

Warsaw, 9 April 2021 Marcin Zieliński, FOR economist

FOR Communication 13/2021: Land Turnover Locked in for Another 5 Years?

Synthesis:

- In Poland, 9% of people employed in agriculture produce about 2.5% of GDP, with the result understated by small farms. Taking this into account, it is difficult to find an economic sense in maintaining such a state of affairs.
- The law introduced in 2016 restricting the trading of agricultural land as we warned against has not improved the condition of Polish agriculture. It did not bring about the increase in investments that it was supposed to entail. Instead, there was a decline in them, which was the largest in the European Union.
- The existing regulations give wide possibilities for interference of the National Support
 Centre for Agriculture in transactions concluded by private entities. The National
 Support Centre for Agriculture may intervene in sale of not only agricultural land but
 also companies owning agricultural land. As a result, the scope of state ownership in the
 Polish economy increases.
- On 17 March the Sejm, by the votes of the Law and Justice (PiS) and the Left (Lewica) parties, passed a law extending the restrictions on agricultural land trading for another 5 years.

Bureaucratic burdens, regulations limiting competition, inflexible labour laws, complicated and time-consuming tax settlements with the tax authorities are problems for years identified by entrepreneurs as the biggest barriers to business. The COVID-19 pandemic has prompted the government to introduce additional restrictions that often have a negative impact on business.

We believe that especially in this difficult period entrepreneurs need deregulation which will increase their flexibility in adapting to new economic conditions. Therefore, we are looking for solutions that will help to unleash the potential of entrepreneurs. In order to find regulations that are most harmful to entrepreneurs and show the benefits of deregulation for post-crisis growth, we have launched a portal www.deregulacja.pl.



FOR was established in 2007 by Professor Leszek Balcerowicz to effectively protect freedom and promote truth and common sense in public discourse. Our goal is to change the consciousness of Poles and the current and planned law in the liberty-oriented direction.

FOR implements its goals by organising debates and publishing reports and analyses that address important social and economic issues, in particular: the state of public finances, the situation on the job market, economic freedom, the justice system and the creation of laws. On the initiative of FOR, a public debt counter was launched in the centre of Warsaw and on the Internet, which draws attention to the problem of rising national debt. The activities of FOR also include economic education projects and participation in campaigns aimed at increasing voter turnout.

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