

## Conditions of sustainable development in the Czech Republic in compliance with the recommendation of the European Commission

*Podmínky udržitelného rozvoje v České Republice v souladu s doporučením Evropské komise*

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**Abstract:** The Program Period of the European Union for the years 2007–2013 is focused on the support of standardization of rural development and the creation of a space for its sustainable development. Agriculture in the structure of production and non-production functions an important factor of social-economic development of countryside and it contributes to the increase of its growth potential. Diversification of activities in the countryside has a significant influence on the stability of settlement, the development of employment in the countryside, and the sustenance of entrepreneurial structures in rural regions.

**Key words:** sustainable development of the countryside, multifunctional agriculture, diversification of activities, EU Operational Program

**Abstrakt:** Programové období Evropské unie na léta 2007–2013 se orientuje na podpory usměrňování rozvoje venkova a vytváření prostoru pro jeho udržitelný rozvoj. Zemědělství ve struktuře produkčních a mimoprodukčních funkcí je důležitým faktorem sociálně ekonomického rozvoje venkova a přispívá ke zvyšování jeho růstového potenciálu. Diverzifikace činnosti na venkově má významný vliv na stabilitu osídlení, rozvoj zaměstnanosti na venkově a udržení podnikatelských struktur ve venkovských regionech.

**Klíčová slova:** udržitelný rozvoj venkova, multifunkční zemědělství, diverzifikace činností, operační program EU

Currently, the preparations of the program documentation for the period 2007–2013 culminate. In contradiction to the foregoing situation, the experience from the processing and implementation of programs and continuing projects for the years 2004–2006 are used. The structure of priorities projected into the prepared programs is in accordance with the conclusions of the conferences in Lisbon and Goteborg which

significantly influenced the externalization of the strategy of structural, respectively of cohesion policy. The determination of aims for the program period 2007–2013 shows an obvious shift in the selection of the areas which the EU will support in the future. It is dealt with the aims of structural supports, i.e. with the aim of convergence, regional competitiveness and employment, and the European territorial coopera-

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tion. Especially the problems of unemployment will be the topic of many priorities and measures as well as the necessity of bigger supports of innovation processes connected with the growth of regional competitiveness and employment.

## AIMS AND METHODOLOGY

In principle, it is necessary to orientate on the basic strategic document which determined the long-term frame for sustainable development in the CR, i.e. on "The Strategy of Sustainable Development of the CR". It summarizes the fundamental problems limiting the existence and the maintenance of the quality of life of the society and its basic civilization values and it determinates the measures to prevent threatening situations, to reduce their impacts and to eliminate their possible consequences. Together with the Strategy of Economic Growth of the CR and the Strategy of Regional Development, it creates starting points for the formulation of the basic requirements for sustainable development in the whole spectrum of social, economic and ecological measures and activities which should be supported from public resources, both from the Czech and the Union ones.

It means to concentrate on the analysis in regions which will objectively help to evaluate the conditions of the sustainable territorial development (Boháčková, Hrabánková 2006).

The key priorities stem from:

- needs of innovations, from production and non-production activities based on the knowledge economy and modern technologies
- needs of the protection of environment connected with risk prevention
- accessibility in regions and security of services for rural inhabitants.

The activities in rural areas stem also from the aims of the EU economic policy. Therefore, it is necessary to increase generally the competitiveness of agricultural sector in its production and non-production activities and further to support its restructuring for the sake of:

- the sustenance of quality and safe food resources;
- the sustenance of the necessary extent of production of the products for renewable energy resources;
- the security of environment for sustainable development of human resources; it means the support of the development of so-called public resources.

In connection with the prepared Program of Rural Development, it regards the improvement of environment of the countryside by the support of economical management of land and by the landscape cultivation

connected with the conservation of nature. At the same time, by the means of the adopted measure, the presumptions for the improvement of the quality of life in rural areas are created, namely also by the means of diversification of economic activities of agricultural and non-agricultural character.

The social structure of countryside and the social capital of agricultural enterprises together with the reserves (spare labour capacity, unused buildings, the administrative base and the experience from the subsidiary enterprises) create a significant potential for the diversification of activities.

Support of new enterprises and development of the existing non-agricultural enterprises of the smallest size is important including new businesses in the area of production, processing and services without limitation of sectors especially in the area of crafts, services for farm and inhabitants and tourism.

In suitable and interesting from the tourist viewpoint, it is necessary to support activities focused on the diversification of rural economy by the development of tourism, especially in connection with the natural and cultural inheritance of these areas.

Up to the present, rural tourism has not been fully developed and the potential of agricultural farms in the area of agri-tourism has not been used. Tourist infrastructure and propagation do not correspond with the standards in this area and the level of supporting services (accommodation, boarding, information) is low.

The support of diversification does not have only the economic reason for improvement of the economic situation in the countryside but also in accordance with the needs of solution of the social situation. The measure is also expected to invoke the influence of these structural changes on the stability of settlement and the development of employment in the countryside.

Diversification in the countryside should develop such activities which cannot be secured by large enterprises, especially where the economic potential is weak, which includes also the generally weak conditions for establishment of new activities.

This direction of the development of the countryside means beside others also the alternative possibilities of employment for the unemployed from agriculture. A prerequisite is the increased demand for services, the increased environmental care, introduction of production of local and regional products, products from traditional crafts, eco-tourism, agri-tourism, and generally for rural tourism.

However, for the realization of these activities, there is still the lack of:

- a sufficient advisory, extension and certification basis;

- marketing knowledge and behaviour of people in the country;
- a possibility of retraining, resp. gaining a new profession education;
- a lack of the suitable areas and buildings for the realization of the selected activities.

In securing sustainable development, a certain tension can be deduced between the processes in the economic area to secure the socially necessary economic level of inhabitants on one side and the sustenance of the required health of people, the nature and environment on the other side. Both these priorities of sustainable development do not get along without the aimed coordination of the selected measures, monitoring of their course and monitoring of their impacts by the means of the selected financial and natural indicators (Hrabánková 2000). For this purpose, it will be necessary to consider the territorial specifics and to solve the selected territory with the use of a process analysis as a collection of the social, economic and environmental processes which take place there. It will be essential to distinguish sensitively areas with intensive production from those which have the prevailing environmental character and thereby also a size suitable for securing of e.g. renewable energy resources, a specific transport network, tourism and so on. In conforming to the Act No. 129/2000 Col. on regions, in principle it regards the complex development of territories and the creation of conditions for the development of social care; meeting the needs of inhabitants, including their education; protection and development of healthy living conditions, cultural development of other needs in rural area.

Securing these conditions of sustainable development needs a matter-of-fact, financial and time concordance of all measures and processes which will take place within their implementation.

From the mutual relations among the conditions for the quality of life and the state of the sector operating in the countryside, it can be deduced where the biggest development potential can be expected.

It is not easy to define generally a development potential. Especially for the reason that thanks to the variability of the particular regions, the development potential is not completely identical and is not created by the same conditions, factors and characteristics. What we can in the case of one region consider as development potential that does not necessarily mean the possibility of development in other regions. In case of the regional development potential, we can, in this sense, speak about general factors of development which can be supported from the area point of view by structural measures and interventions, and about

the individual factors of development which represent the regional specifics. Then the role of structural supports is above all to concentrate on the factors which generally aim at the development of regions with regard to local specifics. As a pivotal motive in “searching” for regional development potential, there can be considered reaching a not only economic but also social effect; both effects are mutually closely connected. Than as a starting point, there can be used the real description of the situation in the concrete region including:

- the description of the existing economic situation in the region by the help of the values of the reached economic parameters (indicators), the structure of the entrepreneurial sphere – the numbers of enterprises, entrepreneurial externalization, economic prosperity, innovation activities, the influence on environment (Hrabánková 2002).
- the prediction of the main directions of the dynamics of regional development – i.e. the identification of activities which seem to be prosperous in the region – or vice versa the prediction of the main negative trends. Then, in this sense, it is possible to continue with a thorough SWOT analysis.
- the comparison of the regional situation with the comparable regions and finding of the possible causes of different development.

## RESULTS AND DISCUSSION

Basically, a central intervention can have three kinds of impacts – positive, when economic and social development of region is successfully “started”; indifferent, when the situation is not improved much by the application of the financial means expounded on the support of regional development and the money are “drown” without the expected effect; and finally a structural support leading in the wrong direction can lead to the inhibition of entrepreneurial activity of entrepreneurial subjects themselves which is the base of economic development.

It is unquestionable that the main role in development of regions has to be played by the regions themselves. Strictly speaking, they have to use the potential which they have or which is offered to them. They have to use not only the structural supports but also and above all the conditions which they have not used till this time or which they have used only partially; and they have also to look for new conditions of development.

From the above mentioned, it results that in the selection of interventions, the really fundamental decision is whether the direction of intervention is indeed the right direction, and whether the change,

which we suppose to reach, is adequate to the expounded effort and finances.

The strategy of sustainable development of the countryside conformable with the EC recommendations has to consider among other the existing relations between municipalities in the countryside and town centres, especially the specific features of the given area, trends of the regional labour markets, the possibilities of the use of telecommunication and information technologies, the base for tourism, which becomes a significant resource of income in many regions, namely if it is not limited to accommodation only, but there is also an infrastructure disposable for the entertainment and recreation. It will regard first of all the use of the potential of rich cultural traditions of the Czech countryside and the enlargement of non-production functions of agriculture serving to the development of tourism. For this reason, in the relation to the EU policy of cohesion, the local problems of rural municipalities in the whole territory, which is liable to the Objective 1 in the Czech Republic, i.e. all regions except Prague, are solved on the axis III of the Rural Development Program. The renewal and development of municipalities, the establishment of small enterprises up to 10 employees without the limitation of sectors, including the second grade of food processing, are situated there. The development of production of the regional products of agricultural and non-agricultural character will be supported.

Generally, the aim of sustainable development should be the creation of such conditions for economic growth which would secure the appropriate quality of life of the present and the future generations with minimum impacts on environment. It means to secure the stability of economic space of the CR and the external negative influences resistance.

For development of the countryside, it is essential to create the conditions for enterprise minimally burdening the environment. With it, also the orientation at the sufficiently flexible competitive economy based on new knowledge is connected. In practice, this security of the conditions would require the reduction of the tax burden of enterprise, a simplification of administrative, an increase in share of activities and products with a higher added value and higher evaluation of material and energetic inputs. Also it will be necessary to emphasize the significance of knowledge economics for the practical needs of enterprises because the management of enterprises should show the necessary ecological effectivity continuously in its economic activities and to determine an appropriate and tolerable frame of prosperity of enterprises which they have to secure in concordance with the requirements for protection of the environment. It

regards the so-called environmental management of enterprises by the means of which they can obtain a certain competitive advantage.

However, for the sake of sustainable development it will regard especially the appreciation of human capital and its motivation to the education enabling a higher cohesion between the research of knowledge and its use in practice. For sustainable development in the CR, it will be necessary to focus on the areas with the negative impacts of the present activity, especially on the areas with unstable settlement, insufficient economic efficiency, a high rate of unemployment and a disturbed environment, and to realize first of all the measures, which will contribute to the improvement of life in these areas.

In this connection, it will be necessary to concentrate above all on the monitoring of structural unemployment which is connected with the changes in the sectoral structure of economy. The improvement of the ascertained situation supposes a different qualification structure of workers and it will have a significant influence on the increase of the social potential in the area.

For the program period 2007–2013, the support of the less-favoured areas, in the frame of restructuring rural areas, is still supposed for the purpose of the increase of the share of non-production functions of agriculture and the support of investment and innovations for its technical and technological modernization. In the disadvantaged areas, many agricultural enterprises take care, or they should take a permanent care, of great natural values. From the past analysis, it results that the development potential of the particular rural municipalities lays in the important equipment of the basic elements of civil and technical infrastructure, i.e. the existence of a nursery school, a primary school, health service, a post office, transport infrastructure, water supply, sewage and a public distribution network for gas-supply, where it is possible. In such a municipality, the conditions for placement of other economic activities are fulfilled, and for the success of diversification, just as it is supposed for the next program period.

Within forming of the endowment supports, it is necessary to respect many criteria harmonized with the criteria of the European Commission enabling the selection of territories suitable for the implementation of measures prohibiting any endangering social integrity of the countryside and enabling the continuation of environment care.

In principle, it is essential to create a sufficient space for sustainable development of agriculture and rural areas despite the globalization trends. In spite of all problems with which agriculture has to cope,

as market competitiveness, the gradual reduction of certain commodities (at present of sugar), the negative price influence of supermarkets, the reduction of quotas, then increased import from abroad and so on; agriculture remains a significant base of the social-economic development of the countryside and one of the contributors of its growth potential. The measures designed for rural development have to be seen also from the position of local conceptions of the diversification development for which it will be important to be engaged in the large investment actions in the frame of the regional, respectively structural policy. Such a connection would bring a total increase of economic activities and employment and it would enable a multiple use of the local infrastructure and environmental management in the countryside.

For sustainable rural development, it is important to make the best of the offer of the Operational Programs for the period 2007–2013 oriented above all at the innovation and investment. The task of the realization teams in the area of information and communication technologies will be to support through these technologies the initiatives of people in the countryside and to help the areas with a low density of settlement. These communication and computer networks can significantly improve not only the general information level of these areas but also to enable a change of information on supply and the quality of products, the exchange of experience from practice, consultancy activity with the cooperation of producers with processors and retail dealers. Very important for sustainable rural development is also opening of new income opportunities. At present, the entrepreneurs' interest is focused mainly on growing energy crops and on building the necessary processing capacities. In small businesses, it will be especially the sustenance of the traditional crafts, the production of regional, respective local products and specialties.

## CONCLUSION

The European Commission counts on the support of 88.75 billion EUR for the next program period for the European Agricultural Fund of Rural Development – EAFRD, which will support innovation and diver-

sification in the country beside conventional agriculture, will enable the maintenance of diversity of the agrarian entrepreneurial structures and will contribute to the competitiveness and sustainability of rural regions (The Programme of the Rural Development... 2006).

As it results from the above mentioned, the sole utilisation of financial means is not the guarantee of achievement of the desirable positive effect in the area of regional development. It is important that these means were used really effectively at the regional level. In this sense, it is necessary to focus the attention on:

- Real possibilities – conditions which the region, in the sense of its development, really has – not just to apply the measures in the area but always with regard to the regional specifics;
- The application of financial means in the areas where there is a high rate of probability that they can bring a positive shift in the development of the region – again the individual approach
- The relation of the activity of the regional entrepreneurial subjects and providing of financial supports regarding not only structural help to the concrete entrepreneurial subjects but mainly regarding the contribution to the development of the region as a whole;
- Environmental impacts of structural measures.

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