

'Maquiladoras' come to Poland's villages

by Anna Kaczor Wei

On Sept. 3, German television broadcast a report on German companies using Polish cheap labor in villages along the Polish-German border. The TV crew filmed one border village where trucks full of pen parts arrive regularly from Germany; whole families, including children, pick up boxes with the parts and then assemble the pens at home. Finished pens are taken back to Germany for sale. Other people work sorting tickets for the German lotteries.

The scene is comparable to that along the Texas-Mexico border, where the infamous *maquiladoras* employ Mexicans in virtual slave labor.

According to the report, Polish laborers are paid 4-5 deutzmarks per day, which is approximately one-fifth of what a German worker makes per hour! Even in Poland this is very little (it is 6.4-8 zlotys; for comparison, the Polish-language edition of Lyndon LaRouche's textbook, *So, You Wish to Learn All About Economics?* sells for 10 zlotys)—but people in this area have no other job opportunities, so the choice is between getting small unemployment benefits or social security, and/or working for German companies. This is especially tragic, because western Poland has fertile soil, and could be a strong agricultural area.

However, since the condition of agriculture is very bad, there is a lot of hidden unemployment in the countryside; some families make ends meet only because the grandparents get state pensions. Many people who live in villages used to work in nearby cities; they were the first to be laid off.

The pro-International Monetary Fund (IMF) government has a utopian policy of fighting unemployment in the countryside and enlarging Poland's small private farms (average size, approximately 17 acres) by promoting small local businesses, like food processing. This is not working, because of the collapse of agricultural production and impoverishment of Polish farmers, who have no access to subsidies or cheap credits, and must compete with cheap food imports. Most of the people who live in the countryside (30% of the Polish population) should be employed in infrastructure building and industries, which are shrinking, rather than expanding.

The destruction of agriculture

One can say that the present miserable state of Polish agriculture is a grievous irony, since Polish private farmers

enjoyed some freedom during the 50 years of communist rule, since Poland was the only communist country where 70% of farmland belonged to individual farmers. Their lot was not easy, but in most cases it has not improved since 1989, when the Solidarity governments took power. The insane shock therapy imposed by the IMF, with the help of such individuals as speculator George Soros, Harvard University professor Jeffrey Sachs, and Poland's Leszek Balcerowicz (trained at Harvard), ruined most enterprising farmers who were not afraid to make big investments, take credits, buy new machinery, and modernize production.

Balcerowicz's decision, at the beginning of 1990, to arbitrarily increase interest rates on loans to 90% and more, destroyed those farmers who believed in Solidarnosc leader Lech Walesa's slogan, "Take your fate in your own hands, now everything depends on you," since their income hardly allowed them to pay back such loans. At the same time, the government lifted tariffs on 8,000 commodities, including agricultural products. As a result, for example, American frozen chickens were cheaper than those produced in Poland! The country was flooded with Dutch butter, Ukrainian pork, German cheese, imported apples, and other foodstuffs, while a Polish farmer was told to compete on the "global free market."

According to Prof. Josef Balcerok, who gave a speech at a June 1995 Schiller Institute conference in Warsaw, one of the factors which contributed to the destruction of Polish agriculture, was the government's policy toward state-owned farms. In the frenzy to privatize everything, many such farms were put up for auction: Machinery was sold, buildings fell into ruin, and land, divided into small lots, very often remains untouched to the present day.

According to Balcerok, during 1990-92, investment in all farms fell by 75%, and farmers' income from agricultural production dropped by 60%. Farmers have still not recovered from this shock.

In their desperation, some farmers and farmers' organizations in Poland go for Franco-British financier Jimmy Goldsmith's ideology of "small is beautiful," and try to advertise Polish agricultural goods as ecologically healthy and clean, promoting the fact that the usage of fertilizers and pesticides in Poland is much lower than in western European countries. (As a result, productivity—for example, production of potatoes and wheat per hectare—is 50% lower than in Germany.) Jimmy Goldsmith, a brother of militant ecologist Edward Goldsmith and business partner of George Soros, visited Poland in summer 1995, just after Lyndon LaRouche's visit there, to advertise the Polish edition of his book *The Trap*. Unfortunately, even some politicians representing the interests of farmers in the Parliament, have bought Goldsmith's romantic claptrap about the backward Polish village; however, reality will soon wake them up, as more and more farmers and their families are turned into slave laborers for "the global free market."