

THE DEVELOPMENT OF RURAL AREAS IN CENTRAL EUROPE – AN IDENTIFICATION OF NEW PROCESSES

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While a rural area is quite well understood in everyday language, and is not difficult to describe, the problems become apparent when a more precise definition is sought. When the more complex definitions that scientists might seek to come up with are left aside, practice dictates that use should be made of the ones adopted by the statistical bodies – which are found to confine themselves to simpler criteria. There are attendant consequences: for example, adherence to the typology used in the European Union¹ makes it necessary to accept that 96% of Hungarian territory and 91.7% of Poland is rural. It seems to the author that the matter of the delineation of rural areas requires a discussion of its own. However, irrespective of the way rural areas are defined, the status of Central Europe as a weakly urbanized part of the continent persists (*Figure 1*).

Nevertheless, the last ten and more years have seen these rural areas of Central Europe subjected to a fundamental transformation that has been manifested in a series of new social and economic processes previously unmet with (e.g. a decline in state ownership, privatization, an increase in the significance of local government, the freeing-up of prices, etc.). The transformations have proceeded via three main stages, of which the first was the move away from the socialist economy and central planning to the free market, the second preparation for EU accession and the third actual membership of the European Union.

Each of these stages released new processes shaping the socioeconomic face of rural areas. At the outset, the most important role was that played by democratic public and economic life, as well as the privatization of state and cooperative assets. The period over which accession to the EU was being prepared for in turn brought multifunctional development of rural areas and a decline in the role of agriculture.

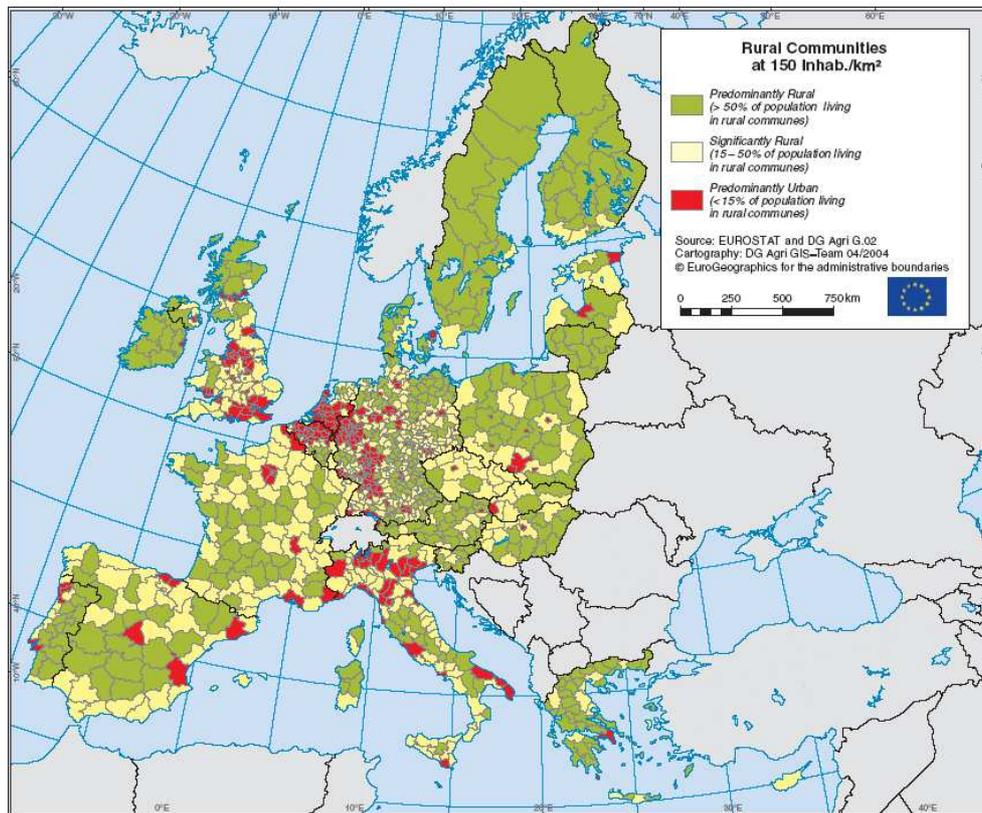
¹Classification of rural areas according to the OECD typology: predominantly rural area (more than 50% of the area's population lives in communities whose densities of population are under 150 persons/km²); significantly rural area (15–50%), predominantly urban area (less than 15%).

Economic assistance from "the Fifteen" also allowed for an improvement in the outfitting of rural areas with social and technical infrastructure. The last several years has been a period of major investment, changes in agriculture entailing a strengthening of the economically-strong farms, as well a discounting of EU funding designed to even out differences in levels of development.

The phenomena referred to may be treated as successes, though they were accompanied by processes with negative dimensions. It is enough to refer to unemployment, rural poverty, the marginalization of certain rural areas, etc. However, it would seem that the scale of the successes outweighs those of the failures. The diagnosing of selected processes, and their assessment from the point of view of the development of rural areas is then the main task of this study.

Figure 1

Rural communities in EU



Source: EUROSTAT 2004.

The makeovers taking place in rural areas did so – and are doing so – in line with different detailed scenarios, albeit with similar fundamental directions. These are set out in planning and strategic documents making reference to the main assumptions underpinning the development of rural areas as contained in EU documents. These first and foremost expounded the need for rural regions lagging behind to catch up, and for the living conditions of the rural population to be improved. This reflects the fact that changes in the rural areas of Central European countries proceeded in line with similar strategic directions and should achieve comparable results. The theoretical concepts for the development of rural areas contained in documents thus need to be set against their real implementation.

A particular place in planning is taken by the agricultural economy – which is going to be subject to further radical change in the next few years. The results of reforms to the Common Agricultural Policy make it necessary to assume that we will not be obtaining the kind of funding that farmers in Western Europe were able to count on in earlier decades. For this reason, any changes made should also follow a different model. For example, where the modernization of agriculture is concerned, there should be no blind following of the intensive, industrialized Western model, but rather a move more in the direction of environment-friendly and organic farming. It should also be recalled that agricultural intensification would entail job losses in rural areas – something that would be a very serious problem for Central Europe. These two examples make it clear just how complex the problems placed before development planning in rural areas really are.

The development of rural areas is thus a very broad and multi-dimensional issue, which can and should be looked at in terms of its social, economic, political, natural and technical dimensions. Each of these in turn comprises several component elements (*Figure 2*).

Each of the five dimensions entails steady transformation under the influence of a complex of phenomena and processes that may be of a social, economic or natural character. Among these are processes stimulating or holding up the development of rural areas, as well as those having an ambiguous influence where the contemporary and future faces of rural areas are concerned. They also differ in their scope of application, being potentially either processes specific to a local area or global ones extending over the whole of Central Europe.

Work on the subject literature and statistical materials allows for the identification of several fundamental processes that have either been revealed for the first time or else intensified in the period of the economic transformation of rural areas.

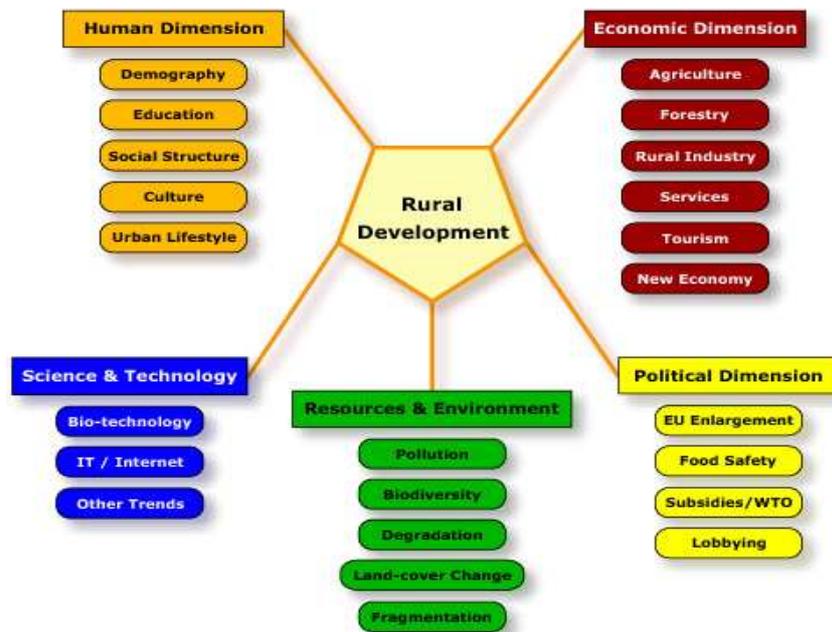
- 1 The environmental dimension – an improvement in the quality of the natural environment through the development of technical infrastructure and an increase in the area of land under protection.

- 2 The social dimension – depopulation of peripheral areas and a concentration of population in the vicinity of the large cities.
- 3 The economic dimension – privatization of the state agricultural sector, agricultural diversification and a weakening of its role in the national economy.
- 4 The technological dimension – an improvement in the outfitting of households with technical installations.
- 5 The political dimension – the development of local government.

The principles of sustainable development propounded and extended at the Rio “Earth Summit” in 1992 bore fruit in a new environmental policy in the countries of Central Europe. There has been a raising of the public’s level of environmental awareness, the introduction of more-stringent environmental standards and an increase in the amount of land within protected areas. The degree to which rural areas are furnished with technical infrastructure has improved, notably as regards that serving to limit environmental pollution (comprising, for example, local wastewater treatment plants and sewer systems). The result of all these activities has been an overall improvement in the quality of the natural environment.

Figure 2

Dimensions of rural development



Source: G. Heilig, 2002, *European Rural Development*, IIASA, <http://www.iiasa.ac.at/Research/ERD/>

Nevertheless, it has to be borne in mind that protected areas actually pose problems where economic development is concerned, for it emerges that areas enjoying the different forms of protection are also subject to major attendant limitations when it comes to new investments, the introduction of modern methods and production technologies into agriculture, and even the running of the economy that had been in place previously. The Polish experience makes clear the general unwillingness of local authorities to adopt plans anticipating inclusion of part of their territory within one or other of the forms of protection.

It is usual for rural areas to be characterized by a negative migration balance. What is worse, those tending to leave are the young and entrepreneurial, the result being a worsening of the age structure of the population, of which an ever-greater proportion is of post-productive age. In general, as compared with Europe as a whole, the Central European states are in a more favourable situation. Nevertheless, at regional level it is possible to observe a further development of differences in the age structure of the rural population, as well as a slow approach towards the proportions present in the West (*Figure 3-4*).

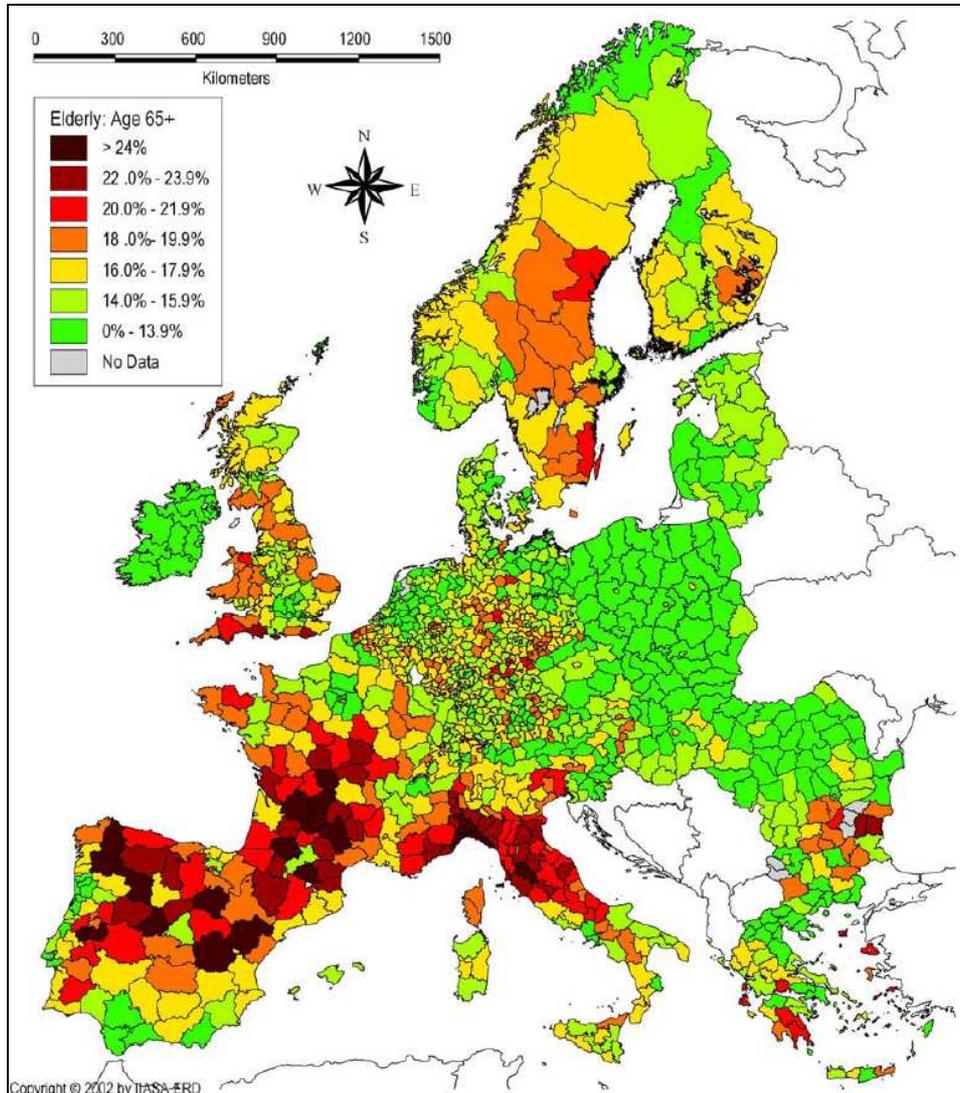
A new and interesting phenomenon taking shape is the trend for city-dwellers to relocate to rural areas, albeit ones in the immediate vicinity of the large urban centers. There are thus two directions to the population changes affecting the countryside: while the suburban zone is witnessing a concentration of population, the peripheral regions are continuing with their long-term trend towards depopulation.

The inputs of new population into suburban areas has been accompanied by a dynamic development of housing construction; the intensity of this activity being a function of the size of the urban centre and distance from it. This simple relationship is modified by the factor of transport access and quality of the natural environment, for new building focuses mainly on the main transport arteries and the most attractive areas in terms of landscape. The development and improvement of the communications infrastructure and increase in the number of private cars is ensuring that city folk penetrate ever-larger rural areas. There is also an increased interest in second homes and in recreation in the clean countryside environment. Rural tourism is becoming an ever more important economic function that is stimulating the development of new economic activity in the countryside (especially in services, construction and trade).

While agriculture remains the number-one economic activity in villages, its significance in the structure of income into farm budgets is declining. The share it takes in gross domestic product is also going down, along with the level of employment.

Figure 3

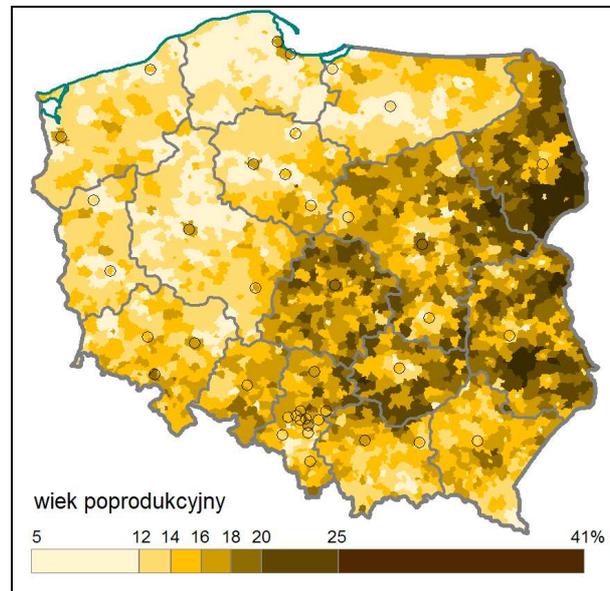
Share of population in post-productive age in Europe on rural areas (2002)



Source: CISCO 2002.

Figure 4

Share of population in post-productive age in Poland on rural areas (2004)



Source: own elaboration.

Thus, for example, the share of Hungary's GDP accounted for by agriculture declined in the period 1990–2002 from 12.5 to 3.3%, while the proportion of the country's labour force working on the land went down from 14.2 to 6.2% (*Figure 5*). The changes in Poland have been similar, though even now the farm sector continues to give employment to between 16 and 18% of the country's professionally active population.

Among the most important processes to have taken place in the farm economy over the last decade of the 20th century and first years of the 21st is the privatization of the state sector. The countries of Central Europe ended the era of the communist-controlled economy with very diverse ownership structures in agriculture. Collectivization took place in most of the Eastern-Bloc countries. Only in Poland and the former Yugoslavia did agriculture on individually owned forms continue to play a more major role throughout the communist era. The share of agricultural land remaining in private hands in Hungary was also relatively high.

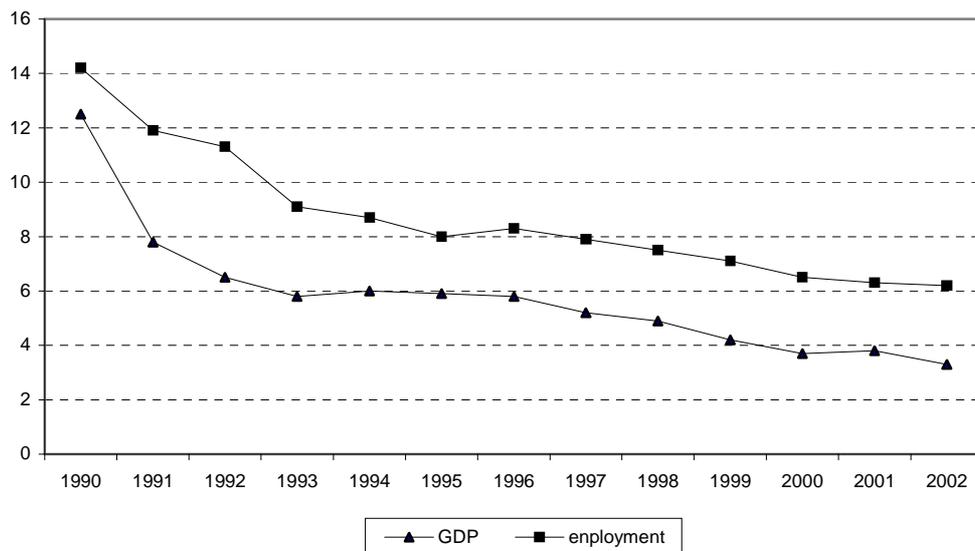
The onset of the 1990s brought radical changes in the ownership structure of land in most of the Central European countries, though these took a variety of different routes. In Hungary, the change was major. The amount of land utilized by the private sector increased from 14% of the total in 1990 to 54% in 2000. There

was an attendant process of the fragmentation of farms, whereby the number of large holdings fell, while the number of small farms increased greatly. Indeed, the number of landowners increased to 2.2 million, and they had an average of 3.65 ha each at their disposal.

The changes in ownership structure in Poland were on a smaller scale and were regional in nature. While around 75% of agricultural land was in private hands in 1988, this had increased to around 88% by 2000. Privatization was associated with the complete closedown of the State Farms, of which some were in fact in sound economic condition and hence more in need of restructuring than privatization. The result of this radical shift was a dramatic increase in unemployment in the former State Farm areas, attendant poverty and social exclusion, the recapitalization and devastation of public assets, and an increase in the area of fallow land.

Figure 5

Changes in the proportion of labour force working on the land and shares of GDP accounted for by agriculture in Hungary



Source: Own elaboration.

The privatization-related changes were as large in Slovakia as in Hungary, albeit proceeding in line with a different model. The cooperatives and State Farms of the communist days were converted into private enterprises, in large part remaining in the hands of those who had worked on them previously. Farmland ownership in individual hands only accounts for 12% of the land. Fragmentation of the agrarian

structure was thus a lesser problem in this case. As of 2001, Slovakia had just 5681 small farmers, having an average of 39 ha of arable land each. This compares with an average of 1600 ha of land at the disposal of each agricultural enterprise or co-operative.

The most important goals and priorities of countries' economic development are set out in National Development Plans, which comprise a series of Operational Programs (like the Economic Competitiveness Operational Program, Regional Development Operational Program, Agricultural and Rural Development Operational Program, etc.). Among them, the one of greatest significance to the countryside is not unnaturally the program for the development of rural areas and agriculture. Studies of Polish and Hungarian documents make it clear that these repeat the main assumptions of the CAP and denote the same routes to the development of rural areas.

Of equal importance to the long-term development of rural regions are the concepts for the country's spatial management. The majority of these would seem to be concentrating on the development of the metropolitan area and the linking of the transport systems that represent an axis of development on both the national and European scales. Little space is given over to the rural areas, which suffered most tangibly during the transformation period and became yet further distanced from urban areas. The concept that won out in Poland holds that effectiveness needs to be put ahead of equality – with all the spatial polarization effects that that entails. Perhaps this is indeed a justified concept over the longer term, but its inevitable consequence for the next few years is yet further marginalization of substantial rural areas.

Studies dealing with the issues of rural areas and agriculture form part of the planning and strategic documents drawn up for different time scales (2004–2006, 2007–2013), spatial scales (national, regional, local, etc.) and branch structures (agriculture, environmental protection, transport, etc.). Analysis of the Polish documents points to these in general being cohesive and consistent one with another, and indeed with the same facts and proposed solutions being repeated again and again. However, the volume and number of documents makes it difficult for these to be taken in properly, and it is possible to leave the subject with the impression that planning is equated with bureaucracy.