

LOCALISATION AND THE DEVELOPMENT OPPORTUNITIES OF RURAL COMMUNITIES IN THE OPINION OF LOCAL REPRESENTATIVES

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Abstract

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The study is aimed at analysing the role of location as a factor affecting development of rural communities. Research findings presented in the paper are based on the findings from survey conducted by the Department of Social and Regional Policy of IAFE-NRI in 2006. Study showed that location of villages close to urban areas (especially where local self-government is located) affects their economic development. In opinion of almost every fifth of surveyed villages' representatives, location close to the town influenced development of entrepreneurship.

rural development, localisation, entrepreneurship, Poland

INTRODUCTION

Localisation is one of the basic conditions for an effective functioning of an economic entity, from economic, social, and environmental point of view (Ministerstwo Gospodarki, 2008). This can be the most clearly seen in the enterprise management theory, where the localisation is a unique company's resource, determining a competitive predominance on the market. Similarly, for rural areas, the localisation with respect to urban centres as well as places attractive for tourists is a crucial element of the socio-economic space, having an impact on its development on the basis of natural and human resources.

Rural areas are becoming more and more important as a living space and workplace not only connected with the agricultural sector. The economic and technical transformations resulted in a situation in which many rural inhabitants, connected with agriculture so far, started to seek new earning possibilities, often deciding to get employment beyond the place they live in. One of the factors influencing such

decision is the accessibility of local and regional labour markets, which is determined by the distance between an inhabited village and towns. A considerable impact on the development of non-agricultural functions of rural areas has also a localisation with respect to important infrastructural facilities (expressways, large enterprises) and attractive places with relation to environment and landscape (e.g. lakes, forests, mountains).

The aim of the paper is to analyse the development opportunities of rural areas, in the opinion of local representatives, in respect to the distance between an inhabited villages in question and towns. Also requirements for information and training activities for rural inhabitants are discussed as the one of crucial factors of local entrepreneurship development. The correlation between the village representatives' opinions about the state and directions of development of a village inhabited by them and its localisation with respect to towns, where a self-government is placed, was researched in the study.

MATERIALS AND METHODS

The main source of the analysed data in the paper were surveys of village administrators (*soltys*¹) of 76 villages across Poland, conducted by the Social and Regional Policy Department of the Institute of Agricultural and Food Economics – National Research Institute (IAFE-NRI) in the 2nd quarter of 2006. The surveyed villages represent a fixed sample for panel field surveys conducted periodically at of the IAFE-NRI (Sikorska, 2006). The sampling of villages for the surveys, based on socio-economic features of the population and the land structure of agricultural holdings, was purposeful and representative for rural areas in Poland. Basically, the sample excludes villages of a mixed nature (urban and rural), villages dominated by workers' families or those particularly attractive for tourists in terms of location.

In the survey opinions of village administrators, who as the local society representatives know the problems of the village inhabitants well, their needs and aspirations, were taken into account in the analysis. The opinions of people performing this function, about future rural development directions as well as the state and perspectives of entrepreneurship development in rural areas, were considered interesting. It was recognised that the realisation of objectives is usually dependent to a high degree on their invention and commitment. Survey was divided into sections and questions regarded to information about entrepreneurship development, employment structure and accessibility to local labour markets, influences of neighbouring towns on village development, available training and information services for rural inhabitants and future development opportunities of villages in question.

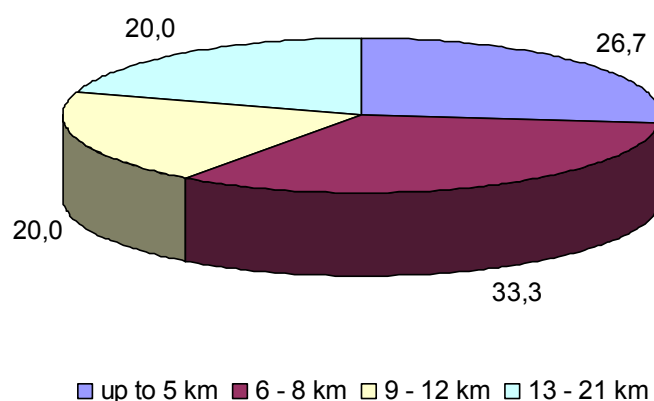
RURAL-URBAN INTERACTIONS

One of the vital developmental factors for rural areas is proper rural-urban interaction by good transport network through which the rural population can become acquainted with developmental efforts, and at the same time it also helps rural people interact with their counterparts in urban area (Przybyłowski, 2008). The researched villages were characterised by a comparatively large distance from big urban agglomerations. Almost three quarters of them were located further than 45 kilometres from the nearest voivodship (NUTS 2) capital, and over one fifth had further than 100 kilometres to the voivodship city. At the same time almost half of the researched villages is located 15 or more kilometres from the nearest powiat (NUTS 4) town.

In this context, the most important, from the point of view of the accessibility to the labour market as well as trade and service infrastructure, the urban centres, in the opinion of village administrators, were commune (*gmina*, NUTS 5)² towns, which is supported by the fact of their relatively short distance with relation to the researched villages. Almost two thirds of them are placed not further than 9 km from the nearest municipality capital (Fig. 1).

IAFE-NRI 2006 survey shows that share of the rural population working outside their village increases and this phenomenon is more common within the non-agricultural population. Only 20.7% of surveyed rural population working outside the agriculture was employed in the village where they lived, 21.9% in the other village in rural areas and as much as 57.4% worked in towns and cities.

Spatial distribution of roads is strongly connected with population density and economic characteristics of the area in question. The rather well-developed network of access roads to agricultural and forest land is nevertheless characterised by very low



1: The distribution of surveyed villages with relation to commune towns

1 *Soltys* is a elected head of an administrative unit in Poland (*sołectwo*), which usually consists of one village and is a rural subdivision of a NUTS 5 unit: *gmina* (municipality).

2 Despite some conceptual differences the terms: 'commune' and 'municipality' for NUTS 5 units will be used interchangeably.

pavement quality. The density of rural municipalities' roads in Poland was 47.8 km per 100 km², while the overall length of communes roads amounted to ca. 150,000 km at the end of 2004. At the same time, the density of access roads to agricultural and forest land was 90.1 km per 100 km² and their overall length reached ca. 289,000 km (Przybyłowski, 2008). The quality of communes roads is directly connected with bus communication networks (both municipal and private), which enable local residents to get to urban centres and to commute to their non-agricultural jobs (Polish National Strategic Plan for Rural Development 2007–2013). It is of great importance particularly in the context of the liquidation (due to low profitability and financial inefficiency of local governments) of regional rail and bus connections in many rural regions.

In this context the distance from urban agglomerations leads to the situation in which a special place among life usufruct goods of each rural family has a passenger car. It is often indispensable in a household because of the necessity to commute to work. It can be seen in the mass statistics data that rural inhabitants are better equipped with vehicles compared to inhabitants of towns. Because of the comparatively big number of families in the retirement age among non-agricultural inhabitants and limitations in the possibility of operating motor vehicles connected with this, passenger cars are comparatively more often found in households of inhabitants connected with an agricultural holding. In accordance with IAFE-NRI research (Wrzochalska, 2006), in 2006 more than 90% of such households had a passenger car.

Research showed that share of the population working outside their village increases not only as an effect of growing number rural population deciding to get employment beyond the place they live in. In the opinion of the *soltyses*, after 2000 their villages started to perform the function of the "bedroom-place" for people working in towns, and after year 2004 there was observed significant intensification of the suburbanisation process in villages in question, which was reflected in the increase in the number of new inhabitants from urban area. The appearing general tendency of the migration of people from urban to rural areas, situated in their neighbourhood, regarded over one fourth of the researched villages. Also functions performed by a given village for the inhabitants of surrounding towns became of big importance for the development of the community. Over half of the surveyed thought that urban inhabitants came to their villages with touristic and recreational aims or with the aim to make use of cheaper services.

The fact that urban inhabitants use touristic as well as service and trade infrastructure of the researched villages, has an advantageous impact on their economic development to a considerable degree. This is supported by a comparatively large percentage of the researched people among those declaring the appearance of such phenomenon, who

highlight that due to such forms of mobility of urban inhabitants, there are created new workplaces, companies and service outlets. Such correlation was observed in almost 80% of the villages.

In opinion of *soltyses* localisation with respect to facilities can positively stimulate the development of non-agricultural activity in the countryside. Almost half of the village administrators (46%) think that their villages are located near facilities, which could influence positively their economic development, which are fast roads, speedways or motorways, border crossing points, a special economic zone, or a big employing establishment or town. Over half of them (57%) is located in the neighbourhood of environmentally attractive places (lakes, rivers or lagoons), although additional possibilities of the non-agricultural activity of the inhabitants are not seen with respect to the majority of them. This influences the opinion about the possible directions of rural development in the future. Over one fourth of the village representatives connect the future development of their villages only with the development of agriculture, and almost one third with agriculture in connection with the development of services, production plants, trade activity, tourism and agritourism or entrepreneurship.

Every twentieth person does not see the perspectives for the development of his or her village at all. Nevertheless, almost every fourth of the researched persons connects the development of his or her village in the next years with the development of its non-agricultural functions.

ROLE OF SELF-GOVERNMENT IN LOCAL DEVELOPMENT

The development of technical infrastructure is one of the basic factors influencing the economic revival of rural areas. It includes, *inter alia*, the norms, principles, organisational structures and operational mechanisms, which create the basics for local development. The opinions of the rural inhabitants confirm that the most considerable impact on the local economic development, in the opinion of the rural inhabitants, has the work of commune authorities. In their opinion the local government may be the most successful in reducing the disparities between villages in the area in terms of infrastructure, thus contributing to a more equal activation of the entire district.

Local investments shape the quality of economic space and generate the creation of new economic entities in rural areas. At the same time, it is plain to see that the rural population considers the local self-government to have the greatest the financial and decision-making responsibility for stimulating local entrepreneurship. In the process of activation of rural inhabitants, the biggest role is played by these investments, which realisation is viewed as a chance of the economic development of a village. Therefore, rural inhabitants most often point to the improvement of road infrastructure and construction

of new employing establishments as investments effectively influencing the growth of entrepreneurship of a given village. Investments in social infrastructure, on the other hand, are viewed as undertakings indirectly influencing the local economic activation through the growth of living standards in a given region and its attractiveness mainly from the point of view of the place of living. In the future perspective, this can reflect in the development of trade and service activity in a given village. Investments in technical infrastructure (e.g. roads) in social awareness are associated to a higher degree directly with the possibilities in the economic sphere. But investment projects which might create the conditions for new economic activities were only implemented in one-fifth of the villages.

The scale of infrastructural undertakings carried out by self-governments, in the opinion of the inhabitants of individual regions, is characterized by a considerable variation. Inhabitants of villages of Central-Western and South-Western parts of Poland evaluated their level very critically. Only in every tenth researched village from this area are investment works carried out were associated with the possibilities of entrepreneurship growth. In over one third of the villages located in the Central-Eastern region, the realised investments, in the opinion of the society, can result in the growth of the number of economic activities in the future. This is important from the point of view of influencing not only the improvement of economic situation of rural areas, but also is a kind of an impulse for the activation of entrepreneurship and their inhabitants.

The prevailing opinion of the inhabitants of the surveyed villages was that apart from the investments in social and technical infrastructure, rural entrepreneurship can be stimulated most of all by legal changes, limiting bureaucratic procedures of registering new companies on the one side, on the other side, limiting tax burdens, especially those regarding the costs of employing workers. This means that the opinion about the excessive costs of carrying out a business activity, which prevails among entrepreneurs, is also supported by the researched rural society. Similar examples of rural areas' development can be seen in research findings on neighbouring Czech Republic (Hudečková and Pitterling, 2009; Zagata, 2009).

In addition to indirect measures such as infrastructural investment, local governments support rural entrepreneurship also through direct activities oriented towards promoting the entrepreneurial spirit in local communities, by means of educational programmes aimed at improving the qualifications and the knowledge level of the rural population. The main activation instrument available to local authorities is free training. The authorities play a crucial role in this field: based on the knowledge of local problems and needs and appropriate financial resources they may effectively stimulate socio-economic changes and the economic awareness of the rural population. Therefore, another determinant

of the development of rural entrepreneurship is the educational offer and advisory services provided by the local government, tailored to the needs and interests of the community. The IAFE-NRI survey demonstrates that some local authorities make such efforts.

In 2000–2006, in 76% of the researched villages there was at least one training organised by the information and advisory institution operating in a commune or powiat. The majority of them were trainings based on one meeting, only in one third of them there were two or more meetings carried out.

The information activity of institutions carrying out an advisory activity for the needs of rural area inhabitants usually comes down to solving problems and providing information to persons, who come directly to a given unit. Trainings carried out in a given village or its nearest surroundings have a chance to reach with information the widest circle of recipients and therefore are thought of as the most effective form of increasing the level of knowledge. Thus the need arises for aiming at maximising the number of trainings carried out with subject area as wide as possible, going beyond agricultural issues in the narrow sense.

The research has shown that the trainings carried out included in their subject area mainly issues connected with the effectiveness of agricultural production, new veterinary and sanitary regulations in force after the accession of Poland to the European Union, and practical guidelines for applying for funds offered within the framework of CAP instruments. In this last group, the most widely popularised were trainings related to principles of applying for direct subsidies, connected with the practical assistance in filling in the required applications. Trainings from the scope of entrepreneurship, which means setting up and carrying out own business activity (including also the agritouristic one) were less than 10% of all registered trainings. Such a small percentage of the conducted meetings, for which there is high demand among the inhabitants of villages, points to the need of adjusting the training offer in a commune to various problems with which the inhabitants of villages contend, more often going far beyond the issues directly connected with agricultural production. The need for completing knowledge about issues connected with carrying out a non-agricultural activity was noted in more than 80% of the researched villages.

The research has shown that in the future there would be the greater need for trainings within the scope of raising funds accessible within CAP for the improvement of agricultural holdings' economic situation, as well as for such aims, which are connected with widening knowledge about the issue of entrepreneurship, with a special emphasis put on the possibility of raising the start-up capital from the EU funds (such a need was indicated in more than 60% of the researched villages).

The Agricultural Advisory Centres, performing the function of the main institution providing mul-

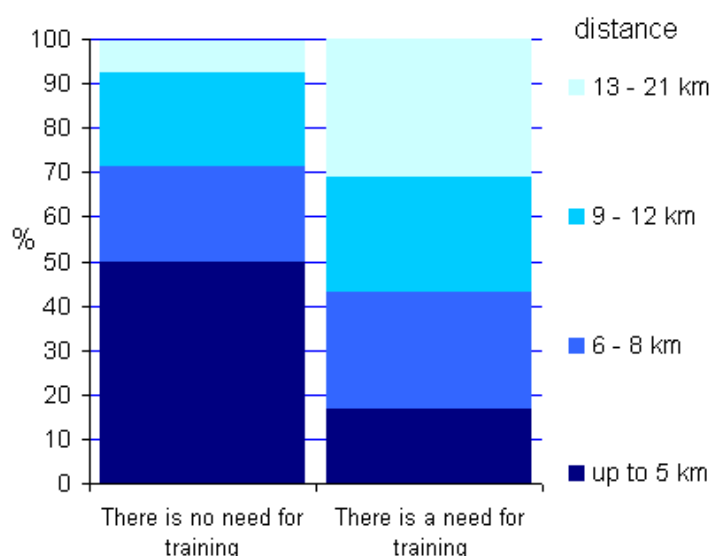
tidirectional assistance for the rural environment, and special sections attached to Commune Offices were most often the organisers of the trainings in the improvement of agricultural production effectiveness as well as sanitary and veterinary conditions in agricultural holdings. The next important information and practical assistance centres are regional bureaux of the Agency for Restructuring and Modernisation of Agriculture. Because of the function of the paying institution for many measures of the implemented agriculture support programmes within the framework of CAP this institution is carrying out an advisory and information campaign, and becomes together with AAC the main source of knowledge about regulations and possibilities of raising funds for the development of agricultural and non-agricultural activity in rural areas.

LOCALISATION AND THE ACCESS OF RURAL INHABITANTS TO INFORMATION AND TRAININGS

The localisation of a village determines in a considerable manner the access of its inhabitants to information and trainings in the possibility of using funds financed from the European Union resources. This is connected with the fact that the majority of consultancy service units (such as agricultural advisory centres or rural municipality information points) are located in towns. Such thesis is supported by research carried out among the researched villages' soltyses. A considerable group of them (87%) notices the need for trainings in the area of their villages from the scope of the accessibility of the European Union aid funds. Almost as many of them (80%) think that in their villages there is a de-

mand for trainings in setting up a non-agricultural activity. A detailed analysis of data has shown that the village administrators' opinions about the necessity for trainings in entrepreneurship was crucially connected with the place of living, determined in kilometres from the nearest commune town. The necessity for trainings in entrepreneurship was not noticed most often (58%) by village representatives whose villages were situated near a commune town, which is not further than 5 kilometres, most often (92%) the necessity for such activities was indicated by village administrators from villages at least 13 kilometres away from a town. A crucial correlation at the level of a statistical tendency was observed between the evaluation of the need for advices and trainings in the promotion of own company and the distance to the nearest municipality (Pearson's chi-square test 7.543; $df = 3$; $p = 0.056$).

The opinions of village representatives concerning the necessity for advices and trainings from the scope of raising funds within the framework of aid programmes financed from the European Union were also connected with their place of living, determined in kilometres from the nearest municipality town (Fig. 2). The necessity for trainings within this scope most often was seen by village representatives of villages situated the furthest from the nearest commune town, a relatively smaller number of village administrators, on the other hand, from villages situated in the neighbourhood of a commune town did not see the necessity for trainings and advices concerning such issue. A crucial correlation at the level of a statistical tendency (Pearson's chi-square test 7.238; $df = 3$; $p = 0.065$) was noticed between the distribution of indications for the necessity of trainings in the accessibility of aid funds from the Euro-



2: The need for information and trainings about assistance programmes according to the distance to the nearest commune town (% of indications).

Source: own calculations based on the questionnaire findings

pean Union and the distance of a village from a municipality town.

Soltyses from villages situated 9–12 km away from a commune town (43%) and those living the furthest from a town, which is 13–21 kilometres (29%) were talking about the necessity for such trainings most often. The necessity for trainings was not seen by village representatives from villages directly bordering with towns and situated not further than approximately 9 km from a town. On the basis of such simple correlations, it can be stated that the level of information among the inhabitants of villages is decreasing together with their distance from urban centres.

That means the localisation of a village with respect to a town is an important factor of the economic development. It shows the importance of the rural-urban linkages that can be stimulated with the development of transportation systems and process of suburbanization.

Therefore adequate infrastructure such as transportation, communication, basic services is the backbone of the urban-rural development linkage approach. There is a positive relationship between adequacy of transportation infrastructure, ease of mobility and access to employment and enhancement of income. Adequate investments in infrastructure, particularly transportation infrastructure, also improve rural productivity and allow access to markets, jobs and public service by rural population (Okpala, 2003). It is important that governments at the national, regional and local level recognize the potentials of rural-urban development linkages, the impact of their development actions on urban and rural areas and the positive role they can play in poverty alleviation. Therefore communication systems should be strengthened by measures offered by different policies.

CONCLUSIONS

The analysis carried out enables to state that the localisation of a village with respect to a town is an important factor of the economic development. Village representatives consider it as the factor of favourable socio-economic changes of rural areas in the future. This can be connected both with the process of inhabiting rural areas by people working in towns, and with the fact of using the touristic as well as service and trade infrastructure in the rural area by the inhabitants of towns. Such processes occurring in 2000–2006, in the opinions of village representatives, have a positive impact on the economic development of villages. The favourable impact is most often seen in the development of entrepreneurship, and what goes with this, new workplaces.

The opinions of the rural inhabitants confirm that the most considerable impact on the local economic development, in the opinion of the rural inhabitants, has the work of commune authorities, and the decision making and financial burden in activating local entrepreneurship should be placed on them. This requires the broadening of competences and increasing financial resources for the activity of public administration local units. The postulate to strengthen the scope of obligations of commune authorities with respect to outlay and investment aims is justified also by the fact that a self-government has broad knowledge about infrastructural shortages appearing in its area, and on the basis of this knowledge can the most successfully eliminate the differences in the technical infrastructure of individual villages, and contribute to the equal activation level of the whole territory of rural municipality. The opinions of the rural inhabitants confirm the insufficient level of infrastructural investments. It is believed by the respondents that both commune authorities should increase outlay with the aim of eliminating shortage in the scope of investment undertakings, especially road infrastructure.

The support of rural inhabitants entrepreneurship by self-governments, apart from indirect activities in the form of infrastructural investments, is also seen in direct activities directed at the activation of society through education which increases qualifications and the level of knowledge of rural area inhabitants. The basic instrument in this area, which self-governments have at their disposal, is trainings for rural inhabitants. The key role in this issue plays a municipality governments: knowing the problems and needs of local society and having appropriate financial resources, it can in the most effective way influence the overall economic knowledge of rural area inhabitants and the awareness of the existence of support instruments of entrepreneurship, which are the basics of socio-economic transformations. Therefore, the next factor having an impact on the local development is a training and advisory offer of self-governments, appropriately adjusted to the needs and interests of the society. The localisation with respect to towns also influences the level of the inhabitants' knowledge about the possibilities of small entrepreneurship development and the general level of knowledge about the possibilities of applying for rural development assistance from the funds financed from the EU resources. On the basis of the data analysis, it can be stated that together with the distance from self-government centres, the demand for information and trainings which can contribute to the researched villages' economic development is growing too.

Although the central element of this system is self-governments, from the point of view of rural society activation, a very important role play informational and advisory institutions and regional

branches of the paying agency within structural funds. After the accession of Poland to the European Union structures their importance as the source of general information and practical advices for rural inhabitants have grown.

One of main dimensions of the EU development policy (Commission Regulation, 2006), i.e. sustainable mobility of human resources is significant for rural development, e.g. with regard to improved rural-urban transportation systems or support for the development of polycentric networks. This types of investments may promote relationships between rural and urban areas, as well as reducing disparities between them. Therefore suburbanization in Poland should be supported with the development of mass transport systems: especially railways, bus transportation and mass car ownership, all of which make possible the separation of work in towns and living in rural areas.

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