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THE TRANSFORMATION OF POLISH RURAL AREAS SINCE 1989

Abstract: This article focuses on an analysis of factors that have influenced structural change in Polish agriculture since 1989. The Republic of Poland was the only CEE country, pre-1989, which had 70% of its agricultural land in private hands. This turned out not to be a development asset as there were mostly small subsistence farms (ca 70%) at the core of Polish agriculture. This resulted in much of the rural area (except for that located in the vicinity of cities or renowned tourist centres) being dependant, to a large extent on both low-productive agriculture and agricultural policies. Now, after almost 25 years of transformation, structural change in agriculture (and rural areas) is slowing down as a result of EU Common Agricultural and National policies. The agrarian structure, dominated by subsistence farms, remains stable (average farm size below 10 hectares, in some South-Eastern regions NUTS 2 below 5 hectares). As a result rural areas are still in need of a deep restructuring and a modernization of economic structures².

Key words: Poland, rural areas, development policies, structural petrification

INTRODUCTION

Each Central and Eastern European country which underwent a transformation process after 1989 had its own specific characteristics (economic, social, political, demographic, etc.). The Polish case deserves special attention for several reasons, shortly discussed below.

Agriculturally, Poland was the only CEE country which, in the 1950s, failed to successfully nationalise all agricultural its land area (with the exception of larger farms³, until the end of the 1940s owned by post-nobility and/or foreign owners where areas were repopulated after border changes). Poland was the only CEE country where the majority of agricultural land remained in private hands. This,

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² Some data used originates from a presentation made at the European Society for Rural Sociology congress in Florence, Italy, 29.07-1.08.2013.

Over 50 ha in Central and Eastern Poland and over 100 ha in Western and Northern Poland.

initially in 1989, was regarded as a strength, since the large number farmers were considered entrepreneurs. It soon became apparent, however that, after years of operating in a command economy, entrepreneurial skills were not commonly found among Polish farmers.

After 1989, Poland went through a dynamic process of transition to market economy and re-introduction of parliamentary democracy. In less than two years of "shock therapy" the result was a total change of economic ties, which shifted from the East to the West. Since then, transformation policies have tended to overlap two major processes: an increasing role of globalisation and European integration. While in general all these factors have contributed to the creation of a working market economy and democracy, able, until now, to cope successfully with a global financial crisis, the processes taking place in agriculture had a distinctive character, described as a hybrid of both market and protectionist solutions. The main thesis of this article is that the current situation is being shaped by two major factors,

- 1) a spontaneous processes taking place in the rural areas and the overall socio-economic environment.
- 2) inconsistent national and European public policies addressing agriculture and rural areas.

As a result, unlike the rest of the economy, the agricultural sector is far less restructured and modernised and, after more than 20 years of transformation, it remains by far the main recipient of hidden and open social transfers. Rural areas (or, better, non-urban areas) in Poland cover 93 per cent of the territory and are inhabited by 39 per cent of the population [GUS 2013: 141].

This article is in three parts. The first analyses the changes in the rural areas after 1989. The second looks at the economic, social and political factors influencing the outcomes of the transformation processes, while the third discusses the current state of affairs.

The main method used has been desk research, based on data provided mainly by official statistics, scientific reports and other publications.

1. EVOLUTION OF THE POLISH COUNTRYSIDE AND AGRICULTURE

The evolution of the Polish countryside until today is still strongly influenced by the agricultural sector (with some regional differences).

Before and shortly after World War II, Poland was an agricultural-industrial economy with 60.3 per cent of national income generated by agriculture employing 53.6 per cent of the workforce [GUS 1992: XXXIV]. In 1990, 40 years later, the comparative figures were 14.9 per cent (share in income generation) and 26.8 per cent (employment) [*ibidem*]. A relatively slow process of restructuring and a permanently low level of productivity was to a large extent a result of slow processes of agrarian structural change. In a period of a severe economic crisis (1980–1989), the share of private agricultural land increased slightly, from 71.2 per cent to 71.9 per cent [*ibidem*, XLII].

Industrialisation had an important social aspect in terms of urbanisation and - at the beginning - massive migrations from the countryside to the cities. While in 1950

the urbanisation level was 39 per cent [MRR 2010: 10], in 1990 it reached 62 per cent [GUS 1992: 41], and remained at this level in 2011 (62 per cent) [GUS BDL 2013a]. In the period 1970 to 1990 it was characterised by very limited internal migrations, a process driven by the imposed administrative restrictions (shortage of housing in the main cities), regulations concerning registration of residence and economic difficulties.

It was expected that widely discussed reforms (from 1989) would affect the whole economy. It turned out, however, that due to political considerations certain sectors did not undergo deep restructuring and privatisation: these included agriculture, shipbuilding, military sector and mining. The changes introduced in the agricultural sector were limited to the rapid privatisation of former large state owned farms⁴, located mostly in northern, western and south-western Poland. Agriculture, otherwise, was seen as a sector accumulating a significant surplus of the workforce. Limited privileges granted to farmers already in the 1970s (non-returnable loans; grants to farmers, lower taxes), after 1989 were steadily developed and finally created a large privileged socio-economic occupational group of farmers. These privileges were multifaceted.

Firstly, they were connected with the legal status of individual farms that do not have the status of business entities. As a result, they are not regulated by competition or consumer protection laws (any conflict can be regulated by the Civil Code regulations, which puts clients in a difficult legal position).

Secondly, they are related to the fiscal system: farmers (if not registered voluntarily as businesses) do not pay corporate income tax (CIT), but a significantly lower agricultural tax (and the yearly value of public support is impossible to estimate).

Thirdly, the social insurance system for farmers is in 90 per cent per cent subsidised by the state budget, which costs the budget circa PLN 15 billion a year. Pensions and other social payments in this system are rather low, but medical insurance provided is highly valued.

Fourthly, after the 2004 accession farmers were the first socio-economic group to be supported financially by the Common Agricultural Policy, with direct payments to every farm over 1 ha plus other benefits and subsidies (for special production, etc.) and support to agriculture and rural areas development, worth well over PLN 14 billion a year, calculated on the data presented by [Halamska 2012: 221; see also Jarosz 2013: 40; Kozak 2009].

This, however, came at a cost. According to the Polish law, no farmer or member of his household can be registered as an unemployed person (except for proprietors or owners – and his/her spouse – of the arable land area up to two calculation hectares [Act of 20 April 2004, art. 2, 2d]). As most small, subsistence farms are concentrated in Central and particularly Eastern Poland, the data on the labour market situation is misleading as, contrary to the official statistics, these areas suffer from significant hidden, agrarian unemployment.

To conclude these privileges have contributed to improvements in the level of lifestyle; but – with the exception of few owners of large farms (over 50–100 ha) –

⁴ 1112 in 1990 [GUS 1992a: 310]. Over 60 per cent of them had 1000 hectares or more.

they do not reduce the gap between the income of those employed in agriculture and outside of it (or the general gap between rural and city incomes). What they have achieved is a visible slowdown of the transformation of rural areas, largely due to many factors that discourage farmers from selling farms, even though agricultural land is now more expensive than ever.

2. AGRARIAN STRUCTURE

As stated, except for the privatisation of former state owned farms (and the bankruptcy of several farming cooperatives), there were few incentives to sell land and expand farms. This is the main reason why, over the last 20 years, the agrarian structure has remained practically unchanged.

In 1990, there were 2 138 000 farms over 1 hectar (plus 1112 state owned farms and 2240 large farming cooperatives) [GUS 1992:6]. Out of these 2 138 000 farms, 52.8 per cent had an area between 1 and 4.99 hectares, while only 6.1 per cent – covered 15 and more hectares [*ibidem*]. The average size of a farm was 6.3 ha. The administrative provinces (before 1999, there were 49 small provinces, since 1999 – 16 regions) differed in this respect but large, productive farms existed mostly in areas previously rich in large (state owned, later privatised) farms.

In 2000, the overall number of farms has decreased to 1,880,900,⁵ but the share of small farms (from 1 to 4.99 hectares) has increased to 56.4 per cent [GUS 2011: 27]. Only the smallest (1–2 ha) and the largest (15+ ha) farms reported an increase (at the expense of farms with areas ranging from 2 to 14.99 hectares). The regional differences are shown in Table 1.

The data in the table 1 presents farms by size in 2000 and 2011. While in 2000 the total number of farms was 2.9 million [GUS 2005: 199], in 2011 there were 2,3 million farms registered (over 1 hectar). However, the number of small farms has remained relatively stable (except of "farms" under 1 hectare. These are too small to feed the owners or receive direct payments from Common Agricultural Policy). The average farm size has also remained stable (ca 7.9 ha).

The regions representing the highest numbers of agricultural households (dominated by subsistence farms) are located in Central and Eastern Poland, in particular in the South-Eastern region (Małopolskie and Podkarpackie regions; Tab. 1). Undoubtedly, the level of changes in the agrarian structure over the decades has been small overall, at least officially. Symptomatic is the fact that farms over 15 hectares increased only by 1 per cent (from 186 208 to 198 665), a growth that can hardly be seen as an indicator of successful structural change. It should be noted, however, that the recent years saw an unregistered process (and not researched so far) which suggests that the present structure is changing. It is mostly due to the fact that aging farmers give over their farms (in return for the state pension), as a rule to their heirs. However, the heirs (often living in cities) do not go back to the farm and

 $^{^{5}}$ As before, the number of farms in 2011 did not take into account ca 600 000 of farm holdings up to 1 ha.

TABLE 1. Farms by size and region, 2000 and 2011*
TABELA 1: Gospodarstwa rolne wg powierzchni i województwa, w latach 2000 i 2011*

	Farms by size of agricultural land (in hectares) upper line is for 2000						
Region	lower line for 2011						
	0-1**	1–5	5–15	15–50	50 and more		
Poland	977087	1060817	633857	173041	13167		
	597869	955562	501041	172132	26533		
Dolnośląskie	57993	39036	26898	7493	1499		
	33306	35170	20661	8368	2551		
Kujawsko-Pomorskie	36461	25420	34180	17208	1330		
	14809	21566	29522	17515	2151		
Lubelskie	82549	125120	91417	14082	462		
	44506	114880	76124	14609	1192		
Lubuskie	23232	14861	6918	5258	664		
	17034	14854	6683	2915	1347		
Łódzkie	44667	75910	73513	10228	320		
	25452	77562	54985	10138	601		
Małopolskie	156835	175838	28175	1645	0		
•	117574	151803	20605	3899	462		
Mazowieckie	77741	123208	120506	25938	540		
	25462	128271	91881	27334	1689		
Opolskie	32228	18931	12064	6374	607		
	9400	14478	7847	5343	1497		
Podkarpackie	113235	165358	28080	1170	195		
	121788	120083	23898	3606	614		
Podlaskie	20218	24786	48592	24002	490		
	11323	32992	38129	20574	1110		
Pomorskie	22818	17225	19474	10048	1100		
	14089	13855	13247	12207	1767		
Śląskie	142168	78333	17640	3388	300		
	70010	64660	15821	2470	585		
Świętokrzyskie	46533	92393	40523	2026	0		
	24723	82697	28456	2579	262		
Warmińsko-Mazurskie	28501	12231	15445	15088	1919		
	16799	18822	13791	12659	3877		
Wielkopolskie	62458	55995	57513	22757	1517		
	39578	52598	45384	20869	4037		
Zachodniopomorskie	29450	17103	12077	6939	1350		
=	12014	11269	14009	7044	2789		

^{*-} in 1989, the territorial reform replaced 49 provinces with 16 NUTS 2 level Provinces (*voivodeships*). As a result, the data for 2000 is a recalculation ** data for 0–1 hectare farms come from agricultural census 2002 presented in *Charakterystyka obszarów wiejskich*. [GUS 2004].

Source: Own elaboration on the basis of [GUS 2001: 31, GUS 2004: 96] (data for 0–1 hectares in 2002) and [GUS 2012a: 126–127].

the old farmers are still taking care of it. One benefit is the additional income received in the form of a pension. Another hidden form of change is leasing, offered to more wealthy and younger farmers who want to expand their agricultural activity. In Eastern Poland's rural areas, such transactions are traditionally not registered anywhere. Therefore it cannot be said that the agrarian structure remains petrified, but the scale of real, and not only "paper" or registered, changes is very difficult to estimate. Taking into account the number of privileges the farmers are benefiting from, quite unsurprisingly the demand for agricultural land exceeds the supply.

Needless to say, the productivity of agriculture which in general is lower than in other economic sectors, is even lower in the case of Poland, due to an outdated structure where subsistence farms prevail. Some estimations indicate that only up to 500 000 of Polish farms produce for the market and have any development perspectives [see Zegar 2007]. The rest – that is at least two thirds of the total number – are subsistence farms requiring constant significant transfers from various sources.

3. AGRICULTURAL HOUSEHOLDS' INCOMES

GDP in 2011 in Poland reached 65 per cent (49 per cent in 2003) of the EU average. The Mazowieckie region is the most affluent (96 per cent of the EU average), which can be attributed to the Warsaw metropolis, while the lowest GDP and dynamic levels are found in Eastern Poland (ca 40 per cent), where employment in agriculture is even as high as 29 per cent (in Lubelskie region). This high level of agricultural employment can be explained mainly by an undesirable farm structure, where subsistence farms prevail, and regional urban centres which cannot absorb an abundant workforce from the agriculture sector.⁶

Although the per capita disposable income in farmers' households almost doubled in the years 2005–2010, from PLN 606.17 to PLN 1024.53, income from a private farm in agriculture grew from PLN 408.45 to only PLN 732.01 [GUS 2011: 208]. Undoubtedly, the EU accession had a significant impact on this. Suffice it to say that circa 90 per cent of the total CAP funds in Poland goes direct to farmers. It is estimated that farmers' real income increased by more than 110 per cent [Wilkin 2011: 120], however, that only 9 per cent of the value added generated in rural areas comes from agriculture [Halamska 2011:17]. Apart from the growth of income from agricultural activities, a significant – but not precisely measured – part of income comes from various privileges (low agricultural tax, heavily subsidised social insurance, exemption from book-keeping requirements etc.). Despite all these benefits, the income per capita is much lower than that outside agriculture. Another figure explaining low incomes in the primary sector (agriculture, forestry and fishery) is the number of employees per 100 hectares of agricultural land: 14 employees in 2007 as compared to the EU average of 8 [MRR 2011 report: 167].

In the years 2000–2010, GVA in the primary sector decreased from circa 4.9 per cent of the total GVA to 3.7 per cent. Similarly, the share of investment outlays in the sector has decreased from 2.3 per cent in 2005 to 2.0 per cent in 2010 [GUS 2013:

⁶ it refers mostly to younger generations.

85]. The final test of the strength of the agricultural sector can be the information on foreign trade turnover in agricultural and consumption products: Poland imports circa 10 per cent more that it exports (in 2011, overall export was worth PLN 558.7 billion, import: PLN 623.4 billion; balance: – PLN 64.6 billion) [GUS 2012c: 44]. Interestingly, the most striking index of modernisation in the Polish rural areas has been a dynamic reduction in the number of horses: from 1.8 million in 1980, 1.4 million in 1985, 0.9 million in 1990 [GUS 1992: 242] to circa 0.3 million in 2012 [PZHK 2012].

As stressed by Maria Halamska in her publications, the strongest 20 per cent of all farms provides 80 per cent of aggregated production for the market [2012: 215]. It explains why agriculture yields up to 10 per cent of income, employment outside farms – 45 per cent and social insurance transfers – 25 per cent of income in rural households [Halamska 2012: 214]. The special status of farmers (tax and other privileges mentioned above) negatively affects the budgets of rural municipalities, which more often than not depend heavily on transfers from the central budget.

4. DEMOGRAPHIC CHANGES AND MIGRATIONS

According to Frenkel [2010], after half a century of a significant decrease of the rural population, since 1990 the share of rural areas population in total population has remained stable, at a level of circa 38 per cent. It does not mean however, that the rural population is being petrified. The situation is influenced by at least three major factors: vital statistics, city to countryside migration and international migrations.

TABLE 2. Rural population balance 1991–2007, in thousand TABELA 2: Bilans ludności wiejskiej w latach 1991–2007 (w tys.)

	1991–1995	1996–2000	2001–2005	2006–2007
Population count at the end of the period				
(31.12)	14 609,0	14 583,7	14 733,4	14 798,7
Real increase*	0	75	150,7	87,1
Natural increase	327,4	128,9	36,4	20,3
Balance of internal migrations	-317,9	-46,3	128,7	83,0
Balance of international migrations	-9,5	-7,6	-14,4	-16,2
Balance through adminstrative changes	-41,5	-61,5	-33,1	-22,3

^{*} the sum of natural increase, internal and international migrations Source: [GUS 2008: 83].

A slight increase of the rural population is often interpreted as a result of a massive escape of the urban population to "healthy and friendly" rural environment. In fact it is a misunderstanding caused by a formal administrative approach to how "urban" and "rural" areas are defined (which is different from OECD's functional approach, where the density of the population depicts urban territory⁷). The majority of such internal migrations can be described as urban sprawl

⁷ See OECD Urban Policy Reviews: Poland [2011].

strengthened by internal migrations from less-developed rural areas to urban ones. Peripheral areas in particular are threatened by rapid and extensive depopulation (mostly the Eastern Regions, along the Byelorussian and Russian border) [MRR report 2011: 146 and 167]. The same areas are also characterised by the highest share of non-working age population per 100 of working-age population. In most of Eastern Poland's sub-regions (NUTS 3 level), this figure exceeds 60 (per 100 working-age population). These are also territories with municipalities suffering from negative indices of natural increase.

5. OTHER FEATURES

In general, rural areas – in particular in Central and Eastern Poland, with large numbers of subsistence farms and a dispersed settlement structure – suffer from an inadequate provision of technical infrastructure. Today, the number of rural households supplied with basic installations is not much lower than that in urban areas and exceeds three fourths of all households (water pipes, WC, bathroom, central heating) [GUS 2013: 56]. Despite their dispersed settlement structure, rural areas have not much less public pharmacies, stationary social welfare centres per 10 000 population, medical consultations provided per capita, slightly smaller numbers of computers in schools and households [GUS 2013: 50–54].

Despite a rapid growth of the number of people with higher education, there is a significant difference between urban (24 per cent) and rural areas (9 per cent in 2012) [MRR 2010: 149]. This difference is easier to understand when compared to the location of the biggest metropolises and a low number of businesses in rural areas outside agriculture. More peripheral rural areas, dominated by subsistence farms, are unable to create higher quality jobs for highly educated people, which increases migration to larger urban areas and abroad.

According to Ministry of Regional Development data, not only human, but also social capital in rural areas is lower than in cities [MRR 2011: 149–150]. However, its regional differentiation is difficult to measure in rural areas, and no pattern can be established here.

Finally, one characteristic feature of the Polish rural areas is that they are the main places of poverty concentration. This phenomenon is unknown in most EU countries, where poverty areas tend to be concentrated in urban centres [Tarkowska 2011; Kozak 2012]. In practical terms, poverty in rural areas is mainly concentrated in peripheral territories, with subsistence farms prevailing in the agrarian structure (mostly Eastern Poland) and in the so called "post-PGR" (post state owned farms) villages where, following the privatisation of large state farms in the early 1990s, most of former low-qualified employees living in villages lost employment and since then have depended almost entirely on social transfers. In this case, most sociologists refer to the situation of such places as the vicious circle of poverty and inherited social status. Such problem villages are most often represented in Northern and – less often – Western Poland. Poverty observed among families with many children often refers to the aforementioned cases. Social exclusion is a major problem among the residents of rural areas [see Czapiński 2011: 346]. In general, the situation in rural

areas is much worse than in urban areas. Despite a significant increase of available income per capita in households in rural areas by (45 per cent) over the years 2006–2010, it has been still lower than in households in urban areas (PLN 953 to 1342)⁸ [GUS 2013: 141].

6. RURAL AREAS AS A CHALLENGE

Polish agriculture, and most of Poland's rural areas, suffers from various elements of underdevelopment, but foremost is the existence of an outdated, often archaic agrarian structure, which results in a dispersed settlement structure, low income levels, and in some areas problems with accessibility to public services and migration to big cities and their functional (*de facto* urban) surroundings. This inherited situation is one of the major economic and social problems in Poland.

What is important is the fact that this situation is territorially differentiated. The bulk of 13 per cent of the total workforce employed in agriculture live in the Central and Eastern regions where non-productive subsistence farms prevail and where agricultural employment is well over 20 per cent (at regional level). Against the policy implemented after 1989, this challenge should be oriented above all towards restructuring efforts, and less on improving the quality of life. Policy putting stress on the latter is unable to produce high-quality jobs to keep the young generation looking for high income and jobs adequate to their level of education, and – with considerable investments in heavy technical infrastructure - may in the future reduce the level of life due to infrastructure maintenance costs to be paid by the population decreasing in number (except for urban sprawl areas). This is becoming more visible and understood in the face of the economic slowdown in Poland and possible economic crisis. If so, the problem of how to maintain financial support to rural areas may become a serious source of conflicts. Therefore, as Monika Stanny [2010] explicitly articulates, the main problem of rural areas in Poland is the need to reduce agricultural employment and create jobs in other sectors [Stanny 2010: 54]. The problem is even wider – no country can afford to let 13 per cent of the workforce produce as little as less than three per cent of the GDP. It negatively affects the competitiveness of Poland in general.

7. THE PROBLEM OF ADEQUACY OF PUBLIC POLICIES

As mentioned above, rural areas – mainly through the farmers' community – are covered by various specific policies which in fact improve the quality of life rather than promote restructuring and development. Farmers are supported by a subsidised social insurance system (KRUS), tax system, exemptions from requirements of various important regulations (book-keeping is just an example), not to mention direct financial transfers to local budgets, investments in infrastructure, etc. Since

⁸ At the turn of 2013-2014 exchange rate was ca 1 EUR=4,16 PLN (1 PLN=1,04 EUR) (source: National Bank of Poland).

2004 (accession date), European Union monies have played an increasingly significant role in supporting rural areas, primarily provided by funding under Pillars 1 and 2 of the Common Agriculture Policy. Poland is, after France, the second largest beneficiary of CAP, but this has had no visible influence on the structure of farms (in terms of their average size). On the contrary, direct payments "per hectare" of agricultural land petrifies such a structure as most farm owners, even of the smallest farms, keep farm land as a source of cheap income. Also the Cohesion policy operational programmes offers significant support to public and private undertakings in rural areas. According to the data available, (mostly rural) Eastern Poland regions belong to the group of those most supported (in per capita terms) from Cohesion policy resources [MRR 2012: 42]. As most of the funding spent in rural areas goes for technical infrastructure, the gap between rural and urban areas has been reduced (water pipes, sewage systems, local roads, etc.) [GUS 2013]. Nevertheless, this has neither improved their accessibility nor the overall ranking position, since the economic structure has remained untouched.

A number of comments are made on this. First, all programmes (policies) have been poorly coordinated, which has resulted in competition between beneficiaries (for instance, the regional programmes vs. European Territorial Cooperation programmes and CAP programmes). Second, despite the fact that farmers represent on average only a maximum of 40 per cent of the rural areas' population, most of the CAP financing goes to farmers [Rowiński 2008], while simultaneously largely ignoring questions such as environment protection or human and social capital development. Third, due to the poor quality of monitoring indices and implementation reports, it is next to impossible to identify all the support to rural areas, not to mention the results of public intervention [Gorzelak, Kozak 2012]. Fourth, the positive influence of CAP on the modernisation of farms is limited only to a small percentage of farms – those which are large enough to produce and compete on the market. It also means that quite substantial financial resources are transferred in vain to subsistence farms where they *de facto* play the role of social transfers.

As Maria Halamska [2012] points out, from the 1980s onwards, the rural areas policy has been based on the principle of a lack of alternative ("if we do not support farmers as a group, social disaster will strike immediately"), and has led to a number of dysfunctions. It hampers badly needed changes in agriculture and creates the largest socio-economic (vocational) group heavily dependent on social transfers of various sorts, perpetrates the widespread belief that it is the legal and moral obligation of the state (i.e. other social groups) to support them financially. It all leads to a number of undesirable side effects associated with permanent dependence on public assistance [Danecka 2012], including the shadow (if not black) economy, fuelled by various transfers, but not contributing to the improvement of productivity.

Undoubtedly all the transfers to agriculture and rural areas have contributed to the improvement of the quality of life, but does it significantly helps to restructure and develop (by new jobs and sources of income) agriculture and rural areas? Or at least the quality of life? Unfortunately, there is no evidence of this (Table 3).

TABLE 3. Ranks of Polish regions in terms of HDI and its main components TABELA 3: Ranking województw wg wskaźników rozwoju społecznego (HDI) i jego głównych składowych

Region —		HDI total rank		
	economy	health	education	TIDI WAI TAIK
Dolnośląskie	2	15	9	5
Kujawsko-Pomorskie	8	9	15	13
Lubelskie	15	10	5	15
Lubuskie	10	13	16	14
Łódzkie	6	16	7	12
Małopolskie	8	2	2	2
Mazowieckie	1	4	1	1
Opolskie	11	5	12	8
Podkarpackie	16	1	10	11
Podlaskie	14	3	3	9
Pomorskie	5	5	4	3
Śląskie	2	13	11	6
Świętokrzyskie	12	8	8	10
Warmińsko-Mazurskie	13	10	14	16
Wielkopolskie	4	7	13	4
Zachodniopomorskie	7	10	5	7

Source: Ewaluacja strategii rozwoju społeczno-gospodarczego województwa warmińsko-mazurskiego do 2020 roku, Institute for Structural Research (IBS), October 2011 (typescript), p. 12.

The data presented in Table 3 suggests that despite significant European funds' support offered to Polish regions, and in particular to the least developed Eastern regions, it has not only have failed to narrow the gap separating them from better developed regions (in terms of GDP) but these region now lag far behind also in terms of the quality of life. The HDI ranking shows that the last positions are occupied by the least developed, strongly rural regions: Warmińsko-Mazurskie (16th- last place), Lubelskie (15th), Podkarpackie (11th), Podlaskie (9th). Interestingly, they achieve relatively highest scores in the sphere of education, which is often explained by experts as a strong propensity of parents to provide their children with the best possible educational basis for the future, as higher education has high financial returns [Herbst 2012: 103].

Does the structural divide of the rural areas (Western vs. Eastern Poland) have any connection with the political attitudes of the population? The answer is positive. The inhabitants of Eastern, and in particular South-Eastern Poland during recent elections tend to vote more often for parties representing more conservative, traditional values. In the last parliamentary election (2011), in five eastern Poland *Regions* the PiS (Law and Justice) conservative party won the strongest support. In all the remaining 11 regions PO (Civic Platform; a broadly liberal party) came out as a winner [PKW 2011]. To some extent, it can be linked to the changes in the model (values and attitudes) of life in rural areas, which is getting much closer to the urban model. An increase in the number of divorces, later age of women giving birth and an increase in the level of educational attainment of the population are the main indicators of that process [GUS 2013: 141].

For the last two decades, there were several attempts to address the challenges in rural areas, in particular in Eastern Poland, with the most outdated agrarian structure and shortage of large urban centres able to absorb the redundant rural workforce. Taking into

account the slow change in terms of the average size of farms, agricultural employment and productivity, none of these attempts can be described as successful (although they contributed to increasing the regional income levels in the rural communities).

The first such attempt was initiated in 2005 by the German Chancellor. The Eastern Poland Development Programme, was supposed to support five least-developed Polish and – at that time – European regions. With a EUR 2.3 billion budget for 2007–2013, it was a source of additional financing but proved unable to solve the development problems. These regions were also selected as areas of strategic intervention in order to achieve national cohesion [MRR 2010a: 94].

More general was the multifunctional rural areas development concept proposed as a basis of the CAP pillar responsible for rural areas development in Poland (and more generally: rural areas development policies) [see Kamińska & Heffner 2011]). The effects were negligible, particularly in Eastern Poland, taking into account the fact that the concept was based on a wrong assumption: that the rural population of the least-developed regions would be able to generate a demand for various products and services produced by their compatriots living in these areas, **without** massive outmigration to the cities (as it happened in other European countries), and a demand from big cities for mostly low-quality services offered by poor rural producers. The difference in standards offered by farmers and those expected by potential buyers (from towns) was, and still is, too high (agritourism is a most striking example: it developed in the past only in the most attractive tourist areas, not in typically rural areas).

The failure of the aforementioned concepts to change the development level and competitiveness led to a new research initiative aimed to identify and analyse the main development barriers encountered by the Eastern regions (seen as a case similar to Eastern Germany and the Italian Mezzogiorno) and to propose new solutions. The project known as "the LUBLIN project", initiated by Professor Antoni Kukliński, has gathered a number of experts from the regions and outside and has produced a number of interesting studies. The undisputable solutions seem to be still ahead.

CONCLUSIONS

Polish rural areas significantly depend on agriculture and are still in need of restructuring and modernisation. And, despite the decreasing share of farmers living in rural areas, they highly depend on agriculture-oriented policies.

As Maria Halamska [2010; 2012] stresses, Polish farmers are trapped between being handicapped and privileged. All the data presented above indicate that despite a significant improvement in the quality of life in the rural areas, the economic situation of families is still far worse than of those living in urban areas, as the former are more often threatened by poverty and social exclusion and have more limited access to public services. Despite a slow decrease in the number of people employed in agriculture, the agrarian structure remains relatively stable. Here, we have a clear influence of public (European and domestic) policies dedicated to agriculture, although to some extent only to rural areas. The cumulative impact of these policies (to a large extent privileges) make most farmers not willing to sell their land. As a result, the picture of the Polish agriculture and farmers is mixed: despite significant hidden and

open transfers from the public sector, they remain poorer than urban dwellers and are strongly dependent on the state support. Such a set of policies and their outcome, instead of restructuring and modernising the Polish agriculture, is primarily aimed at slowing down the changes. As a result, both agriculture and large parts of rural areas remain an unsolved development problem, which in case of an economic crisis and central-government austerity policy, may prove to be a source of serious conflict.

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TRANSFORMACJA POLSKICH OBSZARÓW WIEJSKICH OD 1989 ROKU

Streszczenie: Artykuł ten koncentruje się na czynnikach mających wpływ na zmianę strukturalną polskiego rolnictwa od 1989 roku. Polska była jedynym krajem Europy Środkowo-Wschodniej, w którym przed 1989 rokiem 70% ziemi rolnej było w prywatnych rękach. To nie okazało się czynnikiem prorozwojowym, ponieważ większość z tych gospodarstw (około 70%) produkuje wyłącznie na samozaopatrzenie. W rezultacie znaczne obszary wiejskie (oprócz położonych w pobliżu miast lub uznanych centrów turystycznych) są zależne od nisko produktywnego rolnictwa i wsparcia polityki rolnej. Dziś, po prawie 25 latach transformacji, zmiany strukturalne w rolnictwie (i na wsi) spowalniają wskutek oddziaływania wspólnej i krajowej polityki rolnej. Struktura agrarna, zdominowana przez farmy produkujące na samozaopatrzenie, nie ulega zmianie (średnia wielkość gospodarstwa poniżej 10 hektarów, w niektórych województwach południowo-wschodnich poniżej 5 hektarów). W efekcie obszary wiejskie nadal potrzebują daleko idącej restrukturyzacji i modernizacji struktur gospodarczych.

Słowa kluczowe: Polska, obszary wiejskie, polityki rozwoju, petryfikacja strukturalna