foundation of this science.

The study is of panoramic and exploratory character and constitutes a synthetic introduction to this part of the research which belongs to institutional economics as a science, having direct reference to tasks and functions of the institutions which create the agribusiness environment in Poland. Both villages as well as agriculture and farms are treated as the subject and conglomerate of various institutions formal and informal, but also as recipients and service providers and transfers of public character. It refers to agribusiness in particular, being the subject of a complex interventionism, the system of task management which is conducted on different levels, protectionism included which is shaped by institutional systems of international character within the European Union as well as national and regional systems.

Due to a large number of subjects (institutions) which constitute the institutional environment of agribusiness visual methodology has been applied, being defined in social sciences as a case study. This enabled, if only as an overview, to refer to the area of agricultural organisations management, of industrial character, including agricultural administration especially defending the farmers connected with the cattle breeding business.

2. Institutions as the structures in agribusiness management

In order to define what these institutions creating the environment we live in are or what they should be, particularly in the area of economy, in the first place the very essence of a human as the entity functioning in an ever-changing world, now and here, especially in the western world, should be taken into consideration. This vast subject matter, but also a dilemma, is deeply rooted in the history of philosophical thought, as Aristotle (after Russel, 1995) pointed out that “a man is by nature a social animal, who cannot live alone, but always in a society”. In this society, the man occupies a defined place (position), functions alone (although never completely alone), lives in a family, in a small community, and last but not least in a given nation and state. Aristotle indicated that “even the most primitive social life requires some kind of organisation (...) sense of order (...) social order”. The philosopher noticed the necessity of organisation of human activity, and the variety of organisations or order, does not come by itself, although it is necessary, for life to become predictable even for a short time span, and because of that will become subjectively “better”.

So what are, or should be those institutions in the meaning of their basic structures and subjects to the analyses of the institutional economics or the area of management? Here again, there should be a reference to those economists who can be described as the founders (aforementioned) or followers, but also reformers and founders of new institutional economics.

North (1990) and Douglas (2011) defined institutions as basic structures through which humans, throughout history, form some kind of order, by minimizing uncertainty of behaviour and increasing the possibility and profitability while entering business fields. Institutions are also connected with legally and socially authorized culturally formed codes of conduct of both individuals and social groups, organisations included. Such norms, particularly those important for legal and political regulations of the economy (in management treated as social choice), refer to the economic processes and turnovers (Williamson, 1998). Wilkin (2016) introduced institutional economics to wider circulation and drew attention to its universal character, and the necessity to turn to long-known canons in classic economics of exploring the world. He claimed that the institutional approach may explain the problem in more detail. It may even question and bring up for discussion earlier stipulations, based on classic analysis.

Also Velblen (1971) claims that while researching the economy, it is not possible to omit references to complex institutional forms. In turn, Masahiko (after Wilkin, 2016), while defining institutions, emphasizes such areas of evaluation, or reference points like “...legally prescribed norms, informal norms, organisations, interpersonal contacts and even thinking patterns...” as well as different combinations of the aforementioned elements. Moreover, Morawski (after Wilkin, 2016) indicates that ... institutions are formal and informal regulations (but what is original in his view)... are sets of stimuli and anti-stimuli. Balcerowicz (1989) while referring to the economy divides institutions into three categories:

- general legal order (institutions of law),
- institutional structures (i.e. organisations including economic ones),
- institutionalized social and economic mechanisms (including market, product turnover, but also elections or referendum).

On the other hand, Hausner (2013) while defining the nature of an institution, draws attention to the fact that they make normative structures as well as economic ones, yet they function in specified social interactions. To clarify the notion of institutions one may refer to their division proposed by Kozuch (1999), who suggests three categories: norms, markets and organisations (fig. 1).

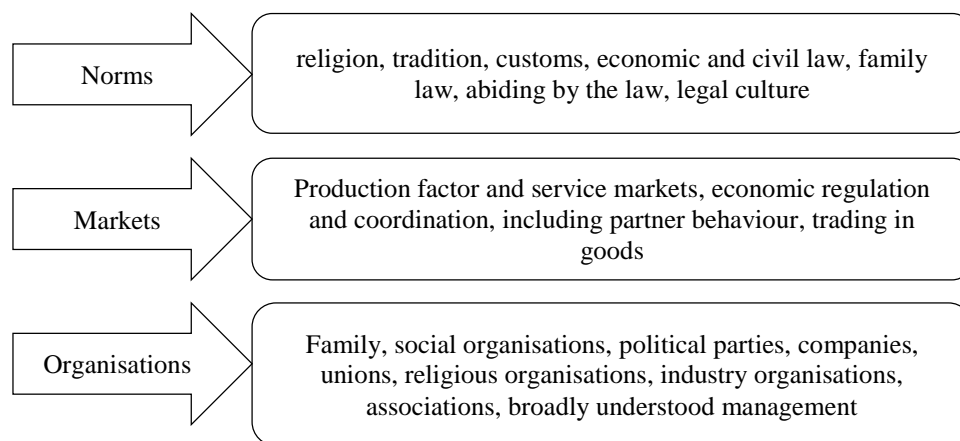


Figure 1. Universal breakdown of institutions.

Source: Kozuch (1999) and own additions.

As presented above, the notion of institution encompasses both law but also regulations and the culture of use and compliance. In a broader meaning tradition can also find its place here, including religions which influence people's behaviour, their competence and individual attitudes towards the economy. The second area of analysis refers to generally defined markets, including those of production factors, consumer goods, regulation mechanisms and rules of partner behaviour. Kozuch (1999) counts the following against organisations: enterprises constituting economic structure, also production and services and various agencies, social organisations, political parties, trade unions, schools, local governments as well as families. Following this train of thoughts concerning institutions in a slightly subversive way, “both mafia and some prayer groups like rosary groups” can also be counted. In turn, North (1990) referring to the “soft” sector of institutions i.e. those which do not refer to the state, enterprises and organisations, divides institutions into formal and non-formal. The latter include traditions, cultural patterns, religions and even long-shaped canons of thought and the behaviour of societies and individuals. Formal institutions (formalised ones) are also norms of law, codes of behaviour, regulations, rules and firm functioning norms, social organisations and citizens concerning financial settlements, transaction of contracts, claims or guarantees and broadly understood fields of management. An extensive system of state institutions,

which belongs to the sphere of public elections (therefore also political in nature), may deliver a wide range of various public goods and services. It can also function in the field of social structures e.g. welfare state (Miklaszewska, 2001). Scandinavian states can serve as the best example of developed institutionalised structures. They are famous e.g. for high taxation of employees and strong extension of institutions, at the same time for the development of protective functions and high level of the state budget sphere employment. In sociology, new trends concerning institutions are brought up. These include politics and other organisational structures which generate public support.

The subject of observation also includes contemporary social trends, as well as institutionalised, yet poorly developed formal structures. Also, non-institutional policies, understood as the exclusion of politicians from social movements or radical weakening of their position, are taken into consideration (Kuczyński, 2023). Moreover, different views on the problems of a political movement, which reflect the transfer onto management, including institutional structures of the state, shed problems of so-called “fraternization” or the opposite “isolation of politics and politicians” from institutions which were founded by the state and perform extended functions in there. Also, there are open, yet important questions for the functioning of an institution, including those agriculture-related, and concern such issues as the ethics of politicians and the groups which they represent as well as their political programmes. This is an evaluative sphere related to societies and individuals, for example, focusing on frequent disappointment with politics amongst people who are engaged in the activities of particular institutions. According to Braudel (2006), such feelings quite often prejudice the shift from social movements and also from open formalized institutions of the state towards self-founded organisations and spontaneous movements and various forms of civic activities. In this case, we can observe alternative non-institutional activities and bottom-up actions which should not be overestimated, particularly for the social development of rural areas. However, where the real economy is concerned, including this of the agri-food sector, there is a need to maintain a connection with the state institutions in a broader meaning, there is no possibility of disconnection from an institution (on either side). Individualistic forms of activities, if only agrarian, face formalized structures of the state on various levels, which create an institutional environment of agriculture, or in wider perspective, also structures encompassing rural areas.

In such cases, common purposes and values, efficient activities, awareness of mutual connections and non-formal relations, become crucial (Kania et al., 2023). Term of office among the managerial staff in institutionalized state structures and those agriculture-related causes the staff turnover which poses many problems for the functioning of the institution, as well as for their stakeholders. The appointment of staff, frequently without clear criteria, not by merit, and dismissal of others from the office without alternatives resulting from political changes, may lead to numerous detrimental effects on the credibility and professionalism in the actions of various institutions, as well as for the state itself. It should be taken into consideration that they constitute the structures of the state responsible for many scopes of managerial

character, particularly related to broadly understood state interventionism, including the sphere of finance. This may result in ineffective management of resources or a politically oriented division of some agricultural subjects with a shortage of funding, in the case when demand exceeds the supply (Kulyk, 2023). Then the problem to be described as pathologization or anti-institutionalisation may arise. Its representation is – the description may be elaborated – extreme political influence upon staff positions politically controlled by a party in the case of particular institutions. In such a situation, the support is targeted, without clear procedures, or it is politically justified with temporary rules and the lack of objective evaluation, or the connection of the management positions with “a strong person” from the political area. For the sake of the state and the citizens, especially the beneficiaries of the expected support, we should provide a safeguard against such events, to detect and eradicate them at an early stage, and in turn end the pathological situation when we all wait for the change of the political setup (Foryś, Marzecki, 2023).

3. Selected institutions of homestead, agriculture and rural areas environments

The institutional environment of the main economic and social units under analysis, but yet indirectly political ones pertaining to such forms as rural areas and farming, encompasses several different structures, industries as well as legal forms of economic units, state institutions and various organisational structures. Figure 2 presents seven aggregated institutionalised structures which, however, will not complete the full overview of agriculture-related and rural institutions. As such structures like those politically oriented or judicial structures, although pertaining to all citizens, were presented perfunctorily. Similarly, this will refer to service and trade companies or in a broader meaning, political organisations. Also, aforementioned “soft” institutions like moral norms, cultural patterns of social behaviour or local traditions etc., have been omitted. Moving on to the selective, and therefore subjective choice of agriculture-related institutions, for each aggregated group, and approaching a more detailed evaluation of their activities, industrial institutions located in self-government and trade unions (syndicated organisations) of farmers have been chosen. This is because of the assumption that the complex overview of them all would require at least several dozen pages of the appropriate scientific analysis.

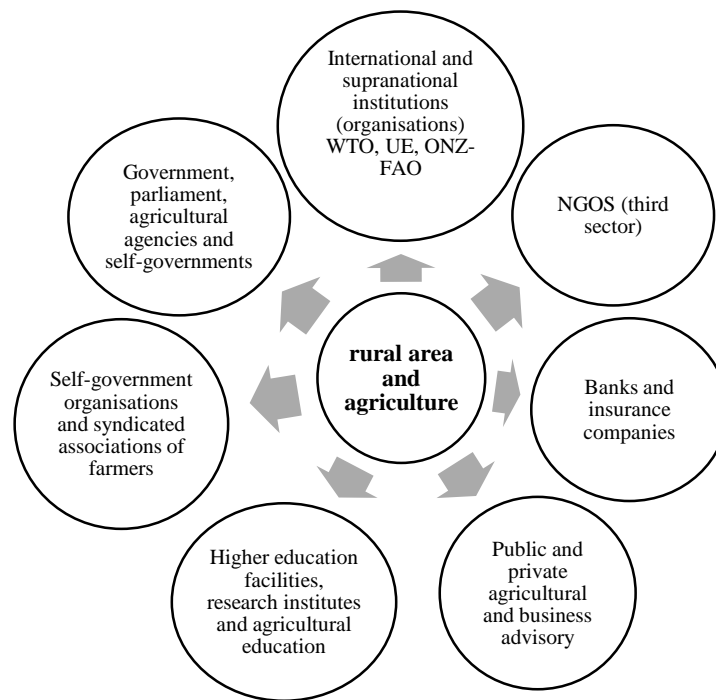


Figure 2. Main aggregated institutions from rural areas and agriculture.

Source: own research (2024).

The first group of agriculture-related institutions, at the same time being important in the development of rural areas, especially those strongly connected with farming, includes international and transnational organisations. They are associated with the most important and largest political and economic structure: the European Union. Its role, functions, and policy in the field of economy, particularly the Common Agricultural Policy which manages the food economy, and its role for Poland, Europe or the rest of the world, poses the subject matter of many extensive and multifaceted analyses (Kulyk, 2023).

Consequently, it is very well perceived, yet very difficult to be analysed synthetically. The World Trade Organisation is the institution undoubtedly less known and underestimated, especially in the field of agriculture. Its predecessor was the General Agreement on Tariffs and Trade (GATT), which was founded in 1948 and from the beginning focused on combating global protectionism, also agricultural, and in particular various restrictions in trade and tariffs including those tariffs-related. Functioning since 1995, the WTO is a multilateral international covenant, whose purpose is to eradicate or limit customs clearance barriers, provide intellectual property protection and monitor the situation in the global trade. Simultaneously this organisation plays an important role in inspiring and encouraging participating countries and economic organisations (including the EU) to release trade from customs clearance barriers, which will positively affect the process of trade liberalisation in the goods turnover. These initiatives resulted in the liberalisation of trade between the European Union and third parties in the trade of agricultural produce (Wnukowski, 2018). This has great importance in the facilitation of international trade, but also plays a role in forming the process of agricultural raw materials production, competition of particular countries, also competitiveness of farms on

agricultural markets. The European Union functions under the pressure of this institution, which by appropriate price formation has a positive aspect for the consumers, but at the same time, the results in relation to community agriculture and farmers are negative as they favour the influx of agricultural raw materials into the European members market in the way beyond control (Paluch et al., 2022).

Among institutional structures of particular importance, the key body is the government, especially the Ministry of Agriculture and Rural Development (MRiRW). It engages in various executive operations, coordination and supervision. The ministry performs these operations on its own, especially through specially established and separate institutions reporting to MRiRW and supervised by it. These reporting units include:

- Agricultural and Food Quality Inspection (IJHARS);
- National Inspection Authority for the Protection of Plants and Seed Production (IORiN);
- Veterinary Inspection (IW);
- Chemical and Agricultural Station (SChR);
- Agricultural Advisory Centre (CDR);
- National Centre for Plant Breeding (KCHR);
- Agricultural Social Insurance Fund (KRUS).

These institutions pursue various objectives and tasks, focused on agriculture and farming and aimed at optimising the food industry, guaranteeing institutional order, including the protection against food adulteration (IJHARS), protecting people and animals from zoonosis (IW), or supervision of plant and animal breeding. The Agricultural Social Insurance Fund (KRUS) is also of key importance for agriculture. This institution offers preferential pension and health pension insurance, as compared to other social insurance types, which is particularly significant for small and economically underprivileged farmsteads. Furthermore, this institutional structure also includes organisational units supervised by the Ministry of Agriculture and Rural Development (MRiRW). These are the Agency for Restructuring and Modernisation of Agriculture (ARiMR) and the National Support Centre for Agriculture (KOWR). The former implements direct payments and structural funds for farmers, inhabitants of rural areas and local authorities. KOWR, on the other hand, supervises and coordinates the management of agricultural land owned by the State Treasury. It also performs many other tasks related to the supervision of agricultural markets and renewable sources of energy, as well as domestic and foreign food promotion (Kania et al., 2003).

An institutional body that is also significant for the development of rural areas and agriculture is agricultural education, which includes a variety of diverse organisations, along with higher education and specialised institutes subject to MRiRW. The entire agricultural education includes high schools and vocational schools focused on teaching food processing and production technology, and the development of agriculture, as well as higher education facilities, which are also part of the diversified structure. The latter engage in broadly

understood education for the food processing industry. These higher education facilities include the universities of Life Sciences, Agricultural University in Kraków – the only one by that name – as well as some economic universities which have faculties or departments focused on the food economy. Such universities are e.g.: the Warsaw University of Life Sciences (SGGW), the University of Economics in Poznań, Wrocław and Rzeszów, as well as the few agricultural faculties at private higher education facilities. The Institute of Rural and Agricultural Development at the Polish Academy of Sciences (IRWiR PAN) also does research into agricultural economics and the development of rural areas. Furthermore, under MRiRW there are ten specialist institutes involved in R&D. Their profiles are economic and technological – focused specifically on plant and animal production and horticulture. For example, the Institute of Agricultural Economics and Food Economy at the National Research Institute (IERiGŻ PIB) in Warsaw performs mainly the following statutory tasks:

- research on its behalf and as commissioned by third parties, focused on rural areas and agriculture;
- collecting and processing statistical data focused on production and economy, whereas the data is collected from farms and used for the EU statistics (research under the Farm Accountancy Data Network, FADN, which includes ca. 11 thousand farms in Poland);
- substantial contribution to the design and implementation of the Common Agricultural Policy;
- ongoing advisory and issuing expert opinions for the MRiRW;
- participation in commissioned research, also as part of grants, as well as cooperation with institutions and universities in the EU member states (and outside the EU);
- publishing and editorial activity.

The institutional body described as agricultural and business advisory also includes many organisations and people. It includes national institutional structures responsible for implementing technological and economic advancement, along with innovations in agriculture and rural areas. The role and responsibilities of advisory bodies in the dynamically evolving organisational structures have been subject to changes in the past few years. The consultancy departs from economic subjects and shifts towards technology. This refers mainly to the scope of assistance in obtaining funds for farmers under the Common Agricultural Policy (Wawrzyniak, 2021, 2023). At the moment, advisory units are organised as provincial centres for agricultural advisory (in the Lesser Poland, Subcarpathia, etc.), and each of them has its own network of local offices. Furthermore, each municipality offers business and agricultural consulting. The service is performed by a qualified consultant. As regards advisory services, they are addressed to farmers, inhabitants of rural areas and entrepreneurs, especially those whose business is related to agriculture and food processing. The public advisory includes mainly the following:

- educational activities, training sessions, courses, conferences, seminars;
- business plans for farmers and applications for assistance funds;
- organising exhibitions, shows, contests;
- publishing and sharing information.

The advisory system also includes the Agricultural Advisory Centre (CDR) with the main seat in Brwinów. Furthermore, it has local branches in Warsaw, Kraków, Radom and Poznań. When Poland joined the EU and implemented a variety of bureaucratic requirements regarding the applications for funds, many private advisory businesses, usually certified by the MRiRW, started offering commercial services in this respect. Such services focus on consulting and assistance in preparing the necessary documentation to apply for investment support.

The banking sector and insurance companies have an increasing role in the commercialised world of agricultural entities and the economic reality of rural areas. This institutional body also includes the Social Insurance Company, a national organisational institution responsible for social, pension, and health insurance. The Company has about 22.5 million clients, including the inhabitants of rural areas who perform jobs other than farming. Farmers, including a large group of those who have another job in addition to farming, are insured at a separate structure: the Agricultural Social Insurance Fund (KRUS). The farmers with KRUS insurance use health pension and agricultural pension along with other benefits in a preferential system, when compared to the regular social insurance offered by ZUS. Insurance institutions also include numerous companies offering commercial insurance: health, pension, vehicle, travel, real estate insurance etc. The banking system designed for rural areas and agriculture includes legally and organisationally diversified commercial banks and cooperative banks, which are similar in function but have local branches. Cooperative banks focus on managing local customers, e.g. offering loans to the people: consumers, farmers and minor business owners (Płonka, 2021).

Another institutional body includes non-government organisations. This is the so-called third sector of the economy. It includes various forms of social self-organisation, structures integrating citizen groups and various organised entities – voluntary and autonomous. Their characteristic feature is no direct link to the state authorities (which is not always true in practice), although they can use public funds. The reason for their existence is the fact that the state as an institution cannot handle many issues and social needs (Kania et al., 2023). Organisations grouped in this aggregate can be divided into the following categories:

- self-help organisations (which offer support mainly to their own members);
- assistance organisations (which offer assistance to specific social groups);
- representative organisations (e.g. for the inhabitants of a specific district);
- minority organisations (e.g. religious minorities, national minorities, LGBT);
- hobby and leisure organisations (anglers, cross-country groups);
- social task-force organisations (for short-term special tasks, e.g. during a flood);
- ad hoc organisations for a single task or action (e.g. a protest).

In Poland, there are many bonding social capital associations, which are in a way inward-looking. They serve to enhance the identity and homogeneity of its members. A good example are religious and parish associations, and mutual help organisations (e.g. where sick people help each other), but also e.g. Voluntary Fire Service and Rural Housewives' Associations. Another large group of NGOs are bridging capital organisations, which are by contrast, outward-looking. These are for example various civic rights movements, youth organisations as well as political parties and associations (Halamska, 2008). Countryside, as well as the separately analysed agriculture, is also a social and economic sphere, and as such is affected by institutional politics and by politicians directly. Especially during the elections, rural areas become a battlefield for numerous political parties, which often involve institutional structures related to the rural area and agriculture. This is also because the rural electorate is considerable: nearly half of the Polish nationals live in the countryside.

4. Self-government, trade unions and industry organisations

The management system is rather complicated, especially with regard to the third agricultural business sector. It is represented by various institutions whose statutory tasks include defending the farmers' economic interests and representing the sector or its members in dialogue with the state administration and local authorities. On the other hand, the widely understood state promotes the existence of legal, properly defined structures that defend the farmers' interests and often represent the rural areas. Such organisations may sometimes openly oppose proposed or implemented legislative, organisational or economic solutions. Managing agriculture centrally may involve (and involves) many various structural and economic issues, even considering how agriculture is embedded in the legislative domain of the European Union with its Common Agricultural Policy. In Polish agriculture, there are about 1.2 million agricultural entities, and most of them are small and minor farms, which means their production is economically hardly competitive (Musiał, Musiał, 2020). This, in turn, continues to cause various issues, e.g. the farmers holding the state (government) responsible for their economic failures. On the other hand, the state does not pursue any bold economic policy, which would accelerate structural transformation and the necessary concentration of production in agriculture. The government often makes strategic decisions which might adversely impact the farmers and their production. That was the case when the Polish (and EU) markets rapidly opened up to import most agricultural raw materials from Ukraine. Formal, and later also less formalised, relations between the entities managing the sphere of agriculture, such as the Ministry of Agriculture and the aggregated agricultural administration, and various farmers' associations and their representatives, make this cooperation much easier. This is especially true with regard to solving conflicts and overcoming challenges, facilitating the implementation

of technological advancements and managing agricultural business. The issue is also important in the context of Poland and Polish agricultural business accepting considerable financial transfers under the Common Agricultural Policy. In 2024, the amount was about 26 billion PLN. (MRiRW, News Bulletin, 2024). In order for these transfers to be distributed properly and effectively, farmers need to cooperate with various agriculture-related institutions (synthetically described above), including those under MRiRW, but also with industry associations and syndicated organisations.

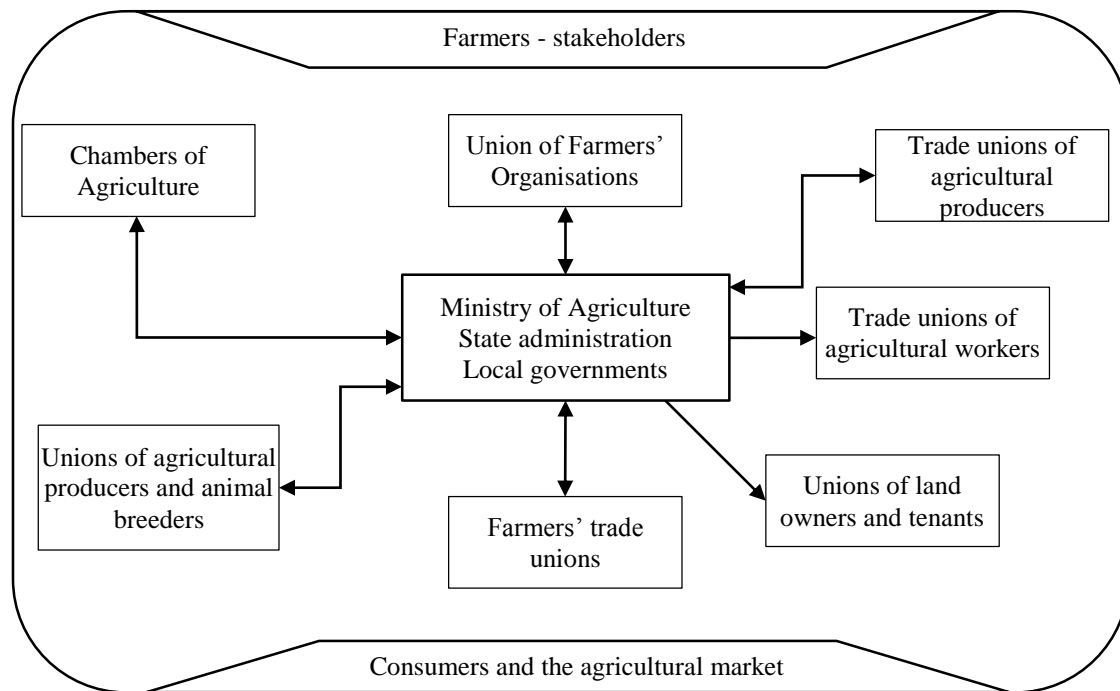


Figure 3. Self-governments and farmers' associations, and their surroundings.

Source: own research (2024).

A spectrum of self-government and farmers' organisations is presented in Figure 3. This structure includes many entities with different objectives, statuses and organisational forms. Furthermore, institutional structures created by farmers themselves are of great importance in this picture. These structures include:

- Chambers of Agriculture;
- Union of Farmers' Organisations;
- Unions of agricultural producers (very numerous);
- Agricultural trade unions (numerous).

This institutional body includes at least a few dozen independent legal entities, such as social and economic organisations operating in rural and agricultural settings. What they have in common is that they protect the farmers' economic interests (also on a specialised level), implement technological and organisational advancement in the context of developing rural areas, and support the social and economic advancement of the rural and farming community. These institutions are also an opportunity for farmers to pursue their professional interests,

make useful contacts and start cooperation. The activities often involve publishing and contact with the media. The spectrum of possible activities is diverse, depending on the institution. For example, the Chambers of Agriculture (IR) are the largest and most important link in the chain of agricultural economic self-government. All the farmers and legal entities that remit the agricultural tax and the tax on special agricultural production belong to these Chambers (although not all farmers are aware of it). The Chambers operate in the following structure: National Council of Agricultural Chambers and 16 regional (provincial) chambers, which are involved in diverse activities promoting the development of rural areas and agricultural transformations. These structures strive to improve the profitability of farms, increase the farmers' qualifications and promote export. The National Council of Agricultural Chambers also represents the regional chambers (and farmers) in any contact with the state authorities (especially MRiRW), offers opinions on draft legal acts and submits claims, postulates and applications in matters related to rural areas and agriculture. The main stakeholders of agriculture-related organisations are farmers. But it should be mentioned that consumers are direct and indirect beneficiaries of such positive transformations, which promote the market (to put it simply). The market, mainly domestic (consumers), along with the foreign trade in agricultural products (a significant segment in Poland) are a decisive force driving the demand for food production and dictating prices, also as regards product choice, consumer trends, and seasonal aspect of purchases, confronting the agricultural production business (Kawa, Grzybek, 2000).

The essence of the elaborate system for the management of agricultural business environment can be analysed on the example of agricultural organisations, directly and indirectly involved in animal production, such as cattle breeding and maintenance. According to the law, all the cattle producers (like other farmers) belong to the Chambers of Agriculture in the province of their residence. These chambers stand for the farmers' interests and defend the entire sector of family farms (but also other sectors of agriculture) within the state administration. Some of the cattle producers are also members of the Union of Farmers' Organisations, which are rather on the decline, but locally still active and performing a variety of functions within the agricultural business structure. The Union includes Farmers' Cooperatives, which are agricultural service providers, and some of the Rural Housewives' Associations. These structures also function as trade unions representing their member farmers. Cattle producers may belong to various producer unions that represent farmers involved in cattle raising (except for cattle breeding, i.e. breeding and the reproduction of breeding animals). These are usually regional associations, and some of them belong to the Polish Union of Beef Cattle Breeders and Farmers (dairy cattle is a separate category). Cattle breeders and milk producers are voluntary members of the Polish Federation of Cattle Breeders and Milk Producers. With more than 10 thousand members, the organisation functions as the farmers' self-government and operates across the whole country. Apart from defending the breeders' professional interests and representing them in the dialogue with the Ministry of Agriculture,

the organisation also focuses strictly on breeding efforts. It keeps registers for breeding dairy cattle, estimates the value of the cattle, engages in the selection of breeding animals, offers professional nutrition consultancy, and runs genetic research centres and feed laboratories. While social and professional farmers' organisations operate mainly on membership fees and subsidies, any tasks related to breeding are funded by the Ministry of Agriculture. Regional structures also include breeders' unions (of various animal species and breeds), such as the Galician Union of Cattle Breeders and Producers, which strives to support breeding and cattle breeders, as well as the producers of cattle for sale. Furthermore, cattle producers (just like other agricultural producers) may belong to their own syndicated organisations, i.e. trade unions. They operate under the law which indicates that their purpose is to defend the economic and social interests of their members and their families and to develop agricultural production. There are about 140 such organisations. Some of them were founded spontaneously at the time of intense protests in the first quarter of 2024. These unions are often attached to the existing or former political parties, and their operations are based on some ideological foundations, which often include populist measures. That's why some of them participate in heated political debates and their social reliability suffers. Larger cattle producers and representatives of other kinds of agricultural production have created the Union of Employers-Leaseholders and Agricultural Owners. This organisation supports agricultural producers and focuses on working towards shared business success, supporting competitive advantage and innovative development. People employed by large agricultural entities used to create trade unions, which were later united under the Federation of Agricultural Trade Unions. Members of the unions (and of the federation) defend the economic interests, rights and dignity of the employees (but also pensioners) working at multifaceted farms (including large animal farms).

Industry organisations as well as social and trade unions have a statutory focus on cooperation and working together with state structures, such as the MRiRW administration, although their interests are not always the same. For example, cattle breeders and breeder unions expect cheap concentrated feed, based on cheap grain, corn and soya. On the other hand, farmers – grain or corn producers – want high prices for their products (or at least over the profitability threshold). When the situation calls for it, it is necessary to include institutions representing farmers and the ministry in the negotiation process, which may often involve EU structures responsible for the agricultural policy and agricultural markets.

5. Conclusion

While the state itself is an institution, within the meaning of institutional economy, it also has functions as a founding authority, a trustee and a partner in debates and conflicts. It is also a beneficiary with regard to various institutional entities and organisations. Rural areas together

with relevant social organisation structures, especially local ones with regard to food processing, are an important space where various institutional external and internal structures come together. They perform various tasks and serve different purposes related to the national economic policy, including the Common Agricultural Policy (EU). At the same time, the people living in rural areas, especially farmers, are autonomous organisers and members of agricultural institutions: self-governments, unions or industry associations. Furthermore, in rural areas (but also in cities) various kinds of social activity are performed by specific organisational structures known as the third sector or non-government organisations. They include self-help organisations, assistance organisations, minority organisations, hobby and leisure organisations, social task-force organisations etc. In the rural economy, also other institutions related to agriculture are becoming increasingly important, such as the banking and insurance sectors. Public institutional structures also serve to transfer funds that support rural areas and agriculture, which includes funding structural transformations in the Common Agricultural Policy. These funds are important for the development of rural areas and agriculture. The transfer of this capital is supported by advisory structures and, indirectly, by the institutions of agricultural education (and related) as well as higher education facilities and research instruments. Over the past few years, we have observed an increasing role of agricultural unions (syndicated organisations). This is due to the fact that large social, professional and self-government organisations are undergoing an identity crisis and fail to represent the interests of stakeholder groups. That's why individual sectors of agricultural producers have recently been working to enhance their identity and take steps to defend their economic interests more intensely. It must be said that these interests of individual sectors of agriculture may be conflicting. We also observe a pronounced absence of a national institutional coordinator as regards representing agricultural and producer interests in the dialogue with the state administration.

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