Policy of Rural Development in Poland

The Policy Conditions

Development of Rural Areas in Poland

Of the total area of Poland (312,685 km²) 168,000 km² (54%) are used for agriculture and a further 89,000 km² (28.5%) are covered with forest. The total population is 38.15 million inhabitants, of which the working population represents 13.5 million persons, 16.9% of whom are employed in the agriculture, hunting and forestry sectors. The rural population represents 38.2% of the total (Poland Central Statistical Office, 2007). With regard to these data, it is clear why rural development is an important aspect of the development of the country.

Major problems regarding rural development include:
• excessive employment in agriculture,
• fragmented farm structure,
• poor education,
• poor access to finance services,
• insufficiently competitive processing sector and
• underdeveloped rural infrastructure.

Since 1989, that is after the shift in political system, Polish rural policy and thus rural development has overcome many challenges, and made several main changes. These include price liberalisation, opening up the national economy, removal of state subsidies for agricultural food products, establishments of major institutions responsible for government agricultural policy and, finally, the adjustments of policy needed to join the EU in 2004.

Economic Development of Polish Agriculture

Agriculture in Poland is one of the most important sectors from an economic perspective and its importance is greater in Poland than in other countries in the EU. It has an influence not only on the social and economic situation of the rural population, but also on the natural environment, structure of landscape and biodiversity. However, the overall effect of agriculture on macroeconomic indicators is relatively small. In 2004 the share of agriculture in GDP was around 4.5% (Ministry of Agriculture and Rural Development, 2006b), while the total GDP per capita in the country was PLZ 24,153 (about 5,000 Euro).

The productivity in agriculture is thus low, and is only 14 % of EU-25 average (Eurostat, 2007). This low productivity is the result of:
• fragmentation of farms,
• unfavourable agricultural systems,
• low economic capacity of agricultural holdings,
• excess labour in agriculture and
• insufficient equipment on agricultural holdings, e.g.
modern machines and facilities.
At present, with the financial support of the EU, the transformation of rural areas is underway. The EU is co-funding investments in agriculture and the environment and the implementation of comprehensive agri-environmental programmes, including subsidies for farmers who implement environmentally-friendly methods of production. The aim of these instruments is to stimulate multifunctional development of rural areas and modernise agriculture. However, the efficiency of implementation and consequently the capability to absorb the transfer of huge EU funding heavily depends on effective functioning of Polish institutions and administrations and the formulation of wise and deliberate policies. These policies should be supported with scientific evidence and knowledge (Motyka, 2007).

**Economic Policy Tools, Subsidies and Taxes**

In general, development of agriculture and rural areas in Poland is currently working in three directions:

1. Price support and marked stabilisation.
2. Subsidies for agricultural production and interest on intervention credits.
3. Structural policy for rural areas and agriculture.

Subsidies have been designated for soil protection, plant protection, biological improvement, and organic farming. Subsidised credit is available for purchase of agricultural land, management of agricultural holdings by young farmers, services to agriculture, fisheries, the agri-food sector and processing industry, restoration of holdings affected by natural disasters, investments in agriculture, food processing and creation of new jobs outside agriculture.

Structural changes in agriculture and rural development are specified by macroeconomic policies aimed at economic growth, rising employment rates, education, reduction of poverty and maintenance of production potential and production volumes. These policies are based on equal development opportunities for all regions, as well as a multifunctional rural development. A crucial issue has been to keep up policies, which support natural resource utilisation and environmental protection.

**Results of Agricultural Polices**

**Protection of the Waterscape**

There are two competing aspects of agricultural influence on the natural environment. The positive aspect is that long-lasting agriculture shapes the mosaic and diverse landscape, as well as guaranteeing good conditions for a diversity of plants and animals. The negative aspect is that agriculture degrades the environment to some extent through excessive and irrational fertilisation, non-adjusted agricultural techniques and non-compliance with good agricultural practices.

The use of nitrogen (N) in Poland remains at around 30 kg/ha, which according to the Code of Good Agricultural Practice is satisfactory in comparison with the average N usage in Western European countries, which is 55 kg/ha. This low level of N application in Poland is caused by low usage of mineral fertilisers. However, natural fertilisers (manure) can pose a danger to water quality and must be carefully stored and applied in such a way that water resources are protected from contamination.

**Effects on Biodiversity**

The rural landscape in Poland is fascinating with its biodiversity. It is believed that this landscape is the best preserved in the EU on account of favourable natural conditions and unique anthropogenic influences such as uneven industrialisation and urbanisation, traditional ex-
tensive farming still being maintained in large areas and the existence of large old woods. The Polish landscape is characterised by a diversity of habitats with mosaic biological structure. There are about 365 different types of plant assemblages and about 45 types of plant habitats used as meadows and pastures are situated on agricultural land. Some agricultural land neighbouring Nature 2000 programmes needs particular care.

Traditional production methods and spatial development patterns maintained to the present, create an original cultural landscape with peculiar rural architecture – complexes of traditional wooden houses, churches, chapels and communities, water-mills and barns. Preservation of these buildings will contribute to the image of past and present Polish agriculture at local and regional level.

**Effects on the Environment**

There are some unfavourable circumstances that can endanger a good rural environment. Some of them have their origins in the past, for example cultivation of poor soils and soils susceptible to erosion, inappropriate water management in agricultural catchments, lack of education with regard to agricultural practices, lack of adequate agricultural equipment and point-source heavy metal pollution of the soil.

In recent decades there has been a marked decrease in populations of birds in farmland areas. It seems that the biggest threats are abandoning habitats that are of marginal importance for agriculture, simplification of landscape structure and excessive intensification of agricultural production. New threats have been recognised recently that are related to the failure of Good Agricultural Practice that farmers need to follow in order to fulfil agri-environmental requirements (Ministry of Agriculture and Rural Development, 2005).

These dangers relate to (Ministry of Agriculture and Rural Development, 2006a):

- changes in the traditional system of plant cultivation and animal breeding, resulting in intensified agricultural production.
- failure to cultivate grasslands, leading to the degradation and overgrowth of land, which in turn causes the disappearance of rare birds and plants.
- delay in the utilisation of environmentally friendly agricultural production technology.
References

Pedersen, Karin Hilmer and Gert Tinggard Svendsen work in process.
Semeniene and Zylicz, 1997

Chapter 23


Chapter 25

The Economist, 16 June 2007, p 78