

## Editors' Note. Building Modern Rural Development Policies for Poland

This special issue was inspired by the release of the Rural Policy Review of Poland published by the Organisation for Economic Cooperation and Development (OECD) in 2018 (OECD 2018). Two other important reports on rural areas in Poland were also published in 2018: "Rural Poland: Rural Development Report" (FDPA 2018)<sup>1</sup> and "Rural Development Monitoring: Phase III" (Stanny, Rosner and Komorowski 2018).<sup>2</sup> All these reports stress the rapid pace of rural development in Poland since its accession to the European Union in 2004 and, at the same time, show that the Common Agricultural Policy (CAP) and the cohesion policy have supported the modernisation process of Polish farms, household and business income growth, infrastructural and educational improvements for rural residents, etc. However, the agricultural sector and rural areas in Poland still face several serious challenges and limitations. The most important include: the severe fragmentation of the agrarian structure, a low level of productivity in farming as well as of innovation in agricultural production, a low level of investment competitiveness in rural areas, and continuing gaps in infrastructure and accessibility to public services especially in more remote rural municipalities. This is why questions about the shape of rural development policies in Poland are still topical even though the most recent tendencies have shown significant improvements in most intervention areas.

The article opening this special issue starts with these questions: What constitute modern rural development policies for Poland? How can Poland continue to propel the rapid pace of rural development forward? How can it ensure that the country's

---

<sup>1</sup> This report has been published every two years since 2000 by Foundation for the Development of Polish Agriculture. The report presents the most important social, demographic, economic and political phenomena occurring in rural areas of Poland.

<sup>2</sup> The Rural Development Monitoring (MROW) is a joint project of the European Fund for Polish Rural Development (EFWRP) foundation and the Institute of Rural and Agricultural Development by the Polish Academy of Sciences (IRWiR PAN), which was first launched in 2012. It is intended as a systematic examination and assessment of the changes in spatial diversification of socio-economic development of rural areas in Poland.

growth and prosperity is experienced in all regions? Tamara Krawchenko – the author of this article – first presents a brief summary of the framework conditions for rural development in Poland. Then she describes the OECD's conceptual framework for rural development and shows how it has evolved in the time. Finally the author discusses the Rural Policy Review of Poland's main recommendations along with four main lessons for research community.

The next five articles discuss the selected issues of agricultural and rural development in Poland related to agricultural labour productivity, sustainability of agricultural production, relations between contractors within agrifood supply chains, the development of commercial farms in metropolitan areas, and motivations for living in the countryside. The following four articles then investigate the selected aspects of rural development policies: coordination mechanisms, inter-sectoral cooperation, a concept of smart villages, and a regional approach to rural development.

The paper on labour productivity in agriculture in Poland by Aleksandra Pałowska and Włodzimierz Rembisz studies the empirical relationship between investments and subsidies from the CAP and labour productivity on farms. It aims to present analytical and empirical evidence of the positive relationship to labour productivity of the growth of investments as well as subsidies on investment.

The main objective of the paper by Adam Wąs and Piotr Sulewski is an assessment of the awareness of sustainable agriculture among Polish farmers being beneficiaries of the CAP. The authors conclude that higher and more varied subsidies to farmers are positively correlated with sustainability of their farms.

Agata Malak-Rawlikowska attempts to explain, in the light of the Transaction Costs Theory, the nature and reasons of the bargaining power imbalances that may lead to hold-up relationships in the farming sector. The results of her analysis do not support the assumption that farmers are experiencing a large imbalance of bargaining power versus their input contractors, and are not trapped in the specific monopolistic (hold-up) relation with their suppliers.

In their paper Tomasz Wojewodzic and Wojciech Sroka consider the most recent tendencies in production factors of commercial farms operating in metropolitan areas of Poland. A specific geographical location rises the attention of both authors to the distinct adaptation trajectories of such farms compared to others operating outside metropolitan areas. Thus the study of a quantitative nature based on time-series data have proved that that the largest proportion of farms reducing land, labour and capital resources was observed in the inner zone of metropolitan areas. It has also confirmed that those farms' operators need to seek for alternatives in developing the farming activity which in fact means diversification and incorporation of some on-farm services to their functional and economic structures.

The paper written by Ilona Matysiak focuses on young adults' with a university education motivations for living in the countryside as well as on implications of such decisions for their lives. This matter is of a societal concern as the brain drain is a prevailing tendency in most of the rural municipalities in Poland which significantly limits the prospects of the social development and economic growth in such areas including modernization of agriculture and entrepreneurial initiatives. The analysis, based on the quantitative study in some rural municipalities, shows that the young university graduates' motives to live in the countryside resulted mainly from their social relationships and the place attachment. It also reflects in the intensity of young adults' community engagement.

The aim of the paper written by Michał Pietrzak is to provide a theoretical discussion of the limitations of the governmental policy (rural policy in particular) which aims to intervene in the coordination of transactions between economic agents. In conclusions the author states that the competition mechanism has some important drawbacks and limitations and it may be complemented by other mechanisms. For example, rural policy based on hierarchical control may potentially overcome problems of rural regions that are difficult, or even impossible to deal with by means of competition – the fundamental mechanism of coordination in a market economy. However, hierarchical coordination suffers from its own weaknesses.

In their paper about the inter-sectoral cooperation for the implementation of social policy in rural areas Katarzyna Zajda and Sławomir Pasikowski acknowledge the importance of the involvement of various stakeholders in putting the effective implementation of social policies into practice. To facilitate the process the authors present a new tool, which is a tri-factor construct determined by public institutions' search for potential collaborators, the local residents' participation and actions connecting them for the good of the local community. In demonstrating the research tool they refer to the new public governance concept which stems from the reduction of the cooperation between public institutions, NGOs and residents in favour of the formal and informal co-creation and co-production of social services to satisfy the needs of the local community.

The paper by Oskar Wolski on the EU policy initiative on smart villages shows that one of the most important challenges in European rural areas is related to the depopulation process and rural decline. Depopulating villages lack sufficient infrastructure, which affects the well-being and quality of life for their current inhabitants but also creates disincentives for possible newcomers. The paper presents the genesis of the EU debate, highlights some of the dilemmas of the definition of smart villages, indicates the role of the regional governments and the EU in creating the conditions for implementing the approach, and shows selected examples of smart rural development.

The concluding paper in this issue, by Paweł Chmieliński and Marcin Gospodarowicz, examines the role of structural factors – the *place-based characteristics* – in framing EU policy towards rural areas in Poland. In more detail, the core of the paper assesses the relationship between expenditures on RDP (rural development programmes) and ROP (regional operational programmes) incurred by rural municipalities in Poland and their economic, social and demographic attributes. The analysis shows that the supporting programmes were complementary albeit closely associated with the socio-economic characteristics of the area. This also encourages the authors to recommend further adjustments of the supporting schemes to the local/regional context and, consequently, a more profound *place-based approach* in future rural policy design and implementation.

This special issue provides an illustration of the extensive scientific debate on challenges for Poland's agricultural sector and rural areas as well as on challenges for its modern rural development policies. We hope that the collection of papers presented will contribute to further research in this field.

Dominika Milczarek-Andrzejewska and Adam Czarnecki –  
Editors of the Special Issue

## **Bibliography**

- FDPA (Foundation for the Development of Polish Agriculture) (2018). *Rural Poland 2018. Rural Development Report*. Warsaw: Foundation for the Development of Polish Agriculture (FDPA).
- OECD (Organisation for Economic Co-operation and Development) (2018). *OECD Rural Policy Reviews: Poland 2018*. Paris: OECD Publishing.
- Stanny M., Rosner A., Komorowski Ł. (2018). *Monitoring Rozwoju Obszarów Wiejskich. Etap III*. Warsaw: Fundacja Europejski Fundusz Rozwoju Wsi Polskiej, Instytut Rozwoju Wsi i Rolnictwa Polskiej Akademii Nauk.