

**SUSTAINABLE RURAL DEVELOPMENT – EUROPEAN UNION
PROGRAMMES IN POLAND AND ROMANIA**

**MALGORZATA ZAJDEL¹, COSMINA-SIMONA TOADER²,
MALGORZATA MICHALCEWICZ-KANIOWSKA¹**

¹University of Technology and Life Sciences in Bydgoszcz, Poland, Faculty of Management

²Banat's University of Agricultural Sciences and Veterinary Medicine

“King Michael I of Romania” from Timisoara,

Faculty of Agricultural Management, Timisoara, Romania

e-mail: malgosia@utp.edu.pl

Abstract: *European Union programs which support broadly understood development of local communities play a vital role in sustainable rural development. Selected European Union programs that support rural development in Poland and Romania are the subject of this study. As far as Poland and Romania is concerned, the study will focus on the Leader program as one of the initiatives stimulating sustainable rural development. The Leader program in Poland and Romania allows for the creation of Local Action Groups. Local Action Groups are tri-sector partnerships which combine available resources from the public sector (gminas, local self-government units), the economic sector (companies, private persons) and the social sector (associations, foundations).*

Key words: *sustainable development, European Union, Leader Program, Local Action Groups*

INTRODUCTION

The European Union is one of the most developed zones of the world from economic point of view, and in the same time one of the most competitive ones. Despite this fact, the European Union faces major structural problems caused by the significant differences regarding prosperity and productivity from the member countries and their regions. The regional differences increased when the new 13 members joined in May 2004, January 2007 and July 2013. So, 10% of the European Union population living in the most dynamic regions generates eight times higher incomes compared to 10% of the population living in the less developed areas. [3, 4]

The regional differences can be caused by several factors, like: geographic distance or low population density, social and economic changes or the inheritance of the previous economic systems. These differences can appear, among others, like social deprivation, poor education or medical assistance, high levels of unemployment or inadequate infrastructure. The European Union policy is designed to promote solidarity and cohesion, so that each region achieve maximum potential, improving competitiveness and occupation of manpower and the alignment, as soon as possible, of the life standards from the “less developed” regions to EU level. [18]

The Common Agricultural Policy (PAC) is not only one of the first common policies but also one of the most important ones due to some specific features [4]:

- PAC is an integration policy, the national policies were replaced, for most of the agricultural production, by common regulations for the markets functioning and products trade;

- PAC is a high consuming policy of financial resources, it consumes, through the complex subvention and other financial stimulants system, about half of the EU budget;
- Over time PAC had several successive reforms, due to the European agriculture needs, EU extension processes and the possibility to trade products on the international market;
- The rural areas of EU cover 90% of the European territory, in these areas lives more than 60% of the population from the 28 member countries;
- Most of the rural areas of EU, mainly the new ones, have significant problems.

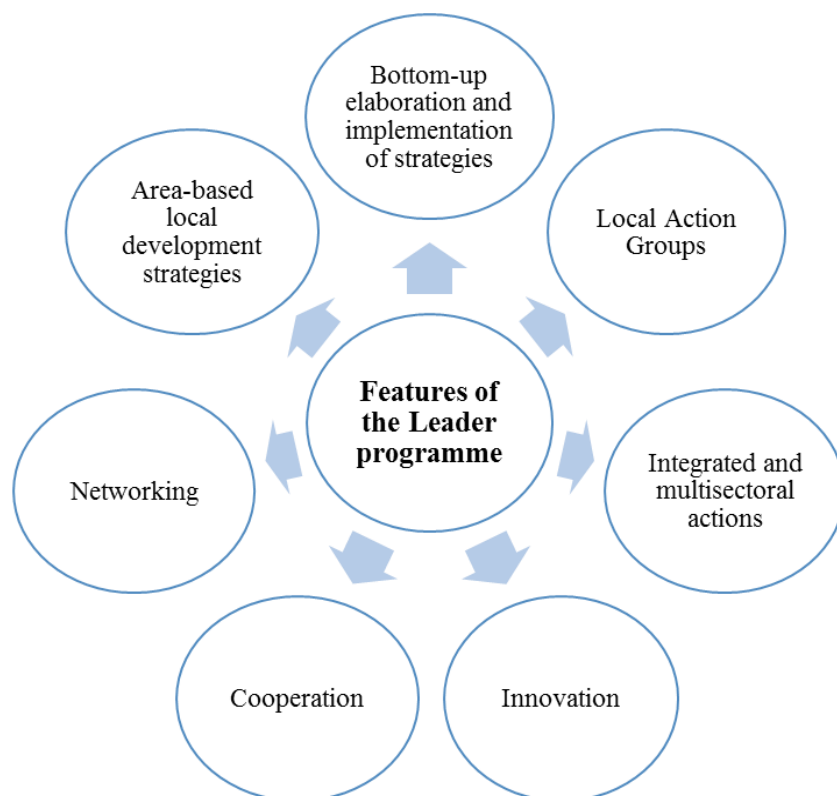
Rural areas and their continued development are gradually becoming a more and more important component of the Common Agricultural Policy pursued by the European Union. Its scope encompasses economic and social aspects of rural development as well as issues connected with the improved enforcement of environment protection provisions in rural areas. Rural development became one of the main premises of the European Union policy that was implemented after Poland and Romania had joined the EU.

Rural areas in Poland fulfil various functions of immense importance for sustainable development in terms of agricultural and non-agricultural production and consumption. They also are a leisure destination as well as a place of living and work. Poland covers 7.1% of the combined territory of the EU member states and rural areas account for 90% of its total territory. Furthermore, they are inhabited by circa 40% of the population.

In 2014, according to the data from the National Statistical Institute from Romania, the Romanian rural area consisted in the administrative area of the 2861 communes, including 12957 villages. The surface of the rural area has 223055 thousands ha, meaning 87.1% of the total surface of the country. The rural population, on 1st of January 2014, counted 9.19 million inhabitants, meaning 46% of the total population. The Romanian rural area owns the majority of the economic resources: raw materials for industry, agricultural, forest, tourism and balneary resources. [4, 11]

Upon joining the European Union in 2004, respectively 2007, the two countries, Poland and Romania became eligible to benefit from the European Union Common Agricultural Policy (CAP) and the Regional Policy (Cohesion). Since then, both countries have also been implementing the Leader program, which was launched in Europe in 1991. The term LEADER is an acronym standing for the French name of the programme, i.e. "Liaison Entre Actions de Développement de l'Économie Rurale" (meaning "Links between the rural economy and development actions"). [6] The Leader approach becomes all the more important if the following statistics are taken into account: rural areas cover 90% of the European Union's territory and over half of the EU's population lives there. [7]

Leader, or "Liaison Entre Actions de Développement de l'Économie Rurale" is a local development method allowing local entities to develop their area by fulfilling its internal potential. The Leader program was one of four axes of the Rural Development Program for the years 2007-2013 and its goal was to mobilize and deliver rural development in local rural communities. The Leader approach can be summarized in seven key features (Figure 1). [8] They are a set of complementing tools which interact with one another to enhance rural development and the ability of rural areas to be self-sufficient in terms of solving their own problems.



Source: Own work based on the Council Regulation (EC) No 1698/2005 of 20 September 2005

Figure 1 Features of the Leader program

The subject of structural funds absorption has appeared only recently as a research problem in the Polish literature [2].

Selected European Union programs that support rural development in Poland and Romania are the subject of this study. As far as Poland is concerned, the study will focus on the Leader program as one of the initiatives stimulating sustainable rural development. Desk research was adopted as the research method for the purposes of this study. This approach involves searching for appropriate qualitative and quantitative data which is relevant to the problem under discussion [2]. One of the most popular actions undertaken within the program was also addressed, i.e. "the small projects" - projects improving the quality of life and diversifying business activities in the area covered by a Local Action Group. The cost of such a project had to fall within the budget of 4.500-100.000 PLN [2].

The objective of this study is to determine the significance of the Leader program between the years 2007 and 2013 as well as to examine prospects for the development of rural areas in the new EU funds budget period for the years 2014-2020.

MATERIALS AND METHODS

Studying some sources from the specialized literature, sources which were mentioned in the biography section, the authors try to presents the significance of Leader program between the years 2007 and 2013 and examine prospects for the development of rural areas in the new EU funds budget period for the years 2014-2020. The stages of the realization of the article were: setting the purpose of the article, study of the specialized literature, setting the targets and conclusion stating.

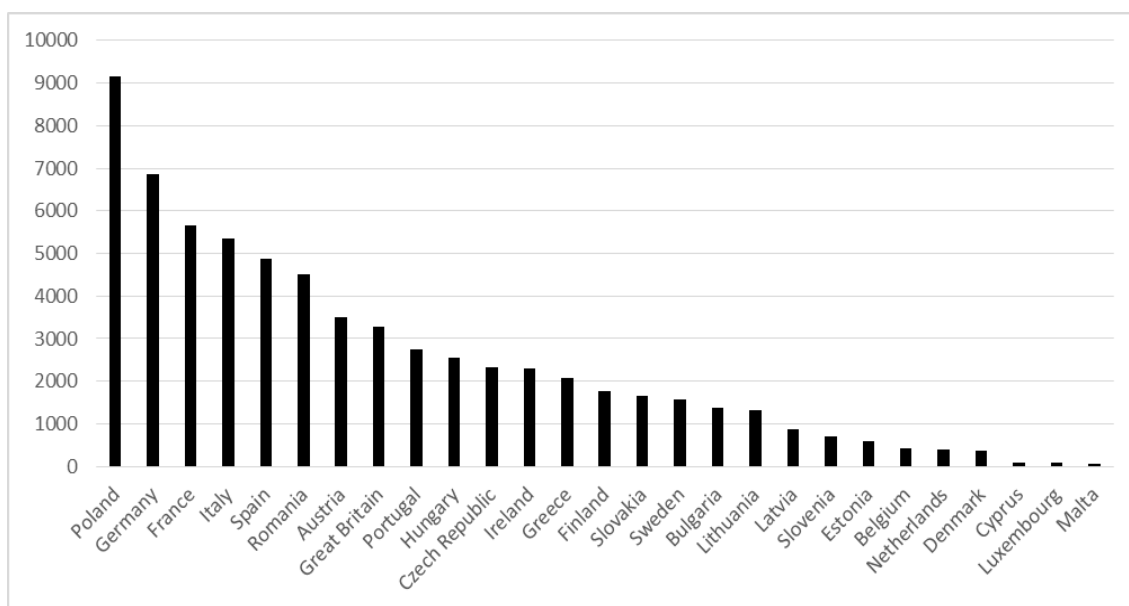
RESEARCH RESULTS

Basis of Local Action Groups operation in the rural areas covered by the Leader program

Local Action Groups, which are the beneficiaries of the Leader program supporting local development, are operating in the rural areas of Poland and Romania. These are local partnerships which stimulate cultural and social development of the area and encourage tourism [5].

Local Action Groups are tri-sector partnerships of agents from the public sector (gminas, local self-government units), the economic sector (companies, private persons) and the social sector (associations, foundations). Their members may be both natural persons and legal entities, including local self-government institutions. At the very beginning of their operation, Local Action Groups had to assess the needs of rural areas, draw up Local Development Strategies and implement them.

Figure 2 indicates the amount of payments made to the beneficiaries by the paying agencies under the Rural Development Program between the years 2007 and 2013. In the case of Poland, this amount is a contribution towards the modernization of agriculture, improvement and development of rural areas and development of their inhabitants. It can be concluded that Poland, in comparison with other EU member states, is one of the biggest beneficiaries of the program. As of 30th June 2013 Poland obtained the amount of 9.169.600.000 EUR. Poland is followed by Germany (6.873.100.000 EUR) and France (5.360.400.000 EUR). Romania occupies a high sixth place with 44.800.000 EUR. Luxembourg (87.200.000 EUR) and Malta (48.200.000 EUR) received the smallest amount of funding. Such a breakdown of funds is connected with the amount a given member state negotiated for the program implementation and the role played by agricultural sector in its economy. These statistics shed a positive light on the next years of the program operation and constitute a proof to the effectiveness of the paying agencies and other institutions responsible for funds allocation and management.



Source: Own work based on literature [16]

Figure 2 Financial resources allocated for the implementation of the Rural Development Program for 2007-2013 by member states (in millions Euro)

Between the years 2007 and 2013, Local Action Groups held competitions and accepted applications for various initiatives. One example of such initiatives was the so-called "small projects" whose objective was to improve the quality of life and diversify business activities in the areas where Local Action Groups were operating. Small projects aimed at improving the quality of life in the local community by conducting various activities in the area covered by the Development Strategy, such as: providing members of the local community with training; organization of workshops and other educational initiatives; organization of recreational, sport or cultural events promoting the region; public space design; promoting local businesses; renovation or modernization of village community rooms and their surroundings or fitting village community rooms with equipment; promoting local products and services.

All these endeavors had a positive influence on the development of tourism and leisure facilities in the area – tourist information points and centers as well as websites and tourist information data bases were created or modernized, brochures and other informative and marketing resources were drawn up and published.

Currently there are 337 active Local Action Groups in Poland. In Romania 163 Local Action groups were approved by the Ministry of Agriculture and Rural development during 2011 and 2012, the building of public-private partnerships was supported by the Axe 4 – Leader from the National Program for Rural Development (PNDR) 2007 – 2013. [10, 13]

The 163 groups covered around 142.000 km², with a participation of 30% of the total population, meaning 6.7 million inhabitants and with a more concentrated distribution of the groups in the Western and central part of the country. Even if the period for implementing the local development strategies and the local action groups was short, it was demonstrated that, based on its specificity, the LEADER approach can contribute to a balanced development of the rural areas and can accelerate their structural evolution. The involvement of the local actors to the development of their area will contribute to the local development and will lead to a dynamic development based on a local development strategy prepared, implemented and managed by the representatives of the local action groups. [9, 12, 14]

The support provided by the LEADER axe offered the possibility, based on the local development strategies developed by the GALs according to the community needs, to combine the objectives of the three axes from FEADER (European Agricultural Fund for Rural Development): increase of competitiveness, environment improvement and quality of live/diversity. [15, 17]

In the new program period between 2014 and 2020 they will be given a tremendous opportunity to improve their activities.

The biggest portion of the funds will be earmarked for the development of the agricultural sector. Its role in the sustainable rural development is crucial; therefore it merits focused and substantial funding and support. Financial instruments in this program will aim at agricultural farm development, reorganization and modernization of small agricultural farms, financing farmers who hand over small farms, payment of bonuses to young farmers, agricultural consultancy services, transfer of knowledge and innovation. The program will also provide support for investments connected with further development of groups and associations of producers, agricultural and food products quality assurance systems as well as agricultural products processing and promotion. Due to certain hindrances to direct sales of agricultural products, funds for the modernization of old marketplaces and the creation new ones will be granted. The situation of agricultural farms

that lost their agricultural potential as a result of a natural disaster will also be improved. Activities are to be conducted in order to safeguard farmers against natural disasters. Ecological farming will also be supported, which is a novelty in the Rural Development Program. Funding will continue to be offered to areas with unfavorable farming conditions. Ongoing activities encouraging the development of entrepreneurship, modernization and development of villages, including technical infrastructure, will ensure sustainable rural development.

The main objectives of the Rural Development Program for the years 2014-2020 include: ensuring sustainable natural resources management, fostering agricultural competitiveness, climate action, as well as achieving a balanced territorial development of rural areas. For the implementation of the Rural Development Program between the years 2014 and 2020, the European Union intends to allocate the public funds in the amount of 13.413.295.000 EUR, whereby 8.598.280.814 will come from the European Union budget and 4 915 014 186 EUR from national contribution.

A new European Commission territorial instrument, the so-called Community-Led Local Development (CLLD) is going to be implemented between the years 2014-2020. It is based on the Leader approach realized between the years 2007 and 2013 and it preserves its main features, i.e. the bottom-up approach, focus on specific areas, networking and cooperation, integration, decentralization in terms of finances and management, innovation and partnership. [1]

Continuous implementation of Local Development Strategy will strengthen the development of bottom-up local initiatives in Poland.

CONCLUSIONS

LEADER is an important instrument for the reduction of economic and social differences and the rural – urban disparities.

The GALs represent the concentrated solution, the transformation into reality of the potential the local communities can develop in order to align with this new approach of European village development, which encourages the return and/or establishment of young people in the territory.

Introduced by the European Commission, community-led local development is one of the instruments for the implementation of territorial policy.

Implementation of the Leader program in Polish rural areas fostered innovation and contributed to numerous improvements in various aspects of socio-economic life. It will be possible to satisfy the needs of disadvantaged areas in Poland and reduce their number, at least in part, by transfer of knowledge and best practices from other entities with extensive experience in developing social capital and by means of international cooperation.

In Romania, the implementation of LEADER and the GALs started in period 2007 – 2013 through PNDR. LEADER can be considered a key measure of rural development, taking into consideration that the current basis services do not satisfy the rural population needs, which is reflected in the economic development of the rural areas from Romania.

In Romania, by its transversal character, LEADER contributes to the rural development objectives identified at PNDR level in 2014 – 2020, the innovation is one of the main elements of LEADER approach. LEADER is linked mainly to the following standard measures of PNDR 2014 – 2020: professional development, young farmers, small farms, modernization of agricultural exploitations, agricultural products processing, support for the creation and development of micro-companies in the agricultural area, including the

encouragement of tourism activities, basic infrastructure at small scale, including the social and educational one, protection of the cultural patrimony.

REFERENCES

1. **ADAMCZYK, R., GAȘIOREK, E., POMIN, M.**, 2006, Prawne aspekty tworzenia i funkcjonowania Lokalnej Grupy Działania w ramach Pilotażowego Programu LEADER+, Poradnik dla animatorów LGD, (Legal Aspects of Creation and Operation of Local Action Groups within the Pilot LEADER+ Programme, Guide for LAG Animators), Fundacja Fundusz Współpracy, Warsaw
2. **BAK, P., BICZKOWSKI, M., BRUDNICKI, R., KNIEĆ, W., KUKOWSKI, J., NAPIERAJ, J.**, Wybrane aspekty wykorzystania funduszy Unii Europejskiej na obszarach wiejskich województwa kujawsko-pomorskiego w latach 2004-2010 (Selected Aspects of EU Funds Use in Rural Areas of the Kujawsko-Pomorskie Voivodeship between 2004-2012) - http://ksow.pl/fileadmin/user_upload/ksow.pl/pliki/ANALIZY_ekspertyzy/WykorzystanieFundUE-woj.kuj-pom.pdf
3. **MATEOC-SÎRB, NICOLETA, UNGUREANU, G.**, 2010, Dezvoltare regională și rurală. Evoluții și tendințe, Ed. Mitron, Timișoara
4. **MATEOC-SÎRB, NICOLETA, MĂNESCU, CAMELIA-MARIA**, 2012, Dezvoltare rurală și organizarea teritoriului, Ed. Mitron, Timișoara
5. **OSIECKA-CHOJNACKA, J., KŁOS, B.**, 2010, Kapitał ludzki i kapitał społeczny na obszarach wiejskich (Human and Social Capital in Rural Areas), Studia BAS, issue no 4
6. **SZYMAŃSKA, A.**, 2005, Fundusze unijne i europejskie (European and EU Funds), Złote Myśli
7. *** – As of May 2004 upon the enlargement to 25 EU member states. Source: European Commission publication The Leader Approach - A Basic Guide
8. *** – Council Regulation (EC) No 1698/2005 of 20 September 2005
9. *** – Context și cadrul legislativ pentru implementarea axei Leader în România - www.madr.ro/axa-leader/legislatie-axa-leader.html
10. *** – Grupurile de Acțiune Locală - [www.rndr.ro/RNDR/27/Grupurile-de-Ac%C5%A3iune-Local%C4%83-\(GAL\)](http://www.rndr.ro/RNDR/27/Grupurile-de-Ac%C5%A3iune-Local%C4%83-(GAL))
11. *** – Institutul National de Statistică - <http://statistici.insse.ro>
12. *** – Leader - www.leader-romania.ro/index.php?pag=leader_pndr
13. *** – Lista Grupurilor de Acțiune Locală - www.madr.ro/docs/dezvoltare-rurala/Axa_LEADER/Lista_cu_Grupurile_de_Actiune_Locala_selectate_de_MADR_si_date_de_contact_2014-update-04.06.2014_copy.pdf
14. *** – PNDR 2014 - 2020 – Dezvoltare locală LEADER (25.02.2014) - s2.ziareromania.ro/?mmid=15bd818624758d599b
15. *** – Programul Național de Dezvoltare Rurală - www.pndr.ro/
16. *** – www.arimr.gov.pl/pomoc-unijna/prow-2007-2013/ponad-247-miliarda-zlotych-wyplacila-arimr-z-prow-2007-13-polska-jest-liderem-realizacji-programu-w-unii-europejskiej.html
17. *** – www.ec.europa.eu/agriculture/publi/fact/leader/2006_ro.pdf
18. *** – www.ec.europa.eu/eurostat/statistics-explained/index.php/GDP_at_regional_level/ro