

Chapter 7.

LOCAL INSTITUTIONAL NETWORK AND THE SOCIO-ECONOMICAL SITUATION OF POLISH FARMS

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Abstract. *Modernization processes of farms in Poland are supported to a significant extent by the institutional external factors. Institutional factors at the local level have a variety of forms. These include institutions acting in the spheres of market (conducting of business), agricultural policy and rural areas, civil society, implementation of new production techniques. Main purpose of the analysis at hand was to present interactions between users of rural farms and local institutions supporting agricultural sector. The results indicate positive effects of institutional factors on economic and social development of analyzed farms. Investigated farms, which use the services of the institutions have a higher level of financial ratios and a higher level of production.*

Keywords: *individual farms, local institutions, production level, farm characteristics.*