AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Economic Development in a Fledgling Democracy: The Potential of the Polish Agricultural Extension System

Damona G. Doye*

Abstract

Agricultural economists who serve as educators in emerging democracies have the opportunity to contribute to economic development by building human capital. A channel for educators to share lessons learned in these countries could benefit individuals preparing for assignments in foreign countries. Understanding the cultural and social differences in decision-making systems is critical to successful educational program development and implementation. Individuals in the emerging democracies often need training in management and market economics to apply at institutional as well as personal levels. Similar training for recipients of economic development funds could result in more effective application of funds.

Key Words: international education, international extension, Poland

The changing political and economic environment in central European countries, the anticipated impacts of these changes on their productivity, and the potential for increased global trade have been documented in recent journals, Choices and the popular press (for example, Becker; Braverman and Guasch; Penn; Thor; Wallace). Csaki concludes that the success of transformations in agriculture fundamentally depends on the agricultural economy of the given countries, but requires the help and understanding of western countries as well (1992). Changes in social systems have afforded opportunities at both macroeconomic and microeconomic levels for economists and agricultural economists to "bravely go where no one has gone before" in fashioning transition policies for the emerging democracies and for institutions within the countries.

Gelb and Gray list four broad analytical categories of elements in a system's transformation to a market economy:

1. Macroeconomic stabilization and control.
2. Price and market reform.
3. Private sector development, privatization and enterprise restructuring.
4. Redefining the role of the state.

Here I give practical insights into my experience as an extension economist in Poland where the Polish/American Extension Project (PAEP) advises the Polish extension system and provides economic education to further private sector development¹. Thus my comments will focus on the third category of elements in Gelb and Gray's list. My experiences led me to believe that:

1. Institutions and individuals could benefit greatly from training in management as well as market economics.

*Damona G. Doye is an associate professor of agricultural economics at Oklahoma State University, Stillwater, Oklahoma.

2. Funds for economic development in countries moving to a market economy will be more effectively applied if the funds are preceded or accompanied by opportunities for recipients to receive training in management and market economics.
3. Agricultural economists could be more effectively prepared to serve as international advisors if more study was devoted to some of the social aspects of our science.
4. Networks for advisors and educators to share lessons learned in the emerging democracies could benefit individuals accepting a first international assignment as well as experienced professionals returning to work in a foreign country.

The Social Environment

Poland is given credit for being the first in a wave of countries to throw off communism and embrace democracy. Poland chose "shock therapy" -- abrupt slashes in price subsidies to make the country's currency acceptable in world financial markets and control inflation along with opening borders to trade -- as its means to the end of higher standards of living, knowing that it meant economic hardships for most Poles in the short run. Three years after the "shock" plan was implemented, financial indicators suggest that Poland's economy may have stopped declining: exports are increasing, contributing to a healthy trade surplus, productivity is rising and the private sector is growing.

People in Poland used to arrive at outdoor markets and shops early to stand in line for food. Now purveyors of goods arrive early at outdoor markets to get the best places to sell. When the borders were opened to trade with the west, new products began to appear in the markets. Consumers marvelled at the variety and wondered what people did with all these items. Then, they began to resent the flood of foreign goods, question the safety of imports, and regret that they couldn't afford to buy them. Producers and processors have begun to demand controls so that domestic industry can develop, "catch up".

That things will continue to change is probably the only notion that everyone in Poland could agree on. While changes are taking place rapidly in some arenas, in others, progress in a year can hardly be measured. Discussions with people in Poland about why things aren't changing in some arenas frequently lead to one or more of these three responses:

1. It's a very difficult situation.
2. There is no money.
3. It's tradition.

Each of these represents a significant impediment to change.

The very difficult situation. The "very difficult situation" is used to describe a wide variety of situations, ranging from those where people don't understand what's going on to those where governmental policies are unclear or not defined (or even reversed after significant foreign investment). Because there are more than a dozen political parties represented in the parliament, many legal changes are debated but resolutions are slow to develop. Who you know is generally more important than what you know. The risks faced by business decision-makers are significantly greater than for managers in the west and the tools that they have to manage those risks are fewer in number. Compounding the problems associated with the economic transition is the lack of personnel in both public and private sectors who are trained in modern economic concepts, a legacy of the former government.

There is no money. The budgets at both the government and family levels are strained. An article in an international edition of an American magazine this summer was titled "You Can't Eat Democracy", an opinion echoed in various ways in conversations with Poles. They say that perhaps the severe economic policies adopted were good for the country, but not for the people. The cost of living is low by U.S. standards but strains most Polish family budgets. Inflation last year was 48 percent. In late November, the *Gazeta Wyborcza*, a Polish newspaper, projected price increases of 30 to 130 percent for items ranging from utilities to medical

expenses for 1993. Unemployment is relatively high at about 15 percent nationally with trouble spots in which the rate is much higher. Severe housing shortages reduce labor mobility. Three or four generations of a family frequently share living quarters.

Cultural differences and tradition.

Remnants of the culture of the past 40 years are noticeable. For instance, the resentment by some that other people have become wealthy is noticeable. Tradition is a significant influence in the day-to-day and even year-to-year activities of many Poles. It is said that Poles travelled the road from communism to democracy on religion. Since 90 percent of Poles are Catholic, leaders within the Catholic church have a significant voice in society. Labor unions, too, have a much stronger tradition in Poland than in the U.S.

Polish Agriculture and the Extension System

Polish Agriculture

Currently, the rural sector in Poland serves as a social safety net for a significant portion of the population. It provides housing, food, and perhaps some income for roughly 40 percent of the population, about 15 million people (Polish/European Community/World Bank Task Force). Only 20 percent of the actively farming population derive their income exclusively from farming. Farmers and members of farm families who have off-farm jobs are often among the first laid off when factory jobs are cut because they are perceived as having an alternative means of surviving. Most people in the agricultural support sector recognize that in coming years many farms must be consolidated and that labor will move off-farm. But, for off-farm opportunities to exist in rural areas, the rural economy must be diversified and housing shortages must be reduced.

The average farm size is 6 hectares, with 24 percent of the farms less than 2 hectares in size, 27 percent from 2-5 hectares in size, and only 1 percent over 10 hectares in size (Polish/European Community/World Bank Task Force). Approximately 75 percent of the area in farms is privately owned. Crop production is diversified

with potatoes, sugar beets, cereal grains (wheat, rye, barley, oats, triticale), and horticultural crops grown; livestock production is mainly in dairy and pork with some beef and horse production. Even the smallest farms generally have 6 or more enterprises.

Survival is the driving force behind farm management decisions, contributing to a propensity to minimize risk rather than maximize profit. Many farmers state that they were better off under the communist government. Farmers believe that the government should provide essentially a risk-free decision environment and are not ready to accept that prices are the result of supply and demand and that prices at times may be below the cost of production. They often have a mistaken perception that there is no price variability in U.S. and that producers are guaranteed an income through government support programs. Constraints on agricultural progress include inadequate quantity, quality and timeliness of inputs, farm size and structure, marketing and processing bottlenecks, and financial services (high interest rates, short repayment terms, and a lack of credit).

The Report of the Polish/European Community/World Bank Task Force summarized their recommendations for an agricultural strategy for Poland as follows:

- (1) "The immediate problems of agriculture reside mostly in the agribusiness sector and not on the farms themselves.
- (2) The key to solving agribusiness problems lies in the privatization and demonopolization process pursued by the government, which will force an increase in efficiency through increased competition.
- (3) Rural development is indispensable to help the rural sector keep its population, develop employment, and relieve pressures on the urban sector until the latter adjusts to the new economy.
- (4) Technical improvements at farm levels are possible but will occur only if the proper environment is created.

- (5) While the government must not interfere with production and marketing, it has an essential role to play in creating favorable conditions for agricultural and rural development."

The Polish Extension system

The agency that now serves as advisors to farmers was an arm of the former state government to develop agriculture, delivering inputs as well as instructions on what to grow and where to bring harvested produce. In the late 1980s, some restructuring of the extension centers began to involve farmers more in the work of the extension centers through social councils and to separate state farms from the extension institutions (Center of Extension Service and Education in Agriculture, Poznan). The institution's name was changed from the Provincial Agricultural Development Center to the Agricultural Advisory Centers (Osrodek Doradztwa Rolniczego or ODR). Although the name of the institution was changed to reflect the change in their role, most of the staff remained the same. Budget shortages forced a reduction of staff from 10,000 in 1989 to less than 6,000 in 1991.

The national staff consists of a director and assistant director within the Ministry of Agriculture and Food Economy. Agricultural Extension Service Centers are located in each of 49 provinces, with up to 11 regional offices in some provinces. Extension activities are financed by the state budget through the provincial governors. The present priorities of the extension service include assistance to farm communities in "developing technologies of farm production, improving farming effectiveness and increasing farm family living standards." Most assistance is provided on an individual basis.

The Polish/American Extension Project

The PAEP assigns two-person teams to ODRs for 6 months to provide training, technical expertise and assistance. On the two-person extension team, one is an agricultural economist and the second is someone with administrative experience and other subject matter expertise. Thus, the result is a multidisciplinary, team effort.

The overall goal of USDA's assistance to Poland is to improve the living standard of Polish farmers and consumers by promoting the emergence of a strong, effective, and economically successful private sector in Poland's agriculture (West and Buchanan). The PAEP has three Warsaw-based staff, a senior extension advisor and two program specialists, along with an office manager and other support staff and translators. Administered through USDA's Office of International Programs, the PAEP receives the Support of Eastern European Democracies (SEED) funds and matching Polish counterpart funds generated through sales of food aid (PL-416). SEED money is appropriated for: (1) Support of emerging democracies, contributing to U.S. national security goals; (2) Humanitarian assistance; (3) Economic and market development which could lead to export markets for U.S. products.

Extension's Role in Agricultural Development

Neither capital inflows, information nor technological innovations alone are enough to bring about agricultural or rural development. Extension services have an important role in the development process as an active disseminator of agricultural information, linking research entities and farmers and changing human behavior through education. An effective extension service is made up of appropriate institutions, efficient mechanisms and competent people to receive and disseminate information. Reorienting a system originally designed to collaborate with the state government requires adaptation and modification in all three of these dimensions of the extension system.

A World Bank publication (Agriculture and Rural Development Department) summarizes key lessons learned from joint efforts of donor agencies and developing countries in establishing effective extension systems. Major lessons which are internal to extension include:

- (1) "Agricultural extension requires effective organization and management tailored to specific situations..."
- (2) "Agricultural extension requires site-specific field methodologies and suitable technologies..."

- (3) "Agricultural extension systems must be relevant and responsive..."
- (4) "Farmer participation is fundamental to sustainable extension..."

In the formerly socialist countries, new management styles and organizational structures may be needed. Identification of system weaknesses requires people with the ability to objectively and critically evaluate the system--inflows of money only would not instigate an examination of the existing allocation of resources. Networks must be built to collect and disseminate information. People must be given the opportunity to retool. Some of the skills and techniques needed are more readily adopted if "students" observe them in practice and see the advantages. Extension staff through example and through teaching may motivate changes in individual or institutional behavior and have a multiplier effect through the efforts of their students.

Reforms Needed in the Polish Extension System

The objective of the PAEP is not to impose a U.S. extension model on Poland, but to share ideas that work for us in our various states and programs and shape them to fit Polish extension needs. At our sites, our first objective was to discern the needs of the center through discussion with directors, advisors, farm families, advisory councils, government officials, etc. We worked as colleagues with staff and tried to avoid the perception that we worked for the director. When extension staff were questioned about how the PAEP could help them in the six months that we would be working with them, the responses ranged from training in business planning to lobbying the government to change the laws so that advisors could be exempted from import duties on the purchase of foreign cars². Not surprisingly, capital purchases were high on the list. Extension centers wanted additional office space, meeting rooms, cars, slide projectors, VCRs, overhead projectors, copiers, copying frames, computers and software.

Our assessment of their most critical needs however was sometimes different from their "wants". Despite the high level of literacy in Poland, our subjective evaluation deemed human

capital development was needed concurrent with new technology. The human capital needs that we identified, in particular, management skills, would help to change the system and institutional environment, influencing the institutions beyond the individual.

Organization and Management

The Polish extension system could benefit from the introduction of new leadership and management styles. The tradition of hierarchical management systems favors control rather than participation and top level officials do not welcome feedback from employees at lower levels. Development of management skills for individuals to apply within the extension system and to use in teaching farm families should include a wide variety of topics: planning and goal setting, implementation, using feedback to modify plans, critical thinking, participatory decision-making, group dynamics, delegating authority, and time management. Our opportunities to influence institutional policy mainly arose during one-on-one meetings with the director. (ideas requiring him or her to relinquish some control or power were not always received favorably). Within the ODR, we questioned the need for a manager for every 9 or 10 people--an emphasis on efficiency would reduce the bureaucracy. Because of the hierarchy of power and control, provincial ODR directors were "above" staff and tended not to participate in workshops with staff. We recommended that the PAEP conduct a management workshop for the provincial directors so that they could have the opportunity to learn with their peers.

Another critical need is for strategic planning at the national, provincial and area office level. The mission of the extension service along with accompanying goals and objectives needs to be defined. A concerted effort with clientele, staff and management to democratically develop plans could revitalize the system. Issues to be debated within the framework of the strategic plan include:

- (1) Staff responsibilities. Staff should be given more responsibility for developing their plans of work, setting their schedules and choosing training sessions to attend.

- (2) The role and impact of schemes to generate income. Current practices like selling fertilizer, lime and chemicals or charging some farmers for the development of financial plans may lead to a loss of credibility for the institution and conflicts of interest for staff.
- (3) Clientele. Because many of the small farms are expected to fail or disappear in coming years, the ODRs tend to focus on assisting the largest farms. This may not serve them well in the short or intermediate term as their political base may not be broad enough to ensure financial support from the government.
- (4) Cooperation with other institutions. Anything that can be done from a system standpoint to reduce the isolationist tendencies of the individual ODR offices would be an improvement. Given the scarcity of financial resources, individual ODRs can't afford duplication of efforts. Poor informational links and the "every-center-for-itself" attitude lead to duplication of research and Extension efforts, a costly practice especially when resources are limited.
- (5) Allocation of resources. Limited resources mean that to achieve the greatest returns on investments, available funds must be allocated to their best use. Attempts should be made to develop and implement policies that will direct resources to areas which will benefit the country the most in the long run. Decisions should not be made purely on a personal or political basis. Barriers that prevent allocation of resources to their highest and best use must be eliminated. The system is not currently designed to reward creativity or extra effort. Performance appraisals and merit based pay systems would likely improve productivity. Requiring written requests for funds that document the needs for and potential benefits of purchases would force staff to prioritize needs and develop plans for effectively using new technology.
- (6) Proactive stance. At the provincial level as well as the national level, staff must become proactive rather than reactive.
- (7) Education versus advising. To have a broader impact, the role of extension staff as educators, rather than strictly advisors, must be furthered.

Methods and Technology

Although it has been said that years of black market operations prepared Poles for the introduction of market economics, many people lacked an understanding of items such as accrued interest on loans, contract development and implementation, price negotiations and auctions, the importance of productivity in the workplace to economic progress, livestock price cycles, congruence between short run and long run goals and market distortions and externalities. Much of the "new knowledge" needed by people in the emerging democracies is a new decision making framework, critical thinking and an understanding of the workings of a market economy. Jones (1992) suggests that to foster critical thinking, extension educators must create learning environments that:

- (1) Generate thought-provoking questions, emphasizing how and why rather than what.
- (2) Help learners raise and test hypotheses.
- (3) Encourage learners to question assumptions.
- (4) Demonstrate a lively sense of curiosity and inquisitiveness.
- (5) Present materials that contain "intellectual shock".
- (6) Are highly interactive.
- (7) Place value on creative problem-solving strategies rather than on conformity to "right" answers.

Fostering critical thinking requires a person, rather than funds. PAEP team members asked a lot of questions: Why are cattle kept indoors most of the year? Why is the wheat seeding rate so high compared to the U.S.? If everyone is selling their dairy cows to raise pigs, who will buy all the pigs? Should Poland be concentrating on export markets for products or are there opportunities for intra-country economic development through further processing, for instance, drying of fruits and vegetables? Questions were followed up with a discussion of alternatives and the theoretical framework within which we make decisions in a market economy.

Lecturing, with a minimum of visual or handout material, was the predominant teaching style observed. For instance, the first national market outlook session, a two day meeting, was conducted without the use of slides or overheads. Participants in PAEP workshops indicated in conversations and on evaluations that the hands-on workshops with active involvement of participants was as important a new concept as the subject matter.

When we first observed Polish extension staff in teaching roles, evaluations were seldom used to garner user response to extension materials, meetings or workshops. However, when Polish instructors reviewed the comments on evaluations in workshops which were jointly conducted with PAEP teams, they were responsive to the comments in subsequent workshops. Programs could be strengthened through use of evaluations on a regular basis to encourage feedback for use in modifying subsequent workshops or improving the content or format of publications.

Some resources, for instance, the media--radio, television, periodicals and newspapers--appeared to be underutilized. ODRs are sources of information that is valuable to a large percentage of the Polish population. Developing good rapport with media representatives and providing timely information on a regular basis would allow the ODRs to multiply their efforts with little cost to the ODR.

The PAEP instituted a mini-grant program to help finance demonstration projects and fund equipment purchases for Polish ODRs. This

program provided a "teachable moment" since the advisors were required to submit written justifications for the projects and compete for funds. Descriptions of projects funded were sent to the ODRs along with feedback on how to improve the proposal.

Relevance and Responsiveness

One of the most requested topics for workshops and farm assistance was in business planning. A better understanding of business management principles would enable extension staff to better prepare owners and managers of small businesses, and perhaps minimize the number of small business failures. A more economically literate society would contribute as well to a more stable and hospitable environment for foreign and domestic investment, contributing to brighter prospects for long run economic development.

Given the tendencies of directors to want to maintain control, communication within the ODR systems tends to be poor. Much information is channeled through the director that might be more appropriately sent to specialists. Regular communication with staff at all levels through meetings, letters, and phone calls to solicit ideas, involve advisors in planning and praise good work would improve morale.

Networks with other ODRs, universities, research institutes, training centers, and agricultural schools were generally deficient. More sharing of materials developed, expertise, etc. at all levels--between regions within provinces and between provinces--would allow for better service of farmers needs. Additional benefits of sharing information among institutions include:

- (1) Each institution would not need an expert in every field. Individuals at some institutions would be freed up to develop new expertise or further specialize.
- (2) Exchanging information might facilitate discovery of mutual interests, encourage cooperation and generate new ideas for research and education.
- (3) The base of support for ODR activities could be broadened. The more people who

know about work that is being done well, the larger is the political (and potentially financial) support base.

Farmer Participation

Institutional sustainability requires financial and political support. The ODRs focus on ensuring that the current government officials are aware of their activities but often neglect their audience. Given the frequent turnover in government officials, this policy is risky. A strong advisory council base, with farmer involvement, must be built to ensure that ODRs remain viable and responsive to the needs of rural families.

Problems with the System/The Hard Realities

Having a system in which the financing and administration are separate leads to ineffectiveness and contributes to the territorial nature of efforts. Additional facilities for office space and meeting rooms are needed. Additional resources for operating and maintenance would reduce the demands on staff time that do not contribute to their educational role, e.g. assisting with harvest of various crops on demonstration farms. Salary levels need to be raised so that staff do not have to hold other jobs or earn consulting income to make ends meet. Mandatory pay systems which preclude merit based pay and strong employee unions which limit the director's ability to reward competent employees or dismiss incompetent employees are barriers to optimal allocation of resources.

Equally as important as internal problems are the problems faced by the extension system from external sources. The extension program must be developed as part of larger social policy/development program, in line with goals and needs of government and the people it serves. Institutional stability is needed, from legislation of tax and business codes to agricultural policy. Uncertainty about what rules will be in the future makes long term investments risky and the advisor's role very difficult. The direction in which to focus Extension efforts, e.g. orchard crops vs. field crops, depends on what might be established as an agricultural policy by the government.

Agricultural Economists Preparedness to Help Reform Public Enterprises in Emerging Democracies

Our experience in living in a market economy provides valuable everyday examples that can be shared with people. Routine incorporation of planning, implementation and control in work and recommendations serve our audience well. However, educational materials developed in the U.S. can't be simply translated into the appropriate foreign language. Many of our economic models and tools, for instance, in risk management, can't be directly applied to situations in emerging democracies.

I wonder if I would have been better prepared to serve as an advisor and educator if I had studied more history of economic thought and been more familiar with socialist systems, demographics, the workplace environment, organization and leadership structures. Likewise, I wonder if I could have been a better instructor if I had known more about learning preferences in the former Soviet satellites, if the issue has been studied. We were prepared to present alternative frameworks for thinking and teaching but they may not have been the best frameworks given an individual utility function developed under a socialist system.

Outsiders are suspect. We had to explain our role to advisors frequently, e.g., that we were not there to evaluate people or programs, but rather that we were in Poland to serve as resources for the ODR system and Polish agriculture. It takes time to win people's trust and confidence. We had to aggressively work at becoming familiar with conditions in the country, the extension system and local area since our assignments were for six months. Because the administrators want guests to be well taken care of, there is a tendency to treat foreigners as "special", use them to show off to government officials, and inadvertently (perhaps) isolating them from staff and farmers on an informal basis.

The language barrier is a limitation but not an insurmountable hurdle if good translators are available. But, translation is an imperfect science and a slow process. And, educators can't teach more than translators know and understand. When the subject is economics, you must first teach basic economic terms and concepts to the translator before you can expect to teach them to anyone else.

We could be better prepared to advise and educate if we had answers to the following questions: Should we teach clientele how to think and if the answer is yes, what is the best method in a given cultural and social environment? What is the best way to initiate economic or institutional reform? Should we start from the top down or bottom up, or is it better to have them occurring simultaneously? How can the learning time for people to understand market economics and develop efficient systems be shortened and the number of unnecessary business failures be minimized? How is a social mentality that allows for contracting or cooperation in marketing products developed? Are traditional models of individual and group behavior, economic growth, technology adoption, attitudes toward risk, or responses to profit motives valid in different cultural settings? Are learning styles the same? What is the best way to teach market based economics to people who come to us with a tradition of socialism?

In "Agricultural Extension: The Next Step" (Agricultural and Rural Development), the authors call for an international forum for extension information transfer, saying "Extension needs to forge new links to create a network for sharing knowledge and experience across the development community..." Although the logistics would be difficult because of language differences, I would concur that this would be a useful undertaking and could contribute to preparedness of future educators. Many U.S. Extension Economists find the opportunity to meet with our colleagues in regional farm management, marketing, and policy committees to be one of our most useful professional meetings. Program successes and failures are shared, new ideas for programs are generated and new links for cooperation are built. The same benefits might be expected from sharing experiences across country borders, even though the extension systems are tailored to country specific needs and situations.

A second network that I think would be useful is one of professionals who have served as advisors and educators in the emerging democracies. Sharing of experiences is needed to see whether programs and materials developed and applied in one country might be appropriate for others. The network could serve as a resource to government officials seeking to provide assistance in a cost-effective manner and to private entrepreneurs seeking guidance in exploring international trade opportunities.

Further Musings

The opportunity to work in a foreign country provides the opportunity to learn from being continually "surprised" by what you find and/or experience and from being exposed to different ways of thinking. I wonder how we would react to foreigners' suggestions for change in our extension system and whether we would find our current system the most appropriate one for agriculture today if we were to step in and evaluate it as an outsider. If we were starting from scratch today, how would we build an extension system for the U.S.? How do we build flexibility into the system to make it adaptable to changing conditions? Where are our stumbling blocks to change? Are we as bound to tradition as people in the emerging democracies?

Summary and Conclusions

Tremendous changes are taking place in some arenas in emerging democracies while in others, time is standing still. The Poles have a saying for which the translation is "This is not a bakery", which I believe can be applied to economic development plans and efforts instigated by Westerners. Western recipes can't be applied to Polish ingredients, stirred vigorously and popped into the economic oven for a short period of time with the expectation of having a finished product immediately. Even in our country, traditions change slowly. The emerging democracies are trying to do instantly what we've gradually developed over 200 years in the U.S. Would-be reformers must often be satisfied when small steps are taken.

Tradition and a reluctance to change can be overcome through education. Education in former

socialist economies, namely developing management skills and increasing economic literacy, is equally as important as physical or financial capital in facilitating economic reforms. Education is necessary from the very beginning to ensure that resources are well utilized and contribute to long run economic development. Changes in legislation or the granting of funds for capital improvements will be less effective in motivating change if people

don't understand market economies and believe in their potential benefits. Economic reforms will move faster if the people are given an understanding of the process along with realistic notions of the time frame in which reforms will take place. Sending money without providing opportunities for retraining in economic thinking is like making loans to farmers without financial plans.

References

- Agriculture and Rural Development Department. "Agricultural Extension: The Next Step." The World Bank. Washington, D.C. October 1990.
- Becker, John A. "Perspectives on Eastern Europe: The Role of U.S. A.I.D." *CHOICES*. Fourth Quarter, 1992.
- Braverman, Avishay and J. Luis Guasch. "Agricultural Reform in Developing Countries: Reflections for Eastern Europe." *Amer. J. Agr. Econ.* 72 (1990):1243-1251.
- Center of Extension Service and Education in Agriculture, Poznan. "Agricultural Extension Service Centers in Poland: The Guidebook '92." Centrum Doradztwa i Edukacji w Rolnictwie Oddzial w Poznaniu. No. 52. 1992.
- Csaki, Csaba. "Perspectives on Eastern Europe: A View from the World Bank." *CHOICES*. Fourth Quarter, 1992.
- Gelb, Alan H. and Cheryl W. Gray. "The Transformation of Economies in Central and Eastern Europe: Issues, Progress and Prospects." The World Bank. June, 1991.
- Jones, Jo. "Teaching Clientele What or How to Think: Strategies to Foster Critical Thinking in Clientele." *Journal of Extension*. Spring, 1992.
- Penn, J.B. "Changes in Europe and the USSR: An Overview for Southern Agriculture and Agribusiness." *Southern J. Agr. Econ.* 23(1991):89-95.
- Polish/European Community/World Bank Task Force. "An Agricultural Strategy for Poland." Report of the Polish/European Community/World Bank Task Force. The International Bank for Reconstruction and Development/The World Bank. Washington, D.C.
- Wallace, L. Tim. "Perspectives on Eastern Europe: Agribusiness Challenges in CIS Countries, A Summary". *CHOICES*. Fourth Quarter, 1992.
- West, Don and Henry Buchanan. "Assessment of Extension Assistance to Poland." Unpublished document. USDA/ES. January 1992.

1. My comments are based on my experience as a member of two different teams of extension advisors on six month assignment with the PAEP in 1992. This was my first foreign assignment, limiting my ability to generalize about foreign experiences.
2. The argument was that the Polish Fiats were unreliable means of transportation, making it difficult for them to visit farm families. Foreign cars were perceived as being more reliable but were not affordable because of import duties approximately equal to the value of the car.