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CONSTRAINTS ON THE SUSTAINABLE DEVELOPMENT OF RURAL AREAS IN THE LIGHT OF INTEGRATION WITH THE EUROPEAN UNION

1. Introduction

Taking advantage of the opportunities granted by Poland's accession to the European Union (EU) is hindered in rural areas by barriers connected, in particular, with the conditions in which agricultural enterprises operate. This has been confirmed by many academic articles devoted to the transformation of rural areas during the period of economic transformation [see Sokołowska, 2002; Płatkowska-Prokopczyk, 2003; Henisz-Matuszczak, 2006].

The direction of change in the agricultural policy of the EU since the MacSharry reforms has been towards promoting environmentally friendly agriculture [Hadyńska and Hadyński, 2004, 48] as part of a programme of promoting sustainable development in each member state. This seems to be of particular importance to rural areas in Poland. Such a policy may well be a chance for changing some of the traits of underdeveloped rural areas¹ into a lasting source of competitive advantage, due to the ecologically friendly nature of Polish agriculture, especially food production, in comparison to other EU states. The reality of this opportunity is reflected not only in the increase in grocery exports from Poland to other EU coun-

¹ Liro indicates that the large number of small farms, use of traditional methods and moderate use of modern means of production has led to the preservation of biodiversity in Poland at a level unmet in other EU states [Baran, 2004, 50].

tries since Polish accession, but also in the growth of agrotourism, which attracts both national and foreign tourists.

The aim of this article is to analyse the constraints on sustainable development in rural areas of Poland and to attempt to describe the effects of actions made after the accession of Poland to the EU based on an analysis of the assumptions and goals contained in agricultural programmes and strategies, both pre- and post-accession.

2. Sustainable development in European Union Directives

The transformation of rural areas in accordance with the vision developed by the EU is directed towards improving agricultural practices and equalising the standard of living in rural areas and the standard of living in urban areas. Accession to the EU has meant that Poland must implement the Common Agricultural Policy [Lichorowicz, 1996, 8], which defines supranational goals in the fields of: production and trade of produce from agriculture, breeding and fishing, as well as improving the structure of the agrarian sector and solving social problems in rural areas. This policy also defines mechanisms, means and instruments for achieving these goals in each of the member states.² The Common Agricultural Policy (CAP) is one of the most important fields of activity of the EU and a large proportion of the EU budget is devoted to it (48% between 2004 and 2006). The CAP determines the main directions in which the agricultural sector of states with a large agricultural sector (including Poland) are to develop.

The old CAP was based, among other things, on the intensification of agricultural production and was in conflict with the principles of sustainable development understood as „a continuous improvement in the quality of life of present and future generations by balancing the use of the following three types of capital: economic, social and environmental [Piontek, 2005, 250]”.³ From 1992 the CAP has been gradually reformed due to the need to constrain agricultural production and costs in accordance with European

² The most important documents in this field are the CAP (in particular, the MacSharry reform of 1992, Agenda 2000 and the reforms of 2001, 2003 i 2004), the Maastricht Treaty, the Nature 2000 programme for environmental protection and Directives 2078/92 EC, 1257/99 EC i 1698/2005 EC.

³ Piontek understands environmental capital as environmental resources, which while having a wide range of functions also enable the production of food (2005, 28), which is a fundamental goal and field of activity in rural areas.

Commission Directive 2078/92, which promotes more extensive forms of agricultural practice. The wide range of influences of agriculture on the environment, together with the significance of rural areas to ecosystems and quality of life, are the driving forces behind the concept of Sustainable Agriculture and Rural Development, SARD, understood as management of the use of the environment and its protection, as well as the promotion of technological and institutional changes, which allows both present and future generations to satisfy their needs [Zegar, 2003, 205–6]. The reforms of the CAP in 2003 and 2004 were thus aimed at a closer relation between agricultural production and consumer demand, together with making agriculture more environmentally friendly by implementing norms related to the environment, food safety, health and the quality of life of livestock.⁴ These reforms require [Hadyńska and Hadyński, 2004, 48–9]:

- a reduction in the use of fertilizers and pesticides and promotion of ecological farming practices and extensive means of production,
- the implementation of alternative forms of agricultural practices, which protect the environment, landscape and local living conditions,
- preventing the deterioration of agricultural land and forestry,
- giving the public access to rural areas and opportunities for recreation.

The European model for agriculture reflects the various roles that agriculture plays with regard to: richness and variety in the landscape, food products, cultural heritage and the environment.⁵ The fundamental aims of the CAP, economic policy and rural development policy defined in Göteborg (in June, 2001) and confirmed in the reforms of the CAP in 2003 and 2004 concentrate on the sustainable development of agriculture, which is a condition for an efficient economy. The CAP also aims to ensure the employment of a sufficient number of farmers on agriculturally productive land, since EU policy sees agriculture as an important element of national and regional identity, which requires protection within an integrating Europe [Baran, 2004, 48].

Eco-development is one of the priorities of the EU in the period 2007–2013 and as such will effect the direction of financial transfers and promote plans of the member states to restructure, including plans to transform rural areas in Poland.

⁴ The European commission Directive of 20.02.2006 (2006/144/CE) on strategic policies of the European Union promoting the development of rural areas (plan for 2007–2013), J.O. L55 of 25.02.2006, p. 22.

⁵ The European commission Directive of 20.02.2006 (2006/144/CE) on strategic policies of the European Union promoting the development of rural areas (plan for 2007–2013), J.O. L55 of 25.02.2006, p. 21.

Due to inequalities between rural areas in particular countries (which result from e.g. the attributes of the natural environment and determine the structure and scale of agricultural production, as well as the income and profitability of farms), the member states are obliged to prepare their own development programs, adapted to local needs and subsidised by the EU according to the degree to which the goals defined agree with the priorities of the EU. In this context, the Rural Areas Development Plan (RADP) has become the main instrument for improving the situation of rural areas. The RADP is based on the following two strategic goals:

1. the sustainable development of rural areas,
2. improving the competitiveness of the agricultural and food sector.

RADP covers activities belonging to the so-called 2nd Pillar of the CAP, subsidised according to EU Council Directive 1257/99 of 17.05.1999, from the European Agricultural Guideline and Guarantee Fund (EAGGF) and the individual budgets of member states.⁶

Realising the first goal requires the undertaking of the following actions:

- supporting agricultural activities in areas with conditions unfavourable to farming;
- supporting agro-ecological undertakings and improving the living conditions of livestock;
- afforestation of agricultural land;
- adapting farms to EU standards.

The second goal is to reduce the disproportions in the distribution of added value⁷, which would result in reducing social inequality. Structural payments, support for both small farms and producer groups would change this balance in favour of rural areas

The formulation and implementation of agro-ecological programmes is of particular importance for sustainable development. Such programmes have been in force in various forms in the EU-15 countries (the member states before the expansion to the east). The joint cost of these programmes made up 4% of the EAGGF Guarantee Section of the EU agricultural budget. The average recompensation for lost income or increased costs resulting from respecting the demands of ecological protection was approximately 99 euro/ha [Bereźnicka, 2004, 13–17].⁸

⁶ The RADP documents for Poland were passed by the European commission on 6.9.2004.

⁷ For more on economic arguments for subsidizing agriculture see Czyżewski et al. [2006].

⁸ Bereźnicka [2004] gives data for the realisation of agro-ecological programmes in 1998: 13.4% (nearly 1 in 7) of all farms received funds from such programmes covering 27 mln ha

During the next programme (2007–2013), EU funding will be come from the European Rural Areas Development Fund (ERADF),⁹ which will subsidise the realisation of projects which are in accordance with the main principles of the development of rural areas [Baran, 2004, 48, 53]:

- 1) supporting the competitiveness of agriculture, agricultural products and forestry,
- 2) spatial management and environmental protection,
- 3) improving the quality of life and reducing social inequality in rural areas,

- 4) supporting the activity of local society in planning and implementing development based on the Leader+ programme,

- 5) Subsidising functions of agriculture in the fields of environmental protection and non-agricultural activities has become an important element of sustainable development (especially in areas of limited agricultural potential). Various forms of tourism in rural areas broaden the range of possibilities for active recreation and are a source of income for farming households. This is also a form of promotion of rural resources and products, often protecting traditional trades and skills. The EU supports a wide range of activities connected with maintaining the cultural value of regions *e.g.* the produce of so-called bio-producers and traditional farming methods (under the Integrated Operational Programme for Regional Development).

3. Problems of rural areas in the EU and Poland¹⁰

Rural areas are confronted with numerous challenges which result from the great differences in their social and economic situations. This is visible in the EU despite the fact that for years it has carried out policies aimed at equalising the quality of life in urban and rural areas. Rural areas cover 92% of the area of the EU-15 countries. 56% of the EU-15 population live in rural areas. Rural areas provide 53% of the employment and 48% of the added value. Years of intensive agricultural production has had its effect on the state of the soil and water in the EU

(19.5% of the agrarian land in the EU-15 countries). The highest rate of take up was in Finland, where 87% of agrarian land was covered by such grants. However, in Holland, Belgium and Greece this rate was less than 2%.

⁹ ERADF – the European Rural Areas Development Fund has been called into being to support the development of rural development in the EU from Jan. 1st, 2007.

¹⁰ The data in this section are based on Sokołowska [1998], Bański [2001], Strategia rozwoju... [2005] and Strategic Goals... [2006].

in the form of high concentrations of nitrogen in water, the emission, eutrofication and degradation of the soil and a decrease in biodiversity. However, the increasing proportion of land which is devoted to ecological farming is a positive sign (5.4 mln ha in the UE), together with the creation of renewable resources (1.4 mln ha in 2004). The implementation of the Nature 2000 programme has become a factor maintaining biodiversity in a unified Europe. This programme covers 12–13% of the agricultural and forestry land in the EU-15 countries. In comparison to these countries, Poland displays a relatively high level of biodiversity and a great variety of types of habitat and landscape. This is due to the fact that agricultural production began intensifying many years later than in the West.

In comparison to urban areas, rural areas in the EU are characterised by: a lower level of income per capita (approx. 2/3 of the level in urban areas), a lower proportion of economically active women, a less developed service sector, a lower percentage of graduates and lower rates of access to broadband Internet lines. Moreover, these differences are much greater in Poland. This was indicated in national and EU Commission reports prepared before Poland's accession to the EU. They indicated many constraints to development connected with over-extensive agricultural practices, the small size of farms and resulting lack of efficiency.

Rural Poland has "contracted" the major problems which have appeared since the transformation of the political system *i.e.* a high unemployment rate, a fall in agricultural production due to the bankruptcy or transformation of agricultural enterprises, in particular of state farms. These problems have negatively influenced the ability of rural areas to carry out their basic functions: productive, economic, social and environmental [Zegar, 2003, 214–5]. The unfavourable employment structure in Polish agriculture will definitely result in agricultural workers leaving this sector. Farms, which have survived the transformation have struggled with problems resulting from a lack of capital and poor credit rating. At present, the effect of these problems are exacerbated by the continually poorly developed social, institutional and technical infrastructure in rural areas.

The unfavourable socio-professional structure of rural areas remains a particular problem, resulting in a low ability to absorb innovation. Mickiewicz and Skotarczak [1998] point out that rural areas are not adapted to the needs of the market. Neither does this situation favour entrepreneurship, which could become an alternative to work in the agricultural sector, given the insufficiencies of existing enterprises and lack of employment opportunities. This lack of enterprise results above all in

youth unemployment (up to 24 years of age), as well as poorly qualified inhabitants.¹¹ Nevertheless, even awareness of this fact does not motivate rural inhabitants to obtain qualifications, since they are convinced that it will not help them to find work. Nowak [2004] has also analysed the social constraints on the development of rural areas. He highlights the factors presently limiting the opportunities for an improvement in the situation of rural areas. Above all, these factors are: an excessive supply of labour leading to an increasing rate of unemployment in rural areas, the lack of qualifications of inhabitants, the lack of activity shown by them, as well as the undeveloped social structure. The interdependence of these social, infrastructural, environmental and economic factors leads to a negative multiplier effect, especially in the financial dimension (agriculture and rural areas have low incomes) and the complexity of these problems [see Potiopa, 2004, 122].¹²

4. Development of rural areas in Poland under pre- and post-accession programmes

Since problems related to the functioning of rural areas influences both the economic and political spheres, a great deal of hope was attached to Poland's accession to the European Union,¹³ which resulted in the formulation of programmes aimed at improving the situation of rural areas [Ormowski, 2003].

The "old member states" of the EU have implemented their agricultural policy in three phases:

1. increasing the standard of living of rural inhabitants by modernising agriculture,
2. creation of employment in rural areas outside of agriculture, enabling inhabitants to remain in the country,

¹¹ According to the Central Statistical Office, one in three unemployed people in rural areas is under 24 years of age and the largest group of unemployed are people with the lowest academic qualifications.

¹² Borowik and Borowik [2000, 273] draw attention to the difficulty of obtaining the training necessary to adapt to the demands of the employment market: „A large proportion of youths in impoverished rural areas are not able even to pay for transport to school or maintain themselves at high school. Only 4% of the present student population are from agricultural families.”

¹³ Although the conditions negotiated during accession in the agricultural and food production sector caused some fear, especially related to the loss of employment in milk and meat production due to: the excessively short period allowed for adaptation to EU norms (by Dec. 2006), the very slow increase in the average income of agricultural households and the unfavourable price protection policies. For more see Niemczyk [2004].

3. encouraging local society to assess the socio-economic situation and enabling them to take part in the development of rural areas.

However, in the case of Poland the realisation of these phases of the Rural Areas Development Policy must occur simultaneously. This requires the creation of such a system of support, which enables the agricultural sector to carry on playing its role while allowing the emergence of a powerful service sector in the form of small and medium-sized enterprises [Sobków, 2004, 42–43]. EU funds and programmes supporting the development of rural areas play, and will probably continue to play, a dominant role. Financial support from the EU started in the pre-accession period (see Tab. 1). However, it intensified on Poland's entry (see Tab. 2).

The Special Accession Programme for Agriculture and Rural Development (SAPARD) was aimed to become an important instrument of support from the EU for the process of structural transformation. The realisation of this programme was an important stage in preparing the institutions and beneficiaries of the candidate states for making full use of CAP instruments after accession.

Table 1. Pre-accession programmes and their goals in the field of rural development

Programme	Goals and range of the programme
Operational programme SAPARD	<ul style="list-style-type: none"> – Improving the competitiveness of Polish agriculture and the food processing sector, both on the national and world market; – Adapting the agro-food sector to the demands of the unified market in the field of sanitary, higienic and quality requirements – Supporting the multifunctional development of rural areas by improving the technical infrastructure; – Creating the conditions for setting up non-agricultural enterprises in rural areas.
Programme for Activising Rural Areas (PARA)	<ul style="list-style-type: none"> – Giving financial and investment aid, as well as knowledge and skills, to foster economic development in rural areas in its broadest sense. – Supporting activities leading to an increase in non-agricultural employment in rural areas, decentralisation of public administration and regional development, as well as support in building the institutional potential required to obtain and make full use of pre-accession and structural funds from the EU.
PHARE programmes	<ul style="list-style-type: none"> – Increasing Poland's ability in the field of implementing <i>acquis</i> in the agricultural sector, – Supporting the development of a modern and efficient public administration, making its structures, human resources and management capabilities more effective, as well as adapting the functioning of public administration units to EU standards

Source: Based on *Rolnictwo i Gospodarka Żywnościowa w Polsce*, 2005.

Table 2. The main post-accession programmes supporting the sustainable development of rural areas

Programme	Goals and activities within the framework of the programme
Rural Areas Development Plan (RADP)	<ul style="list-style-type: none"> - Supporting environmental projects in the agricultural sector and improving the quality of life of livestock - Supporting agricultural activities in unfavourable areas - Structural allowances - Supporting small scale farming - Improving the state of farms and adapting them to EU standards.

Source: Based on: *Rolnictwo i Gospodarka Żywnościowa w Polsce*, 2005. See also Jasiński [2005, 33 ff.].

The strategy of the SAPARD programme resulted from an analysis of the situation in rural areas and the agro-food sector in Poland, while aiming to adapt to the requirements of the unified market. The decisions regarding the choice of goals and financial means were taken after consultation with interested parties, including representatives of local government. Resulting from these discussions, in Poland the SAPARD programme concentrated on increasing the effectiveness of the agro-food sector and improving the conditions for entrepreneurs and creating employment, while taking into account the demands of environmental protection. However, due to the delay in the European Commission implementing Programme 5 (a pilot programme for the agro-food section), the funds that were to be used to realise this programme were transferred to Programme 3 (development and improving the infrastructure in rural areas) [Niemczyk, 2004, 177].

Poland's membership in the EU has significantly increased the amount of funds directed towards agriculture. On the first day of Poland's membership there was a change in the method of funding agriculture based on decreasing the share of indirect payments in favour of support paid directly to enterprises operating in rural areas. Also, the majority of support funds from the EU budget require cofinancing from state budgets.¹⁴

The formulation of national programmes for the development of rural areas is a guarantee for the appropriate use of union funds, in particular RADP and Sectoral Operational Programmes (SOP), in accordance with the National Development Plan (NDP). RADP and SOP identify the major problems of rural areas and appropriately adapt their goals and activi-

¹⁴ Also, those forms of support included in the national budget, which are called existing support, are considered for support from the European Commission, including e.g. relief on interest payments.

ties according to the degree to which the NDP treats the transformation of rural areas as an element of national development in all its aspects (spatial, social and economic).

The Rural Areas Development Plan defines the goals, priorities and bases according to which activities aimed at the development of rural areas have been funded in the years 2004–2006. The total amount of funds available under the plan amount to 3592.4 EUR, of which 705.3 mln EUR were devoted to direct payments and 140.0 mln EUR to the financing of various activities covered by the SAPARD programme. However, the funds foreseen by RADP to support the sustainable development of rural areas are rather modest: 9% was devoted to environmental projects in the agricultural sector and improving the quality of life of livestock and 3% to forestry [Jasiński, 2005, 33 ff.].

The Sector Operational Plan (SOP) *Restructuring and Modernisation of the Food Sector and Development of Rural Areas* is in some ways a continuation of the SAPARD programme. However, the SOP concentrates on supporting the further adaptation of agriculture and food processing to EU standards. Approximately 20% of the funds from this SOP are to be devoted to the sustainable development of agriculture. However, the conditions placed upon those applying for these funds are much stricter, which may well limit the number of beneficiaries and as a result lower the take up of funds available from the EU [Baum, 2004, 11].

Apart from the funds mentioned above, others programmes support various aspects of the sustainable development of rural areas: SOP Increasing Economic Competitiveness, SOP the Development of Human Resources, as well as the Integrated Operational Programme of Regional Development (IOPRD). In particular, these programmes support goals connected with creating jobs (Goal 2.2), raising the quality of life and improving the economic and social functioning of rural areas (Goal 2.1) by increasing income from agriculture, developing technical and social infrastructure and training rural inhabitants new skills, so that they can find employment or start their own enterprise outside of agriculture [Strategia rozwoju obszarów wiejskich..., 2005, 8–9].

5. Directions of and constraints on transforming rural areas resulting from Poland's accession to the EU

In relation to the necessity of respecting the Common Agricultural Policy (CAP) when setting out a programme for rural development, one might expect that the future development of rural areas in Poland will be

directed at restructuring the use of rural areas, increasing the productivity and quality of agricultural production and stimulating new applications for renewable resources (in particular land and labour), especially in the context of an orientation towards sustainable development.¹⁵

Assuming that agriculture will require an ever decreasing amount of land, one may predict that the area covered by agricultural land will shrink and only the best quality land will be cultivated. This will lead to the greatest effectiveness of the inputs used, in particular of the knowledge of producers.

Land left fallow may be used for forestry and shaping the environment, especially the landscape, for developing the necessary infrastructure, mainly transport and communication, as well as for agrotourism. One may expect that areas close to cities will often be intended for the building of low level domestic housing. In this way, three types of farm may emerge in the future:

- smallholdings which lie in predominantly non-agricultural areas, run by individuals, whose main occupation is not related to agriculture,
- farms where intensive methods are used will increase in area, invest, be cultivated by ever better trained farmers open to new ideas and be closely connected to the market or the food processing industry,
- farms with a large acreage, these will carry out simple forms of large-scale production, which are easily mechanised and require little labour *e.g.* cereal production.

It seems likely that the last two groups mentioned will be most important in shaping Polish agriculture, thus financial support and advice should be directed to such farms. Fixed direct payments will not be a positive influence on the economic situation of rural areas. In the case of small, economically weak farms, such payments would be a form of aid, since they increase the income of farmers. However, they would not improve the situation of the farm itself. At the same time, such payments are too small to be of real benefit to developing farms. Hence, the most appropriate form of support would be to adapt these payments to the possibility that a farm will develop. Social action cannot squeeze out economic goals in Polish agriculture, since the gains from social action are shallow. It hinders the development of entrepreneurship, which may ultimately even lead to lowering the quality of life of the rural population.

The promotion of local initiatives and programmes for rural development may well play a significant role in achieving these goals. Realising renewal

¹⁵ The Strategy for Sustainable Development in Poland until 2005 and the Strategy for the Development of Rural Areas cover these questions.

programmes for rural areas leads to the activation of rural inhabitants and directing their common undertakings towards improving their quality of life using local resources, including cultural resources [Jasiński, 2005, 33 ff.].

The human factor plays a very important role in rural areas. However, its functioning is changing. At present knowledge, together with technical and market expertise, plays a leading role. Hence, changes in the structure of employment in rural areas should go in the direction of increasingly specialised production or non-agricultural production, which will lead to increased quality and competitiveness on the national market and, in particular, on the international market. Such a direction requires intensive training, which will positively influence the level of qualifications of the inhabitants of rural areas. Increasing the proportion of rural inhabitants with qualifications from further and higher education is a necessary condition for the development of rural areas. There is no doubt that lowly qualified individuals have lower professional mobility and find it harder to find work.

The possibility of obtaining funds to develop economic activity in rural areas created financial needs which exceeds the planned budget in some areas. This was the case, for example, with the SAPARD programme. 140 mln EUR were set aside to realise this programme, which proved to be too small an amount to support all the positively assessed projects from the field of development and improvement of the infrastructure in rural areas. Due to the number of applications for financial support from municipalities, the funds available for such projects was appropriately increased to approx. 2 000 mln PLN, which represents an increase of almost 900 mln PLN. This enabled the financing of approx. 80% of the Polish submissions in this field which had been positively assessed [Informacja o stanie..., 2006].

As experience from the implementation of the pre-accession programmes (e.g. SAPARD) showed, the main problem in making full use of the opportunities offered by financial support for rural areas from EU funds is the inability to fully absorb these funds. In the case of SAPARD this was a result of the cumulation of applications for financial support (at the end of 2004 and beginning of 2005), which was due to the delayed implementation of the programme and limiting the period of time in which applications were accepted. This in turn led to a delay in the transfer of support funds by the European Commission.

When considering the first effects of Poland's accession to the EU on sustainable development, it is worth paying attention to two aspects regarding the funds for the transformation of rural areas: the ability to obtain such funds and the ability to make good use of them. Despite the appearance of similar problems to the problems which appeared before

accession (administrative delays), the realisation of post-accession programmes has indicated the great need and, at the same time, the ability of potential beneficiaries to successfully apply for the funds available. In the case of the SOP programme for the development of rural areas, the number of positively assessed submissions was 142.2% of the predicted number in the sector of activities assessed by the Agency for the Restructuring and Modernisation of Agriculture (ARMA) and 121.17% of the predicted number for the whole range of activities covered.¹⁶

The indicators for the funds already transferred are much lower. In the case of the SOP only 24.38% of the predicted value of grants available for the development of rural areas has been transferred (for the projects supported by ARMA 28.3%). A higher rate of transfer was noted in the case of the realisation of the Rural Areas Development Plan 2004–2006, where the proportion of the available funds transferred was 65% (ARMA data from 30.06.2006). The funds available within the framework of the programme for supporting agricultural activity in unfavourable areas have been fully used (98.4% in 2004 and 102.7% in 2005). However, it should be noted that in the fields of agro-ecology, afforestation and support of small scale farming the analogous percentages are 32.6%, 24.2% and 42% of the predicted values (ARMA data from 30.06.2006).

Eurostat estimates that in Poland the income of beneficiaries from these funds rose in 2005 to 205.72% of their income in 2000, while the average for the “old” members of the EU was 97.16%.¹⁷ There have been visible consequences in the field of agricultural production, which is increasing more rapidly in Poland than in the “old” EU member states (in 2005 in Poland it was 103.7% of 2000 production, in comparison to 102.6% in the “old” EU, member states). The most visible changes, however, relate to value added in agriculture, which has significantly increased (by 57.3% between 2003 and 2005 according to Eurostat estimates).

These changes in income have led to a gradual improvement in the situation of rural areas. However, technical and social parameters are also important. The changes in these parameters in the short two-year period since Poland’s accession are hardly visible at national level. The most visible actions are those aimed at improving the state of the technical infrastructure in rural areas, measured for example by the length of newly constructed roads and sewage systems, the number of domestic homes connected to these systems, or the number of public utility build-

¹⁶ With respect to the activities assessed by ARMA, ARMA data from 30.06.2006. The values for the whole range of activities come from *Informacja miesięczna...* [2006, 19].

¹⁷ EUROSTAT, calculated according to the A indicator, see <http://epp.eurostat.ec.europa.eu/portal/>

ings restored.¹⁸ However, the intensive development of suburban areas should also be taken into account. These areas are often the first beneficiaries of investments in infrastructure from local government.

The variety of activities carried out in rural areas has gradually been increasing over the past few years. The number of agrotouristic businesses has risen from less than 600 in 1990 to 8.2 thousand in 2004 and 9078 in 2005 (data from the Ministry of Agriculture and Rural Development). The number of ecological farms has also seen a similar change. In 1999 there were 555, in 2003 – 2286 covering an area of 50 thousand ha. In 2004 there were 3760 covering an area of 81 thousand ha. This number was predicted to rise by 100% in 2005. Regardless of this rate of change, this tendency may well be maintained and not simply due to the funds available for supporting ecological agriculture. The unique, in Europe, biodiversity in Poland is one of the conditions favouring such activity.

It seems that the creation of conditions enabling the development of the necessary potential for absorption is necessary for the efficient and effective use of EU funds by Poland in the coming years. The following should be treated as necessary conditions [Szlachta, 2004, 61–63]:

- the implementation of an effective system for making full use of structural funds. The government is responsible for carrying out the basic tasks in this field. It should coordinate the activities of all partners in promoting a strategic approach to development both at national and regional level.

- the employment and training of public administration personnel, who are necessary to making full use of EU funds.

- cofinancing EU supported projects, which is one of the fundamental requirements for obtaining EU funds. In Poland this requires a change in the structure of budget expenditure from social payments to expenditure aimed at development.

- setting aside the funds required for projects that are to be supported by the EU. This will enable a significant decrease in the costs associated with obtaining union funds. However, it requires efficient action to recover the incurred costs from the European Commission and a solution to the problem of short-term finance.

- creating mechanisms for preparing projects, simplifying the preparation of complex documents. This is of particular importance with regard

¹⁸ For example, by the end of 2004, 800 km of water supply pipes and 900 km of sewage pipes had been constructed, 700km of local roads had been repaired and 4 waste dumps had been set up for 18 thousand domestic homes. These are projects worth 471 mln zł. carried out within the framework of the rural areas development plan [Rolnictwo..., 2005, 70–71].

to the inhabitants of rural areas. Hence, institutions which offer legal and technical support will also play an important role in this field.

In addition, the following factors may limit the effective use of EU funds [Szlachta, 2004, 63–64]:

- not following EU rules, regulations and instructions regarding the use of such funds, which may lead to the improper use of funds and the consequent requirement of repaying the EU,
- incomplete planning,
- legal solutions regarding spatial planning (in Poland planning decisions are valid for 2 years and the decision making process for EU supported projects is decidedly longer),
- insufficient social participation in the process of making use of EU funds. The EU places great importance on involving society in the decision making process,
- overly complex procedures for granting financial support to investments.

The sustainable development of rural areas requires a clear strategy, which is in agreement with national aims and strategies and defines the role of the state and priorities for investment etc. The chosen strategy should be politically, economically and administratively viable (*i.e.* effective institutions managing the realisation of the strategy, taking into account the available resources). Various types of policy and instruments have an influence on the realisation of this strategy, such as [Zegar, 2003, 206–207¹⁹]:

1. macroeconomic policies (general social and economic policies) aimed at economic growth, price stability, employment, education, reducing poverty, trade etc.;
2. policies related to rural areas and agriculture orientated towards maintaining production potential and the level of production, as well as controlling agricultural prices, the demand for agricultural produce, the income of rural areas and the quality of food etc.;
3. policies regarding markets (market institutions, regulations on the functioning of the market etc.);
4. inclusion of social and business organisations and local inhabitants as players with equal rights in the process of planning and implementing SARD;
5. policies orientated towards the use of resources (human, natural and financial) and environmental protection.

The realisation and success of a strategy for the development of rural areas depends on the development of all types of activities carried in rural

¹⁹ Based on: Hardaker [1997].

areas: agriculture, forestry, fishing, services, light industry and trade, agrotourism etc. A wide range of activities are required such as: developing human resources through education, research, dissemination of information, as well as the planned use and protection of the soil, improving water management, protecting and using biodiversity, improving the supply of energy to rural areas from fossil fuels and renewable resources, together with increasing the involvement of society in the decision process regarding the use of resources [Zegar, 2003, 207].

5. Conclusion

Policies for the development of rural areas are increasingly taking into account the fact that agriculture in developed countries has entered into the postindustrial era and is becoming less important, both as an employer and source of income for rural inhabitants. However, the experience of highly developed countries has showed that although the problems of food supply have been solved (*i.e.* ensuring a sufficient supply of food at a reasonable price), the problem of ensuring farmers a satisfactory income still remains.

In order to achieve the development of rural areas, it is necessary to care for the interests of farmers and the environment simultaneously. One can hope that in this century significant technical and agricultural advances, together with advances in knowledge and its applications, will satisfy these two goals, which are at present often in conflict.

The concept of the sustainable development of rural areas, among other things, defines the direction of that these advances should take. This concept aims to achieve the following two goals: ensuring gainful employment, together with a satisfactory quality of life for rural inhabitants and maintaining the desired quality of the natural environment. However, achieving these goals requires the creative adaptation of the principles of sustainable development to national conditions through the creation and successful realisation of policies, strategies and programmes at various levels within EU member states.

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