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## **TASKS AND EXPECTED RESULTS OF THE RURAL AREAS DEVELOPMENT: LITHUANIAN AND POLISH CASES**

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**Abstract.** The economic growth, its quality and other characteristics depend not only on economical capacity of the country, but also on the clearly formulated economical development tasks and expected results. The aim of the research was to convey and compare the tasks and expected results of the process of rural areas development in Lithuania and Poland, in accordance with the rural areas development conceptions and historical context of the development of European Union, as well as Lithuanian and Polish legislation. Most of the discussions are in the form of a scientific debate. The main directions of the agriculture and rural development in Lithuania and Poland are presented as the results of the research.

**Key words:** agriculture, development, rural areas, legal regulation

### **INTRODUCTION**

Rural areas development policy is defined as a set of measures, regulations and actions to be implemented by the state in order to influence the size and profitability of the production in rural areas. In modern market economies the policy is focused on concentration and specialization of rural areas development as well as accelerating technological and agrotechnical progress, in order to ensure the efficiency of this sector of the economy and prevent the depopulation of rural areas.

After accession of Lithuania and Poland into the European Union, rural areas development processes in these countries intensified. It was not only a result of certain changes in requirements and new legislation that came into force, but also more intensive financial support. Both countries at the same time began to receive the structural support for rural areas development. In the time of accession, the economic

situation in both countries was not the same, so the practical tasks of development assistance had to be different. Over time, rate of development in both countries began to differ as well.

In most cases, the rural areas development is analysed in the scientific literature, in the context of the theory of economic growth. The goal of the economic growth is to increase population's welfare, which can be achieved by increasing manufacturing, services and consumption. The structure of the consumption within the certain population can be distorted and the final goal may become unreachable if errors are made in shaping the production structure and the selection of the economic development guidelines. On the other hand, a significant proportion of resources may be used inappropriately, and the economy faces serious problems trying to cover these losses. The economic growth, its pace, quality and other characteristics depend not only on the agricultural capacity of the country, but also on the clearly formulated economical development tasks.

The aim of the research was to convey and compare the tasks and expected results of the development process of rural areas in Lithuania and Poland, in accordance with the rural areas development conceptions and historical context of the development of European Union, as well as Lithuania and Poland legislation. Objectives of the research were:

- to show, in chronological order the changes in the conception of rural areas development in European Union;
- to formulate the essential aspirations and features of the present-day rural areas development conception;
- to identify the directions and the expected results of the rural areas development in Lithuania and Poland;
- to compare the essential results of rural areas development in Lithuania and Poland for the period from 2004 to 2012.

## **METHODS OF THE RESEARCH**

The paper shows the historical context and impact of European Union, Lithuanian and Polish legislature regulating on development process of the rural areas. Analysis and synthesis of monographic sources and case studies, induction and deduction were performed. First of all, consideration was given to the historical experience of the European Union and formulated General Economic Policy objectives. The timeline of EU goals and objectives were analyzed. The sequence of EU goals and tasks has been identified and assessed. Further, the Lithuanian and Polish laws regulating the development of rural areas were considered. The laws and other regulations, which had formulated and rural areas development goals and objectives, had been chosen and evaluated.

## RESULTS OF THE RESEARCH

### Historical and geopolitical context of results of the rural areas development

The history of the rural areas development is more than 50 years old. The Treaty of Rome, which in 1958 unified the European market, was seeking to facilitate the conditions of the creation of agriculture, which can fully satisfy the needs of the EU population. This agreement describes the work productivity increase through the technology and technological innovation, the stabilization of agricultural market, the balance of prices, and the rise of farmers' life quality. However, soon it was confirmed that "the rural areas development problems can't be solved using only agricultural sector force" [Poviliūnas 2002].

Until 1970s, in the Western European countries within the European Community, the rural areas development had been equated to the resolution of agricultural production issues, hoping that this will help to solve all the problems of the rural communities. During this period, the focus was raising on productivity in agriculture and increase in harvest. The village was seen only as an industry of the food and raw materials, with the principle "the more on the cheap" [Grant 1997].

The need to form a specific politic of the rural areas development was established in the 8<sup>th</sup> and 9<sup>th</sup> decade of the 20<sup>th</sup> century. The main tasks became:

- a) the diversification of agricultural economy and the new job-creation;
- b) the restructure of the rural physical and social infrastructure, due to the increasing number of people, who are not occupied with a primary agricultural production; these people have specific needs, different from those of the traditional farmers;
- c) the education in the field of civil activity and responsibility in rural population through the rural communities, non-governmental organizations and other public groups;
- d) the strict observance of environmental requirements and the preservation of the distinctiveness of landscape, revealing the importance of organic farming;
- e) the protection and fostering of a rural ethnographic and moral heritage, viewing this as an opportunity to alleviate the alienation of members of the post-industrial communities, to restore the citizens' neighborly communication and a deeper perception of the common people's and nation's aspirations [The Future... 2007].

The main principles of the EU rural areas development and integrated rural areas development concept are stated in the European Council's Charter of the Rural Areas, formulated in 1995, and in the Charter of Cork Conference, held in 1996, in Ireland. The most important provision of the Cork's Conference was impressively expressed in the conclusion: "to make rural areas more attractive to live and work, seeking to make them the centers of a more meaningful life for people of any age" [Community policies... 2002]. This provision also is emphasized in the decisions of the regional agricultural and rural areas development policy conference "Communities Policy and Mountain Areas".

The Charter of the Rural Areas (enacted by the Council of Europe Parliamentary Assembly on the 28<sup>th</sup> July, 1995) provides the following common definition for rural areas development: "the predominant agricultural activity; the open green areas providing ecological functions; de-concentrated distribution of the citizens and

the property; certain residential area systems, allowing people to communicate directly when making decisions about the management; man-shaped landscape; unique local (regional) culture” [Jeschke 1996].

In the process of formulating the proposals for the programming period of 2007 through 2013 new functions were defined for the rural population: “the nature-friendly diverse economic activities, the preservation of the natural landscape, the protection of the historical and cultural monuments, their environmental disposition and adaptation for cognitive educational activities, the ethnographic creativity fostering and its transmission to the future generations” [Planting Seeds... 2004].

The Council Regulation (EC) No. 1698/2005 enacted on September 20<sup>th</sup>, 2005, on European Agricultural Fund for Rural Development (EAFRD) support for the rural areas development, defines the aims of rural development and the framework governing it, in order to improve:

- the agricultural and forestry competitiveness by supporting restructuring, development and innovation;
- the environment and countryside by supporting the land management;
- the quality of life and promotion of the diversification of economic activities in rural areas” [Council Regulation ... 2005].

The Council Regulation (EC) No. 1698/2005 states that “a future rural areas development policy focuses on three main areas: agriculture and food economy, the environment and the wider rural economy and population” [Council Decision... 2006].

### **The legal regulation of rural areas development in Lithuania**

The main legal documents establishing the policy of land use for Lithuanian agricultural and food economy and rural areas development are: “The Agriculture and Rural Development Strategy” [2000], “Republic of Lithuania Law on Agricultural and Rural Development” [2002], “National Strategy Plan 2007–2013 for Rural Development” [2006].

The general aims of the agricultural and rural areas development strategy are:

- to increase the competitiveness of the land, food and forest sectors, creating opportunities for the diversification of economic activities in the rural areas,
- to improve the quality of life in the rural areas,
- uphold the natural, human and other values,
- to reduce disparities between urban and rural life, as well as between the different regions.

The goals of the agriculture and rural areas development strategy are as follows:

- a) the competitive market-oriented family owned agriculture farms, ensuring a stable supply of high quality consumer food products;
- b) agriculture and food products export development, allowing better use of existing opportunities and provide employment in rural areas;
- c) public support for agriculture, the basis of which is the protection of the domestic market and the support for the producers of the agricultural production;
- d) environmental protection, ecological farming, upholding biodiversity and landscape preservation;

- e) the possibilities of the economic activities diversification in the rural areas, and for the agricultural producers – to engage in additional economic activity;
- f) the equal rural economic and social development, corresponding to the regional characteristics;
- g) the effective system of agricultural education, training, consulting and education, closely linked to the production” [The Agriculture... 2000].

In the “Republic of Lithuania Law on Agricultural and Rural Development” [2002], rural areas development is defined as follows: “the improvement of the life quality for the people living in the rural areas, the improvement of the quality of the rural social infrastructure, community relations, ensuring the economic and social cohesion, the protection and upholding of rural ethnic culture, landscape and natural environment” [Republic of Lithuania... 2002].

The newest approach to the rural areas development processes is associated with the term of “balanced or continuous use and consumption”. The sustainable rural areas development promotes not only storage, but also the sustainable use, which means creating the harmony between all of the objectives, corresponding to the requirements of each area (economic, social, cultural, legal and environmental). It is relevant to the preparation of the rural areas development projects, because the world development itself requires the continuous use. In addition, the participants of rural areas development must explain not only the existing resources in the rural areas but also the potential resources and opportunities to interact closely with the higher authorities and partners from other rural areas.

The following tasks of the sustainable development were formulated:

- “to maintain the rapid economic growth and macroeconomic stability;
- to promote the competitiveness of Lithuanian companies;
- to promote the job-creation and invest in the human resources” [The National Strategy... 2006].

In general, the adequately alternative conception was formulated by the Lithuanian Rural Research Center. It sets out the directions of the rural areas development:

- a) “large, specialized farms using modern technologies that can compete across the EU and the transatlantic market;
- b) family farms that are meeting local market needs, rapidly adapting changes, optimally using the available land, becoming principal guardians of landscape, ethnographic and moral heritage in the rural areas;
- c) the multipurpose economic formations, occupied in non-traditional agriculture and alternative (non-agricultural) activities, developing crafts, services, rural tourism, i.e., small and medium business;
- d) an exemplary educational farms for various purposes, testing the latest technologies, equipment, and new products;
- e) the resettlement to the rural areas of the professionals working in the cities, their contribution to the preparation of regional and local strategies, upholding the cultural activities, promoting the economic and cultural cooperation of rural areas” [Jasaitis 2006].

### **Legal regulation of rural areas development in Poland**

Since the beginning, the Polish economic transformation has created a number of important programmatic documents applicable to Polish agriculture and rural areas development policy. They had a clear mission: to create long-term strategy and to define the agricultural and rural areas development policies. In 1990 the original concept of the transformation process was created under the title of “The Strategy of Rural Areas and Agriculture Development in 2007–2013”. The essential ideas of the strategy were: 1) the development of agribusiness, de-monopolization and the privatization of state farms, processing industry, transport and storage infrastructure, 2) supporting agriculture and processing by creating a good institutional environment for the food sector. This document outlined the following objectives:

- a) increase of employment and labor mobility in rural areas,
- b) rapid privatization of small industrial units
- c) intensive growth and creation of alternative sources of employment,
- d) development of social insurance network [The Strategy... 2005].

Main new directions for tasks for period from 2013 to 2020 are: “climate change, renewable energy, water, biodiversity, accompanying measures in the dairy sector, innovation” [Position of the Polish Government... 2012]. They will have a significant impact on the process of rural areas development in Poland.

Practical example of rural areas development tasks from Poland countryside

The mission of Chelm Municipality Development Strategy for the years 2007–2015 is to run the multi-development processes to enable sustainable and balanced development of the municipality to improve the quality of life for its residents.

Raising the standard of living will be characterized by an increase in household income, improving access to education and training, which ultimately will affect the education level of growing population, increase of employment and productivity. This in turn will result in the increase in community members participation, reduction of unemployment and the improving health of residents.

Improving quality of life will be characterized the increased level of security among citizens, social infrastructure and cultural life in a clean environment; the ability to participate in tourism and culture. Moreover, harmonization will improve family life and social activity [Municipality Chelm 2012].

Legislation sort out the issues relating to the development of rural areas, according to local conditions (tab. 1). It makes possible to improve the standard of living, while maintaining environmental resources.

Table 1. Common and different tasks of the rural areas development process in Lithuania and Poland

Tabela 1. Różnice i podobieństwa w procesie rozwoju obszarów wiejskich na Litwie i w Polsce

Tasks Zadania	Lithuania Litwa	Poland Polska
Common Wspólne	a) to intensify growth of the economies in rural areas; a) wzmocnić intensywność rozwoju gospodarki na obszarach wiejskich; b) to find the alternative sources of employment; b) znaleźć alternatywne możliwości zatrudnienia mieszkańców; c) responding to new challenges, e.g.: climate change, renewable energy, wate biodiversity; c) szybko reagować na nowe wyzwania, jak np.: zmiana klimatu, zastosowanie energii odnawialnej, ochrona zasobów wodnych, różnorodność biologiczna; d) to create better conditions for employment; d) polepszyć warunki zatrudnienia; e) to raise the standard of living in rural areas; e) podnosić poziom życia na obszarach wiejskich; f) to promote social activity in rural communities. f) wspierać aktywność w społecznościach wiejskich	
Different, depending on the country Różne, w zależności od kraju	a) to create large, specialized farms; a) tworzyć duże, wyspecjalizowane gospodarstwa; b) to create family farms that are meeting local market needs; b) tworzyć gospodarstwa rodzinne, które będą spełniały potrzeby lokalnego rynku; c) to develop the multipurpose economic formations; c) rozwijać wielofunkcyjne formacje gospodarcze; d) to promote alternative (non-agricultural) activities; d) promować działalność alternatywną (pozarolniczą); e) to promote the competitiveness of companies; e) wspierać konkurencyjność przedsiębiorstw	a) to stimulate labor mobility; a) stymulować mobilność na rynku pracy; b) to accelerate privatization of small industrial units for installation; b) przyspieszyć prywatyzację małych zakładów przemysłowych; c) to develop social insurance network of people in rural areas; c) rozwijać sieć ubezpieczeń społecznych mieszkańców na obszarach wiejskich

Source: Own study

Źródło: Badania własne

## CONCLUSIONS

1. Farming in rural areas has three main functions:
  - economic (food and feed production, manufacturing raw materials for processing industries, participation in the Gross Domestic Product increase);
  - social (increased and stable employment level);
  - environmental (transforming the natural landscape in a rural area).

2. It could be stated that the tasks of the development in rural areas are focused on the sustainable development and the receivable support may be channeled towards four most urgent rural areas development directions:

- to enlarge the competitive ability of the land, food economy and forestry sector;
- to preserve the landscape and beautify the environment;
- to promote the quality of life in the rural areas and diversification of rural economies;
- to support the local active groups in the preparation and implementation of their strategies.

3. The 1<sup>st</sup> direction will target human and physical resources in agriculture, food and forestry sectors (knowledge transfer and innovation) and qualitative production. The 2<sup>nd</sup> direction is intended to protect natural resources and property, as well as to protect the high value natural farming and forestry systems and to preserve the European rural cultural landscape. The 3<sup>rd</sup> direction helps to develop the local infrastructure and human resources in the rural areas, seeking to improve the conditions for economic growth and the creation of the work places in all sectors, and the diversification of economic activities. The 4<sup>th</sup> direction introduces the opportunities for innovative management through local “bottom-up” approach to the rural areas development.

4. Thus, the main goal and expected result of the development in rural areas is that the agriculture shall remain competitive, and the village shall remain alive and viable. To make it possible for people to live there and be able to secure a good future. Only improved quality of life in the village will attract people to live and work there.

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## ZADANIA I OCZEKIWANE REZULTATY ROZWOJU OBSZARÓW WIEJSKICH NA PRZYKŁADZIE LITWY I POLSKI

**Streszczenie.** Wzrost gospodarczy, jego tempo, jakość i inne cechy, zależą nie tylko od ekonomicznego potencjału każdego kraju, ale również od jednoznacznie i jasno sformułowanych zadań rozwoju gospodarczego. Celem artykułu było porównanie zadań i oczekiwanych rezultatów w procesie rozwoju obszarów wiejskich Litwy i Polski. Badania polegały na porównaniu teraźniejszej sytuacji w obu krajach z ogólną koncepcją rozwoju obszarów wiejskich z uwzględnieniem historycznego kontekstu reform Unii Europejskiej. Wynikiem analizy przepisów prawnych Litwy i Polski było wskazanie podobieństw i różnic w rozwoju tego sektora gospodarki. Dyskusja miała formę debaty naukowej, a jej wynikiem są wnioski dotyczące perspektyw rozwoju rolnictwa i obszarów wiejskich w obu krajach.

**Słowa kluczowe:** obszary wiejskie, przepisy prawne, rolnictwo, rozwój

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