

## Editors' Note

The ongoing changes in the rural economy have multiple aspects and are extremely complex. Describing these processes often involves attempting to outline scenarios and trajectories of development for subsequent decades (Bański 2017; Future Foundation 2005). In considering the essence of economic changes and future prospects, the focus has largely been on three ways of looking at rural transformations. The first approaches the majority of economic trends as a consequence of urban economic and social processes (Li, Westlund and Liu 2019). In this context, the present and future of the countryside is determined by the situation of centres of economic growth, i.e. metropolises, where capital, various demands for rural resources and the political power are concentrated. Given the increasingly diminishing rural-urban divide, growing interdependency of rural and urban livelihoods as well as the gradually blurring geographical divide between rural and peri-urban regions, this approach is more topical than ever in the global context (Maxwell, Urey and Ashley 2001). The second perspective mainly considers the rural economy and society as separate systems whose development paths follow a unique course because they are based on unique resources. For this reason, the economic development of rural areas would be determined not just by the traditional, primary sectors (agriculture, forestry and fisheries), but by the great diversity of economic activities, including the new ones such as the silver economy, the leisure economy, and the experience economy (Torre and Wallet 2019) which – like farming – make use the local natural resources and benefit from amenities, an appealing landscape and an unspoilt natural environment. However, it has to be stressed that in this approach the immobility of natural resources primarily defines the rural economy and its prospects, as those competitive advantages can be only used on spot or not at all. Hence the development of the rural economy beyond this may be significantly limited (Wiggins and Proctor 2001). Finally, the third way of analysing the economic situation of the countryside and possibilities for change takes account of watershed events or shake-ups of a political, economic, environmental or social nature. In this approach, promoted in the emerging critical event studies (Lamond and Platt 2016), a financial crisis, the diffusion of a spectacular innovation, an institutional change, the effect of sudden and extreme climate change or, finally, a pandemic outbreak, are treated as a type

of revolution. In addition, when considering the hard-to-capture nature of changes in the rural economy and their multidirectionality, the enormous diversification among and within the world's rural regions has to be taken into account as well. This is why this special issue of *Wiś i Rolnictwo* (*Village and Agriculture*) quarterly aims to present rural economic transformations as viewed by renowned researchers representing different countries and research perspectives.

The special issue opens with David Freshwater's paper, in which the author analyses the most important changes that have taken place in rural areas over the past two decades. Freshwater – an Emeritus Professor from the University of Kentucky and the OECD analyst – distinguishes a number of trends that emerged 20 years ago and have been important for the countryside, and compares them with the challenges appearing today. He concludes that some of these trends continue to play a significant role. Among them he mentions the shrinking of available natural resources, progressive technological change, and the urbanisation of lifestyles. However, completely new processes are appearing as well. Among these, the American economist mentions climate change, worsening food security, growing concern over healthy food, and the intensifying cultural and political divisions of society, to which place of residence is becoming a correlate. Although the argumentation is based on data and observations related to rural areas in the United States, the economic and social changes identified here follow a largely similar direction in other countries around the world, e.g. OECD member states (the UK, Canada, or France). This is especially true of countries with industrialised agriculture and a developed market economy. Freshwater ends his text with some remarks on the COVID-19 pandemic's effects on the rural economy and its development prospects. The negative consequences of COVID-19 have led to greater efforts to increase the availability of public services and restore the functioning of industrial sectors and jobs from rural areas that had previously been moved abroad. The question is whether these trends will remain open once the pandemic ends.

One noticeable effect of the COVID-19 pandemic observed in many countries around the world is a changed attitude towards the management and implementation of public policies. This is due to the fact that this health crisis has created a number of large-scale problems and differences, questioning the effectiveness of public institutions in many areas. This process has emerged in Russia, for example. The indirect consequences include a growing tendency to modify the approach to rural policy in Russia. This is the focus of the next paper in the present issue, authored by Evgenia V. Serova, Alexey S. Naumov and Renata G. Yanbykh. The researchers from the Institute for Agrarian Studies of the Higher School of Economics in Moscow outline the problems of Russia's vast rural areas, the main issues being depopulation,

poverty, and residents' relatively worse living conditions. The persistence of these trends is coupled with steady progress in the Russian agri-food sector, whose modernisation and improving output and economic results have always been the focus of public institutions' attention. However, in the face of dynamic structural changes in agriculture and existing socio-demographic problems, the possibilities for the economic development of rural Russia mainly based on a single sector and vertical management have been depleted. According to the authors, in this situation the principal measures should be those creating conditions for the rural population to work outside agriculture and activating grassroots initiatives involving different actors from local communities. As the authors point out, projects serving to improve infrastructure, including those expanding internet access, could be a major development opportunity in the face of the growing social appreciation of living and working in rural areas during the COVID-19 pandemic.

The broader issue of increasing the standard of living through technological advances and the diffusion of innovations throughout the rural economies and communities is also raised in the next paper, by Józef St. Zegar. The author – representing the Institute of Agricultural and Food Economics – National Research Institute in Warsaw (IERiGŻ-PIB) – analyses possible scenarios for the rural economy in Poland from a long-term perspective by referring to some critical processes affecting rural communities, namely the restructuring of the rural economy and the resulting social and demographic challenges similar to those mentioned by the Russian authors. Furthermore, alongside factors related to the natural environment and climate change, the author believes that the direction of change will also be determined by the market and policy-making. This is because the latter two systems determine the occupational and social activity of rural residents as well as deciding on how rural natural resources and economic capital are managed. The author has based his theoretical discussion, which covers past, contemporary and future socio-economic transformations, on statistical data and research results found in the literature. According to Zegar, the transformation of the rural economy in Poland, stretching across many decades, involved the dependence of rural development on capital and urban areas. This changed when Poland joined the EU, as accession substantially improved the material conditions in which rural residents functioned. In the author's view, the challenges faced by rural areas suggest that future actions should focus on their sustainable development. In this process, an economy generating added value that is key to improving the standard of living and quality of life will be of critical importance. As the economist from the Institute of Agricultural and Food Economics – National Research Institute points out, the sustainable development of rural markets should encompass agriculture, sectors based on environmental assets, and business activity in industry and services.

The author also suggests that in choosing a sustainable model as the direction for the rural economic system in Poland one needs to account for deteriorating demographic prospects.

The suggested sustainable development model, comprising its core components that is the state of the economy and the quality of life in rural communities, is largely determined not only by the negative consequences of global health crises and natural hazards, but also by long-term environmental changes. As the exploitation of natural resources increases and negative weather events intensify, the mutual relationship between the natural environment and human activity is becoming increasingly noticeable. The impact of climate change on agriculture and rural development is the focus of the paper by Konrad Prandecki (affiliated to the Institute of Agricultural and Food Economics – National Research Institute in Warsaw), in which the effect that climate change is having on agriculture and rural areas is analysed based on the example of Poland in a time horizon up to 2030. The discussion is based on two scenarios, RCP4.5 and RCP8.5, developed in the *Klimada 2.0* project and assuming a continuation of the climate change trend in the current decade. The direct and indirect effects of this process, which include a temperature increase, the intensification of extreme meteorological events, depleted water resources and soil erosion, will lead to negative consequences for rural areas (e.g. worsened conditions of agricultural production, the increased cost of compensating for material losses, and additional infrastructural investments). Prandecki also points to the necessity to undertake various remedial measures (mitigation and adaptation), including the need to reduce greenhouse-gas emissions in connection with the anticipated deterioration of conditions for the agri-food sector. The author suggests that attaining the strategic goal of Polish agriculture's emission reduction by 2030 will be a difficult task, due to structural as well as historical and cultural factors.

Without doubt, global climate change has had noticeable and increasingly drastic consequences for local geographies (Pyhälä et al., 2016). Already in the 1990s, several studies highlighted the ever-increasing frequency, scale and, consequently, severity of natural and human-induced disasters and crises impacting on local economies dependent upon agriculture and food production (Baethgen 1997; Mendelsohn and Dinar 1999). Those natural disasters also include the occurrence and influence of the infectious diseases such as Lyme disease (Caminade, McIntyre and Jones 2019) or the Ebola virus (Fan 2014). Over the course of time, it seemed that the practical knowledge acquired led to the intended positive outcomes, transforming, adapting and making the broadly considered agricultural and food production sectors resilient and stable, which has to some extent been negatively verified by the COVID-19-related impact and experience. Most recently, one of the most noticeable social problems that have

emerged around the world in connection with the spread of COVID-19 is fulfilling people's basic needs, including access to food. Hunger, which affected almost a billion people before the pandemic, has spread even more widely as a result of serious disruptions in supply chains (Caparrós 2016; Mahajan and Tomar 2021). The possibilities for effective public-policy interventions in order to improve food security, which has been impaired by the health crisis, is the subject of the paper by Jock R. Anderson, Latha Nagarajan, Anwar Naseem, Carl E. Pray and Thomas A. Reardon. The researchers from the Rutgers University Feed the Future Policy Research Consortium describe three types of food supply chain: traditional, modern, and transitional food supply chains (FSCs), focusing on the last of these. In these authors' view, the transitional food supply chain, which predominates in Asia and Africa, extends across rural as well as urban areas; it is characterised by significant fragmentation of producers and very labour-intensive production. FSCs have been the most heavily affected by the COVID-19 pandemic, increasing the scale of malnutrition, poverty and unemployment. The authors suggest some specific options that policy-makers can undertake in the face of food crises caused by the epidemic. The discussion presented in the paper will not only be useful to researchers of this problem, but could also provide valuable guidelines for a wider group of readers, including politicians and experts.

The special issue concludes with a paper presenting the outlook for economic changes in rural areas in the small Latin American country of Uruguay. The paper's author, Adriana Peluffo, focuses on structural changes in the country, one of the main indicators being the diminishing role of agriculture in generating the global product and jobs. The economist, who represents the University of the Republic of Uruguay and the National Agency for Research and Innovation, analyses decreasing employment in sectors linked to animal production (beef, wool, leather), which have been very important for Uruguay's rural areas and exports, and the population's growing interest in jobs in the IT sector and in services that are often provided in remote working. The economic transformation outlined by the author faces different crises, the most acute negative consequences having been caused by the Argentine monetary crisis and the most recent shock produced by the COVID-19 pandemic. In conclusion, Peluffo outlines the pandemic's main effects on the Uruguayan economy and describes the chief measures undertaken to alleviate them.

The quarterly's special issue presents a wide range of processes currently noticeable in the rural economy, discussing the varied factors and numerous consequences involved. The papers making up this volume reveal the various different experiences caused by transformations in rural markets in different parts of the world. The COVID-19 pandemic has been a catalyst for some of these

transformations, with many negative social and economic consequences and thus significantly increasing uncertainty about the future. The studies in this issue set out to describe these processes. We hope the articles in this issue serve as inspiration for new and fruitful debates and further interesting research projects.

Adam Czarnecki and Michał Dudek  
Editors of the Special Issue

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