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Social and Economic Changes in Rural Areas in the First Years of EU Membership

Introduction

The rural community has been undergoing continuous transformation resulting in its integration into the entire national economy, as an inseparable part of society. In addition to systemic changes related to Poland’s economic transition, EU accession has also affected the social and economic position of the rural population, faced with new working and living conditions.

One problem of agricultural and rural development after the economic transition, as well as the main subject of study, represents the adaptation of human potential to the challenges of the market economy. The scope of study includes changes in the demographic processes and the transformation of the social and employment structure of the population. The study also comprised the continuing disparities in the development level of rural areas, where the development of the whole rural population or specific groups hardly corresponds to living conditions in towns and cities and fails to meet the needs of rural communities. The analysis covered various problems related to the human factor – primarily the economic activity of persons living on farms and certain backwardness or disadvantage of rural communities compared to the urban population (selected elements of technical infrastructure and the equipment of rural households with durable goods).

In recent years, under the changing socio-economic realities in Poland, characteristics resulting from specific conditions in rural areas, having a direct impact on the situation of the rural population, have gained a new dimension. A farming family remains a consumer community and a producer group where family and production roles are intertwined. Activities other than nurturing and parenting, decision making and organisation of the whole farm have been growing in importance. Performing both functions involves new tasks and qualifications related to household budget planning and management, knowledge on rational and economical nutrition or home furnishing. Money, time or energy management in the family determines the success or failure of the entire holding. Increasing welfare of individuals and improving welfare distribution in society are seen as the most important goals to be achieved through socio-economic development. Therefore, the assumption is that an analysis of the equipment of rural households with durable goods also has a significant information value and, indirectly, represents a basis for evaluating the ongoing socio-economic changes in Poland.

Adaptation is taking place in a number of areas, including developments such as:

- demographic and social changes within the family,
- employment,
- changing the rural environment.
Demographic and social changes within the family

Demographic changes

Human resources in rural areas present significant capital and development potential since the rural population accounts for nearly 40% of Poland’s population. Despite the reduction in the farming population aged 15 or over, between 1996 and 2002 it still represented a considerable share of Poland’s population. At the same time, the farming population became markedly younger. There was a rise in the share of the youngest group (i.e. persons under 15 years of age) in family farms. The highest increase in the number (by 37%) characterised the group of young persons aged between 15 and 17. Furthermore, the share of persons between 45 and 54 years of age also showed growth (by 28%). At the same time, there was an apparent decline in the share of the oldest persons, also resulting from demographic changes. Both the number and the share of the working age population went up. It is worth noting that the mobility age population remained virtually unchanged, whereas there was a significant rise in the number and the share of non-mobility age groups. One reason was that persons born during the population boom in the 1950s had become part of the non-mobility age population. At the same time, there was an increase in the number of post-working age persons, by a total of more than 1 million.

Nevertheless, considering the number of non-working age persons per 100 working age people, the ratio is definitely less favourable in the country than in the city. For every 100 working age persons, there are 72 non-working age persons in rural areas compared to 55 in towns and cities. Although presently this relation is highly unfavourable from the point of view of labour market participation in society, it suggests that in the future this factor offers development potential since the children and youth of today will be a large group of working-age persons in the near future.

Changes in attitudes and aspirations of the rural population

Changes in attitudes and aspirations of members of rural families are mostly observed in activities concerning the choice and implementation of working methods and children’s education, which is reflected in improving the present and future living conditions.

The higher number of children born in rural areas compared to towns and cities entails more duties for rural families in terms of nurturing and parenting. Even though rural families are smaller at present than they were years ago, modern rural parents (mothers and fathers alike) are faced with new challenges. Children have become less involved in farming activities. Parents try to create a favourable learning environment for their children, invest in their development and intellectual growth as well as organising leisure as far as possible, sometimes contrary to popular opinion of the local community.

As regards the structure by education, the share of the rural population with higher education doubled in the period between agricultural censuses. However, the share of persons with a university degree was only 5.4%. Furthermore, there was a significant rise in the share of persons with secondary and post-secondary education, up to 22.6%. At the same time, the share of the rural population with primary education showed a decline. There was also a marked fall in the share of persons with incomplete primary education. Presumably, it was closely related to changes in the demographic structure since this educational level mostly characterised persons who attended school between World War I and World War II.

Private educational establishments play a prominent role in increasing the educational level of the rural population. A number of higher education institutions have been located in rural areas, thus easily accessible for rural youth. At present, it is difficult to accurately evalu-
ate this phenomenon or to determine the total number of graduates from rural areas\(^1\). Furthermore, the teaching level in such establishments may be open to question, particularly in comparison with renowned universities with many years of tradition. Nevertheless, improved accessibility of private higher education institutions also increased educational aspirations of rural youth. Education has gained market value, which had a considerable effect on its supply in rural areas. Therefore, rapid development of the private education sector significantly contributed to reducing disparities in access to higher education. On the other hand, however, social and community differences have appeared in another dimension. Rural youth has been increasingly choosing less prestigious schools characterised by lower teaching levels as well as traditional specialisations. At the same time, urban youth mainly attend renowned public universities with established teaching standards. Most young people in cities choose modern and popular specialisations with job prospects, which gives them more employment opportunities, a more favourable labour market position and higher income level compared to graduates from rural areas. However, private schools have undoubtedly become an alternative for the rural population, particularly due to easier accessibility in terms of location\(^2\).

**Living standards of the rural population**

In addition to income, the equipment of households with durable goods represents a significant indicator of living standards and the quality of life in the population in question. The type and service life of goods, technical parameters and depreciation depend on a number of variables, both economic (income, prices) and non-economic factors (the number of family members, the number of children, age etc.). The number of goods indicates the standard of a household. The equipment with durable goods presents another indicator of household wealth in Polish rural areas (in addition to purchasing power parity, savings, expenditure structure). The results can also be interpreted in terms of civilisational advancement (in areas such as the number of telephone lines, computerisation, access to Internet). Even though the equipment of households with technical installations as well as sanitary and heating systems increases every year, the gap between rural and urban areas continues to be significant.

Surveys conducted by IERiGŻ-PIB in 2005 indicated that a total of 80.0% of rural households had water supply systems (whereas every fifth agricultural holding used a water pump – see table 1). Water supply and sewage systems were found in 20.0% of rural households, i.e. up by 7.5 percentage points compared to 2000. In the period in question, there was also a rise (by 6.3 percentage points) in the share of homes with water supply, sewage and heating systems at the same time. In 2005, a significant share of the surveyed households (a total of 84.8%) had a bathroom and a toilet, whereas a minor group also declared having own waste water treatment facilities. The equipment with durable goods was greater in households owning agricultural land than in landless families. Households with more agricultural land also had more durable products (table 2).

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\(^1\) Rural youth only accounts for 23.9% of the total number of students, or even less in the most prestigious universities.

\(^2\) Most higher education institutions (public and private establishments, local branches and units included in ministerial lists) are located in Poland’s largest and wealthiest cities. At present, only 125 out of the 479 higher educational establishments are situated in towns with up to 100,000 inhabitants, of which 75 institutions are located in towns with up to 50,000 inhabitants.
Table 1. Share of rural households equipped with basic installations in 2005

<table>
<thead>
<tr>
<th>Specification</th>
<th>Households</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>total</td>
</tr>
<tr>
<td>Water-line system</td>
<td>80,0</td>
</tr>
<tr>
<td>Water pump</td>
<td>21,6</td>
</tr>
<tr>
<td>Bathroom</td>
<td>84,8</td>
</tr>
<tr>
<td>Boiler</td>
<td>74,4</td>
</tr>
<tr>
<td>Toilet</td>
<td>82,3</td>
</tr>
<tr>
<td>Sewage system</td>
<td>22,5</td>
</tr>
<tr>
<td>Home sewage treatment</td>
<td>1,9</td>
</tr>
<tr>
<td>Central heating</td>
<td>73,7</td>
</tr>
</tbody>
</table>

Source: IERiGŻ-PIB 2005 survey

Table 2. Share of households equipped with selected installations in 2000 and 2005

<table>
<thead>
<tr>
<th>Specification</th>
<th>Households</th>
<th>total</th>
<th>peasant</th>
<th>non-peasant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water-line system and sewage system</td>
<td>12,5</td>
<td>20,0</td>
<td>10,6</td>
<td>16,0</td>
</tr>
<tr>
<td>Water-line system, sewage system and central heating</td>
<td>11,0</td>
<td>17,3</td>
<td>9,5</td>
<td>14,7</td>
</tr>
<tr>
<td>Water-line system, sewage system and bathroom</td>
<td>12,1</td>
<td>19,2</td>
<td>10,4</td>
<td>15,7</td>
</tr>
<tr>
<td>Bathroom, boiler and toilet</td>
<td>65,1</td>
<td>71,8</td>
<td>71,1</td>
<td>76,6</td>
</tr>
</tbody>
</table>

Source: IERiGŻ-PIB 2000 and 2005 surveys

The surveys demonstrated that in 2005 89.3% of households had all the devices defined as common goods (i.e. a refrigerator, a television set and a gas or electric oven – see Table 3). Compared to 2000, the share of such households increased by 15.6 percentage points. Devices and appliances described as “once luxury goods” (i.e. a video cassette recorder, an automatic washing machine, a wired telephone, a television set) were found in 28.4% of rural families. In comparison with 2000, this proportion went up by 10.2 percentage points. There were also rural families with a significant share of less common products (defined as luxury goods). For example, in 2000 households which had a satellite dish, a personal computer, a mobile phone and a video camera at the same time represented 0.6% of the surveyed group, whereas they accounted for 2.6% five years later. The role of the above-mentioned goods in rural households has markedly increased in recent years. It particularly concerns personal computers and Internet access in rural households. In this case, there was a rise in the share of rural households equipped with such facilities, from 9.7% in 2000 to 22.8% in 2005 (of which 7.8% of rural families had Internet access). It enables individuals to exchange information, have better access to the labour market (also as a result of introducing new working methods) as well as offering various educational opportunities. An analysis of the level of equipment with durable goods and of changes in this respect leads to the conclusion that aspirations of the surveyed rural families reflect changing consumption patterns towards higher-order values.
Table 3. Share of investigated households furnished with selected durable goods

<table>
<thead>
<tr>
<th>Specification</th>
<th>Households</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>refrigerator, TV set, gas or electric oven</td>
<td>73.7</td>
<td>89.3</td>
<td>75.4</td>
<td>91.4</td>
<td>71.7</td>
<td>87.6</td>
</tr>
<tr>
<td>refrigerator, TV set, gas or electric oven, washing machine</td>
<td>43.7</td>
<td>61.5</td>
<td>44.7</td>
<td>66.1</td>
<td>42.8</td>
<td>58.1</td>
</tr>
<tr>
<td>refrigerator, TV set, washing machine, vacuum cleaner</td>
<td>42.0</td>
<td>59.4</td>
<td>43.0</td>
<td>64.0</td>
<td>41.2</td>
<td>55.9</td>
</tr>
<tr>
<td>video tape recorder, washing machine, wire telephone, TV set</td>
<td>18.2</td>
<td>28.4</td>
<td>21.0</td>
<td>33.6</td>
<td>15.9</td>
<td>24.4</td>
</tr>
<tr>
<td>refrigerator, microwave oven, food processor, washing machine</td>
<td>4.9</td>
<td>9.0</td>
<td>5.9</td>
<td>10.8</td>
<td>4.1</td>
<td>7.6</td>
</tr>
<tr>
<td>refrigerator, microwave oven, food processor, dishwasher</td>
<td>1.1</td>
<td>2.2</td>
<td>1.0</td>
<td>2.5</td>
<td>1.0</td>
<td>1.9</td>
</tr>
<tr>
<td>satellite tv equipment, personal computer, mobile phone, video camera</td>
<td>0.6</td>
<td>2.6</td>
<td>0.6</td>
<td>2.9</td>
<td>0.6</td>
<td>2.4</td>
</tr>
<tr>
<td>dishwasher, microwave oven, satellite tv equipment, second car</td>
<td>0.3</td>
<td>0.9</td>
<td>0.3</td>
<td>1.1</td>
<td>0.3</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Source: IERiGŻ-PIB 2000 and 2005 surveys

Changes in employment

Changes in the rural labour market

Regardless of the various positive changes observed in the rural environment, the surveys demonstrated that indicators describing working life (i.e. the labour market participation rate, the employment rate and the unemployment rate) in rural areas showed significant disadvantage of the rural population in the job market and the related high registered and hidden unemployment in the countryside. Typically, residents of rural areas are reluctant to report to labour offices and register as unemployed person, which also contributes to understated em-
employment rates.

Changes in employment primarily concern adaptation to the new rules of the market economy, on the part of both farmers and self-employed persons running a business. As late as the 1990s agriculture absorbed a considerable share of labour redundant in the job market. But the situation has significantly changed in comparison with 1996. At present, agricultural holdings tend to shed redundant persons, reduce employment and engage only necessary labour. At the same time, the rural population has limited access to off-farm jobs, due to either the lack of such or low remuneration, frequently inadequate to the required skills and education, which fails to motivate prospective employees. Therefore, some residents of rural areas, particularly those with better education, migrate to cities or abroad, in search of employment.

Many residents of rural areas combine on-farm work with other activities, in order to improve the financial situation of the household as well as finding their place as individuals. From the point of view of persons having such employment, current income is combined with other benefits such as financial self-sufficiency (e.g. working for one’s own old-age pension) and primarily self-esteem increased by work and social relations. Regular earnings of one spouse make it possible to purchase adequate working tools and equipment, irrespective of cyclical changes in agriculture, which reduces the economic pressure of a farm on the family. At the same time, different jobs of husband and wife lead to a stronger integration of farming families into society. Thus, rural households evolve towards the model of urban households characterised by general occupational mobility and diverse income sources.

The economic transition played a vital role in the formation of the non-peasant population. This group also came to absorb people retiring from agriculture, which resulted from an increased interest of the rural youth in taking over farms by way of succession. Other reasons for leaving agriculture include changes in this section of the economy stemming from new macroeconomic conditions, particularly increased competition and the need to cut production costs. Due to the significant farm land fragmentation, characteristic of Polish farms, hidden unemployment in agriculture started growing very rapidly and, irrespective of the scale of the labour market imbalance, the very situation in agriculture forced the search for an alternative income source. As a result, although the group of rural families destitute of farmland suffered from all the adverse consequences of the restructuring of the economy, the number of rural families in this category continued to increase.

Most income-earning families derived their income from paid employment, it is worth mentioning that some of them were self-employed. However, self-employment continues to be principal income source for a small percentage of the total number of income-earning families. Such a situation primarily stems from the lack of experience in running a firm since prior to the economic transition the number and status of people destitute of farmland was mostly determined by the absorptive labour market. Furthermore, difficulties resulting from capital limitations and low professional and vocational qualifications in this group also play a vital role. Research indicates that self-employment within the group of families destitute of farmland became popularised through the involvement in the processes of multifunctional rural development, already at an advanced stage. Such interrelations are exemplified by a relatively high share of self employed families with no farmland in the South-Eastern Macro-region, which is characterised by significant farm land fragmentation and longstanding traditions of income earning among the rural population.

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3 All indicators are calculated on the basis of GUS data according to information given by labour offices.

4 According to the 2002 agricultural census, persons having only off-farm jobs accounted for 21.8% of Poland’s total farming population aged 15 or over, those combining regular off-farm employment with on-farm activities represented 4.4%, persons working exclusively on the farm accounted for 23.1%, whereas a mere 0.8% combined farming activities with additional off-farm work. Others (49.9%) were inactive.
The characteristics of rural families destitute of farmland have shown that increased polarisation of non-agricultural activities is of essential importance to the socio-economic development in rural areas and that the analysed group plays a vital role in changes in farm labour resources and affects the transformation of the socio-economic structure of the countryside.

Determinants of the employment level

In recent years, education has significantly grown in importance as a determinant of life opportunities and the position in the labour market. It means that the condition of the national economy and its performance is increasingly dependent on the formation and appropriate use of knowledge. The monitoring of the situation in the rural labour market has shown a clear link between the educational level of the population and the situation in the job market.

According to the surveys, a lower educational level was accompanied by a declining share of working persons and a rising proportion of the unemployed and inactive. The prospects of taking up an off-farm job and winning the competition in the rural and urban labour markets were directly related to the educational level.

There was a marked improvement in the educational level of young people, which increased their job opportunities and made it possible for them to leave the farm. As regards the structure by education, the share of individuals with a university degree doubled in the period in question. At the same time, there was a significant fall in the share of persons with (mostly incomplete) primary education. On the other hand, however, the rural labour market was characterised by limited job offers for skilled labour.

Analyses demonstrated that higher educational levels of members of farming families were accompanied by limited fluctuations in the labour market participation rate and in the employment rate. A similar pattern was observed irrespective of gender. In both groups (women and men), lower educational levels were accompanied by lower labour market participation rates and employment rates, and higher unemployment rates.

One factor having a marked effect on the scale of change in the structure of the rural population by employment between the last agricultural censuses was the size of a farm. There was a clear relation between agricultural land and the share of persons working exclusively or mostly on the farm – larger holdings were characterised by limited employment reduction. In the case of persons living on the smallest agricultural holdings (1-2 ha of agricultural land), their employment fell by 50%, whereas those working on the largest farms (more than 50 ha) – it only declined by 6%.

The employment of the farming population also depended on the market orientation of production. The highest share of persons employed was found on commercial farms. In the case of smaller agricultural holdings, it was common for members of farming families to seek additional earnings from off-farm work. The correlation between the size of agricultural land held and the share of persons taking up off-farm jobs increased during the period in question.

As regards gender, it mostly determined activity or inactivity in working life – men appeared to be more active regardless of the criterion applied (on-farm work, off-farm employment and job seeking). It was more frequent for women to be inactive.

Off-farm work was mostly taken up by young people. It was particularly evident in the case of farms of 5 to 10 ha of agricultural land, where the share of the population between 20

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5 For example, in the period between the last two agricultural censuses, in the group of persons with higher education the labour market participation rate only fell by 5.3 percentage points, whereas the employment rate declined by 11.6 percentage points. At the same time, in the case of individuals with incomplete primary education, the labour market participation rate dropped by 63 percentage points and the employment rate decreased by 64 percentage points.
and 29 years of age was more than 40% of paid employees in 2005. A similar situation was found in agricultural holdings of 10 to 50 ha, where persons with off-farm employment and aged between 20 and 29 represented over 50% of all salary and wage earners.

Following Poland’s accession to the EU, the labour market has undergone significant changes, not only with regard to the employment level, but also structural transformation. Structural change is related to rapid growth of the private sector, the formation of new occupations, the reduction in agricultural and industrial employment accompanied by the rise of the service sector. Lifelong learning, skill improvement and continuous adaptation to changing conditions are necessary to cope with competitive pressure of the labour market. It involves significant effort and an active attitude, on the part of both persons employed and job seekers.

Transformation of the rural environment

Other changes concerned the participation of the rural population in transforming their own environment, thus the possibility to contribute to community development as members of local or regional authorities or as employees of non-governmental organisations. Furthermore, such activities are also educational in nature since they instil public spirit and stimulate personal development.

Following EU accession, most activities have been aimed at activating local communities in order to promote the development of multifunctional agriculture and rural areas, particularly non-agricultural economic activities. The objective is to shape social attitudes and stimulate grass-roots initiatives for increased taking up of new economic activities and rational use of European Union funds, not only those targeted at agriculture, but also financial resources allocated for regional and social development.

At the present stage of study, the monitoring of changes concerning the transformation of the rural environment has primarily demonstrated a greater need for such actions. Therefore, the state and local authorities, as well as various non-governmental organisations should make every effort to activate and fully use the potential of the rural population.

Summary

The integration of Polish agriculture into the European Union has triggered various changes, also with regard to the social situation of rural areas. The development of agriculture will have to follow the rules applicable in the economies of trading partners, which involves coping with competition. Human resources in rural areas have improved in a number of ways. Considering the age structure, the increased educational level and other favourable changes, the demographic potential of the rural population may represent an invaluable factor of the development of multifunctional rural areas.

The need for educating the rural population, both improving the educational level and activating public spirit, is of primary importance in terms of employment and unemployment, as well as competitiveness in the rural and urban labour markets. Low educational level frequently generates more unemployment, whereas raising the educational level results in greater job opportunities. Furthermore, better education boosts career prospects and contributes to improved economic and financial situation (increased earnings).

Nowadays, when human capital plays an ever-greater role in economic development, the educational level of the population is increasingly important both in terms of overall changes in the economy and from the point of view of an individual. More and more fre-

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6 Such as the European Regional Development Fund and the European Social Fund.
quently, the educational level determines employment opportunities in the labour market and affects the fulfilment of career and cultural aspirations. Therefore, it is necessary to introduce new content and organisational solutions in the vocational training of farmers. It should improve their general education and provide civic knowledge, thus shaping appropriate social attitudes. In addition to pure competence, the new social attitudes are increasingly required from farmers. These concern a passion for land and animals, the ability to engage in the conservation and protection of natural and cultural heritage, as well as the willingness to overcome inconveniences related to agricultural activities.

The economic and social activity of the rural population is limited. This is reflected in the widespread passive attitudes, which hampers the development of entrepreneurship being such a crucial factor nowadays. The above characteristics of the rural community form a significant barrier to stimulating development processes.

During the period in question, there were positive changes in the living standards of the rural population. As for rural household equipment, a significant improvement was observed with regard to technical installations as well as specific durable goods and their categories. It is particularly important that a growing number of rural families own personal computers and have Internet access since the rapid development of this medium in all areas of social and economic life also makes it possible to modernise the organisation and information spheres of agriculture and to activate rural areas.

REFERENCES: