

# Approaches to the rural development problems in the European Union and in some of the Central and Eastern European countries

## *Přístupy k řešení rozvoje venkova v Evropské unii a některých zemích střední a východní Evropy*

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**Abstract:** Utilisation of regional policy helps to reduce disparities among regions. The approaches to solving these problems in the European Union differ from the approaches practised in Central and Eastern European countries. The development of rural areas in the European Union is realised through the principles of regional policy and its instruments, i.e. Structural Funds, in co-operation with the Common Agricultural Policy. The applied assistance from the Structural Funds is aimed at the objectively defined areas. The situation of countries with many socio-economic problems is reflected in the weak demographic structures of these regions. Solutions of the problematic situation can be found in implementation of the approach supporting the development of multi-functional agriculture and a broader social and territorial context of economic development in all adopted tools of rural development. The way of supporting diversification of the competitive rural economic structure based on encouraging new activities leads also through integrated programmes. Regional policy realisation in the CEECs depends on the institutional framework created in the dependence of the habits applied by the past political regime of the relevant country. The basic issue for the sustainable development of rural areas can be seen in diversification of agricultural activities, creation of small firms and development of tourism together with sustaining the countryside specifics.

**Key words:** agriculture, regional policy, rural development, socio-economic problems, structural funds

**Abstrakt:** Řešení rozvoje venkovských oblastí je v Evropské unii uskutečňováno prosazováním zásad regionální politiky v kooperaci se Společnou zemědělskou politikou. V zemích střední a východní Evropy podléhá realizace regionální politiky institucionálnímu systému vytvořenému v závislosti na zvyklostech uplatňovaných v politickém režimu minulosti dané země. Východiskem pro trvale udržení rozvoj venkova je diverzifikace zemědělských činností, vznik malých firem a rozvoj turistiky při zachování rázu krajiny.

**Klíčová slova:** zemědělství, regionální politika, rozvoj venkova, strukturální fondy

## INTRODUCTION

The rural space is defined by Hrabánková (1996) as a specific stable socio-economic model that has to be preserved for the whole European Communion.

Czech rural areas show, in comparison with other countries, some specifics. These are namely:

- the executed collectivization and nationalization in 1948,
- transformation and privatization proceeding in the CR after 1989,
- mutual proximity of small municipalities.

The approaches to rural development differ in the European countries. While the Western Europe applies the principles of the EU regional policy and proceeds according to the unified (or very analogical) key, the Central and Eastern Europe is strongly influenced by the institutional system established in the given country, which depends to a considerable extent on the habits of the past political system.

## MATERIAL

### **Regional policy – the instrument of regional development**

Regional policy attempts to reduce the economic and social disparities among different areas of the country in the global stability interest.

The regional policy instruments are the so-called structural funds that are part of the EU budget. Through them, the economic and social balance in the EU is reached. The main tools of the EU structural policy are the European Social Fund (ESF), the European Agricultural Guidance and Guarantee Fund (EAGGF), the European Cohesion Fund (ECF) and the Financial Instrument for Fisheries Guidance (FIFG).

Financial resources from these funds are aimed at three basic objectives set for the planning period 2000–2006:

- Objective 1 – support of development and structural adjustment of regions that are lagging behind with in development
- Objective 2 – support of economic and social conversion of the areas coping with structural problems
- Objective 3 – support of adaptation and modernization of the policies and systems of education, training and employment.

The complementarity of the Structural Funds assistance and the more balanced development of the whole EU territory is not to be taken for granted. It is therefore necessary to support the integration process aimed at the synergy of urban and rural development in order to make progress towards a more balanced territorial development.

The development of every region will demand a growing number of the economic integration zones more evenly distributed across the Union. A progressive development from the current center-periphery model towards a more multi-centred European area is expected.

## RESULTS AND DISCUSSION

### Rural development in the EU

Most of the dynamic EU regions are of rural character. There exist many other rural areas, often coping with acute socio-economic problems reflected in the weak demographic structure, insufficient job opportunities and an extremely low share of key services. Many of the difficulties can be traced to the effects of extensive structural change stretching over several decades, namely the decline of the agriculture economic importance in terms of its contribution to regional income and employment. At present, the incomes of approximately three quarters of European farmers are partially supported by subsidies.

According to the publication *The Structural Funds and Their Co-ordination With the Cohesion Fund* (1999), rural areas still account for about 80% of the EU territory. Agriculture is the greatest user of rural land and it remains a key economic sector in many regions.

The multi-functional role of the agricultural sector is increasingly recognized. Besides the economic role of agriculture, forestry and other productive activities, it now fulfils an important social role through the provision of quality products and the supply of leisure and recreation opportunities to town dwellers. It is also an important factor in maintaining the quality of environment and the cultural heritage. Rural areas are of the utmost importance for the development of the European territory.

For the EU as a whole, one of the important aims of the rural development policy is to ensure the sustainability of the European agricultural model. As such, it forms the second pillar of the Common Agricultural Policy. This requires a two-way approach supporting the development of the multi-functional agricultural sector on the one hand, and the broader social and territorial context in which the agricultural sector exists on the other.

In the most severely affected areas, which are eligible under Objectives 1 and 2, rural policy should seek both development of the competitive agricultural sector using environmentally friendly methods of production and support for the diversification of farm holdings and the rural economy into new activities and sources of employment. Rural development remains in this direction an important element of the cohesion policy and, at the same time, completes the modernization and reform of market policies under the Common Agricultural Policy.

In the mentioned areas, the Structural Funds and the EAGGF (Guarantee Section) should support the diversification of the competitive rural economic structure based on encouraging new activities through the integrated programs. These priorities should include:

- a stronger agriculture sector to ensure that agriculture and forestry are competitive by supporting investments in modernization, including the processing and marketing of agricultural and forestry products, attempting to reduce costs and improving product quality, increasing the value added of agriculture and sustaining agricultural holdings (preferably by taking over by young farmers) and the rural environment (including agri-environmental measures);
- improving competitiveness of rural areas by improving access and promoting diversification of new activities and the creation of employment. This includes the development of tourism and small firms, most of which produce really unique high-quality products. Other opportunities exist in the field of renewable energy, including energy generation from uranium waste in rural areas close to major agglomerations;
- maintenance of the environment and European rural heritage: environmental protection must be the main priority of rural policy, including the preservation of countryside and natural resources, traditional rural areas, the promotion of agricultural tourism and the renovation of villages.

The country cannot fill this objective only on its own. The new Community Initiative for rural areas should provide the opportunity for activities complementary to the mainstream programs by supporting actions conceived and carried out by co-operation on the local level. The goal is to encourage the emergence and development of new rural development models, which are then applied in the whole area and improve co-operation between local actors in different regions and the member states.

### The situation and support of rural development in the Central and Eastern European countries

As a result of the delayed beginning of changes, rural development has not proceeded so quickly in the Central and Eastern European countries (CEECs), as expected. It can be illustrated by the bellow Table 1 supplying the characteristics of rural development in some CEECs. According to my opinion, the reasons of this situation are as follows:

- continuing strong state centralism in the settlement policy, distribution of job positions by the administration and educational institution,
- reduction of investments in transport, social and cultural infrastructure caused by the discriminating legislation and bad planning,
- specific economic regional differences caused by collectivisation and regional determination of agricultural production,
- pollution and destruction of environment as a negative consequence of the past economic development in rural areas,
- demographic characteristics, unemployment and social problems caused by strong depopulation of rural areas or, in some cases, by their overpopulation (Rumania).

The occurrence of various rural development policies can be traced in all countries, which went through economic transformation. According to my opinion, the reason of great differences is the differing integration steps, but also the objectives of the rural development policies and institutional systems of rural development policy.

The study Agricultural Situation and Prospects in the CEEC (1998) states, that rural areas in the Czech Republic are specified by unsatisfactory technological and civic infrastructure, i.e. insufficient civil transport and communication net, undeveloped road network and lack of schools. The de-population tendencies of rural areas impact negatively the demographic structure of rural areas, where the population aged over 55 prevails.

It is necessary to support such a development policy that will not only sustain the population of the area, but that also will be able to establish attractive changes of life and stable economics for the local inhabitants.

For increasing the general economic development level, the following measures would be suitable to accept:

- development towards the quality environment, that should not mean a burden for the local population, but which would present a challenge for future economic development,
- education of population in the sense of differing multi-purpose evaluation of rural areas,
- support of the environment-friendly production specialization, that would produce competitive products guaranteeing growing incomes,
- revival of traditions and support of new alternative activities in these areas,
- provision of such an investment security for agriculture as for other activity and thus granting the future development of economically viable enterprises,
- prevention of interventions into environment that would destroy ecological balance,
- transport, social, cultural infrastructure improvement.

The above-mentioned provisions require fulfillment of the following conditions for their implementation:

- improvement of community council administration principles and self-determination in rural development policy,
- guarantee of implementation of the long-term measures for maintenance of agricultural, social and regional policy conservation,
- stronger and compulsory management activities in regional political decisions, programs and actions,
- policy of long-term employment, particularly in the sense of new job opportunities,

Table 1. Characteristics of rural development in mountain and sub-mountain regions in some CEECs

Characteristics/ Country	Proceeding and method of rural development	Objectives of rural development policy	Institutional system of rural development policy
Czech Republic	Integration proceeding – limited systematic development.	Balanced, even and continual rural development	Hierarchical system with cooperation of the state and institutions at regional and local level
Poland	Rural development policy as a part of economic policy	Reduction of unemployment rate and improvement of demographic structure	Modified centralized system with partial cooperation of the state and institutions at regional and local level
Slovak Republic	Rural development policy as a part of traditional planning system	Reduction of unemployment rate, improvement of food self-sufficiency with agriculture as a component of economic stability	Centralized system with driving of regional and local planning operations
Bulgaria	Rural development policy only in the most problematic areas	Reduction of unemployment rate and improvement of demographic infrastructure	Centralized system with directing regional and local planning operations
Rumania	Rural development policy as a part of traditional planning system	Reduction of unemployment rate and improvement of demographic infrastructure	Centralized system with driving of regional and local planning operations
Slovenia	Integration proceeding – continuous rural development, revitalisation of villages	Balanced, even and continual rural development	Hierarchical system with coordination of the state and municipalities and local authorities

Source: European Mountain Convention. Ljubljana, 1998

- implementation of direct production-neutral payments in the management of agriculture and environment.

## CONCLUSION

Both the European Union and the Central and Eastern European countries wrestle with the rural development problems. In the EU, this area is solved through the use of regional policy with the help of Structural Funds. It is possible to change the negative population development in the rural areas by support of its development. That can be solved by mutual complementarity of multi-functional agriculture and developing of rural economy in new activities together with creation of new jobs. The priority in this area should be the development of stronger agricultural sector, creating of new job opportunities in the country, protecting the environment and cultural and historical heritage of rural areas. The Central and Eastern European countries have to cope with problems stemming from the institutional system implemented in the past, with problem of the growing unemployment rate in the country and scarcity of finance resulting from a bad planning. It is necessary to improve the general econom-

ic rural development by implementation of the proposed measures regarding improvement of the technological and civic infrastructure, security of investment to agriculture and environment protection. To fulfill these goals, it is necessary to improve the institutional, ecological, political and economic conditions.

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