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## Investment in social infrastructure in rural areas – does it support the development of social capital?

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**Abstract:** *The state of rural social infrastructure and its impact on the quality of life and functioning of rural communities are traditionally seen as marginal to the “mainstream” development activities. The low quality of social infrastructure is, however, an important factor in the marginalization of rural areas. In the period 2007-2013 there is a possibility to implement thousands of projects related to rural social infrastructure. The main question is: in view of the large financial scope of the projects implemented from EU funds, will there be enough commitment and common sense to ensure appropriate impact on social capital?*

**Keywords:** *rural development; social infrastructure; social capital in rural areas; quality of life in rural areas*

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### Rural, not necessarily agricultural landscape

The implementation of the Common Agricultural Policy fulfilled its objective, i.e. to achieve self-sufficiency in food production for the member states of the European Economic Community. In time, the continuation of this policy turned out to be a factor unfavourable for the rural areas themselves. The permanent increase in production intensity led already in the 1970's to serious and costly food surpluses. Industrialisation of the agricultural production resulted in imbalances in the environment as well as disintegration of local communities. The number of farms was dramatically reduced, as was agricultural employment, which – in turn – resulted in the liquidation of schools, offices, shops, public transportation and other facilities. These phenomena were accompanied by a process of distrust in the food produced by industrial methods and increasing attention paid to the quality and safety of food production. In many publications of the 1980's we find the remarks of several authors (e.g. Kaleta, 1992) who pointed out to the fact that rural life is suspended between

the traditional “rurality” and the urbanised, supra-local “neither rural nor urban” character. Seamus O’Reilly, when describing the development of Irish agriculture and rural areas, said that the Common Agricultural Policy of the EU turned out simply to be incapable of creating the capacity for endogenous socio-economic development (O’Reilly, 1998) within rural communities.

In the on-going discussions about the European model of agriculture it is generally assumed that it is necessary to ensure the viability of rural areas, including the traditional values of rural life. The concept of sustainable rural development should take into account several functions of rural areas, including food production, maintaining the natural environment, including landscape, and ensuring attractive conditions for living and recreation in rural areas. Rural areas should become a good place to live, with high value natural environment and preserved cultural heritage. In order to make this happen it is necessary to ensure not only external support, but also the full utilisation of the endogenous resources. In section 46 of the preamble to EU Regulation 1698/2005 we find the following statement: “There is a need to accompany changes in rural areas by helping them to diversify farming activities towards non-agricultural activities and develop non-agricultural sectors, promote employment, improve basic services, including local access to Information and Communication Technologies (ICTs) and carry out investments *making rural areas more attractive in order to reverse trends towards economic and social decline and depopulation of the countryside*. An effort to enhance the human potential in this respect is also necessary”.

The situation of rural areas in Poland several years after EU accession has undergone very dynamic changes. Transformation which has taken decades in other parts of Europe is taking place in Poland at a higher speed. For the last 20 years various authors have mentioned that there are more than 2 million farms in Poland. However, if one takes into account those farms which apply for EU direct payments, for which all farms are in principle eligible, it turns out that in 2007 there were only 1.468 thousand farms. According to the estimates of the Institute of Agricultural and Food Economics, there are 750.000 farms which produce as much as 90% of the agricultural value added. Some authors go even further, indicating an even smaller group of 220 thousand farms which operate according to rules similar to those applying to companies in other branches of the economy. Farmers in this group have similar efficiency as their peers in EU-15 and their farms provide 63% of the total volume of production, and cover almost 50% of all utilised agricultural area (Józwiak 2008).

Officially there are almost 2 million people employed in the Polish agricultural sector, i.e. a little more than 15% of the total employment. On the average, there are 12.2 persons employed per 100 ha of UAA (Statistical yearbook Warsaw 2008). Only one out of three rural inhabitants lives in a family which owns a farm of more than 1 ha. Poland has a ratio of rural inhabitants (38.6%) close to that of other new EU member states, as well as such “old” MS as Ireland, Finland, Portugal or Greece. At the same time 11% of all rural inhabit-

ants of EU-27 live in Poland (Frenkel 2008). For the last few years the migration balance to rural areas has been positive. At present there are 14.756.000 inhabitants, i.e. 0.4% more than in 2004, but it should be borne in mind that rural areas cover everything beyond administrative borders of cities, which certainly affects the presented data. Apart from the natural growth of rural populations, all opinion polls, research results and observations show that in most rural families, migrations to other countries or at least to the neighbouring big cities, are a common phenomenon.

Some years after EU accession, the Polish rural areas are losing their exclusively agricultural character and are beginning to fit the definition of J.D. Van der Ploeg, who in 2000 (Van der Ploeg, 2000) said that “rural areas are no longer the monopoly of farmers”. In Poland there are thus 1.5 million farms and in future only 15% of them may be able to survive. There is a danger that the Polish countryside will become depopulated, if most of those people who do not have a chance to remain farmers decide to leave their area. Even if new inhabitants come to rural areas, their expectations concerning rural life will be very different. All of this will have enormous consequences for rural communities, their internal relationships and changes occurring in them. Improvement of rural infrastructure has been mentioned as one of the major objectives of the Rural Development Programme 2007-2013 as well as of the regional programmes financed from the European Regional Development Fund. Is there a chance that such significant investment in elements defined as “social infrastructure” could improve the state of social capital? How do the inevitable changes inside rural communities affect the needs concerning technical infrastructure and its impact on the social capital?

### **Social infrastructure – millions of Euro and people**

The state of rural social infrastructure and its impact on the quality of life and functioning of rural communities are traditionally seen as marginal to the “mainstream” development activities. The low quality of social infrastructure is, however, an important factor in the marginalisation of rural areas. In the first programming documents after Poland’s accession to the EU the following diagnosis is presented: social infrastructure in rural areas is under-invested and does not correspond to needs. In particular, cultural and tourist establishments as well as schools and health care centres are insufficiently developed. Since the year 2004, the most important programme to finance investments in social infrastructure is the village renewal programme, which had an allocation of EUR 112.5 million in the Sectoral Operational Programme for Agriculture and Rural Development 2004-2006, and within the Rural Development Programme for the years 2007-2013 this allocation is even more significant and is expected to reach EUR 589.6 million. Approximately 17.000 investment projects in 4.840 villages are expected to be implemented. More than 50% of all village renewal funds for the year 2004-2006 were used to modernise village halls and the so-called “other public meeting places”. Of course one can ask the question: how can such “financial injection” into social infrastructure affect the life of rural communities?

Previous research by the author (Kamiński, 2008) shows that village halls are, according to the answers of village leaders, used primarily as playing ground for children. Other functions are mentioned less frequently, such as: organisation of meetings, trainings, family events. Children's activities are not organised on a regular basis and the village halls often remain unused because of lack of personnel, e.g. someone to take care of the children or other organisational obstacles. In the municipal budgets it is increasingly difficult to find resources for village hall personnel, and most village leaders have been struggling for years for funds for running costs, heating, small-scale equipment etc. While EU funds can result in the physical renovation of thousands of village halls, the question of how these establishments will function remains open. How will the running costs be financed?

The answers should be found in the delivery mechanisms of the programmes. The best examples are two models of implementation of village renewal, a method used in Poland already ten years before EU accession.

## **Two faces of the Polish village renewal**

### **Before EU accession – genuine bottom-up initiatives of village leaders supported by local authorities**

Activities undertaken in Poland within the village renewal approach in mid-1990 are primarily concentrated in the Opolskie voivodship (region). It was assumed at that time that the most important element of village renewal is to prepare the Renewal Plan of the village (sometimes called the Village Development Plan), the starting point of which was a kind of resource audit carried out by the inhabitants themselves and involving the inhabitants' realisation of the value of their village and surrounding areas in view of the changes going on in the global perspective. Although village renewal happens in a rural community (village, settlement), the model of practical action developed first in the Opolskie region and later repeated in several other voivodships assumed the creation of a certain structure which would support the village, which does not have a legal entity in Poland. In addition to the individual villages, the decision to take part in the programme was taken by the municipal authorities, who appointed a coordinator – a person responsible for the programme and cooperating with the village leaders. On the other hand, at village level a group should be formed, called “the village renewal group”, which could be an informal group but in many cases this role was taken by the village council, and sometimes another legal entity, e.g. an association. The task of this village renewal group was to carry out a number of meetings with inhabitants, leading to the development of a village renewal plan. After consultations with the municipality and other entities this plan was publicly approved (in a village meeting) and the inhabitants undertook a commitment to implement it, sharing tasks between themselves. In this model the municipal authorities defined the scope and amount of eligible support, and on some occasions they took the role of investor or donor, and sometimes they would transfer the necessary assets or tasks and funding to the village community.

An important element of the regional programme (implemented primarily in the Opolskie and Pomorskie voivodships before Poland's accession to the EU) was the creation of a support programme by the regional authorities. Organisation of sophisticated training programmes, workshops and conferences for village leaders involved in the village renewal programme was certainly an important motivation for many rural communities to become involved in the programme. Before EU accession the financial transfers for starting the implementation of village plans were quite small. In the most generous editions of the Pomorskie village renewal programme they reached PLN 60,000 (around EUR 15,000) per project, and in Opolskie they were usually between PLN 10,000 and 20,000. In the pilot village renewal programme of the Nakło powiat (county) they did not exceed PLN 5,000 (EUR 1,000-2,000) for one operation. However, the funding was always provided for projects of which the rural inhabitants were the initiators and they took responsibility for everything included in the renewal plan.

### **Village renewal from EU funds – a rather bureaucratic programme for small investments by municipalities**

After 2004 village renewal became one of the measures financed from EU funds for rural development, which resulted in a totally different model of its implementation. Funding from this programme became suddenly available for almost all Polish municipalities. Unfortunately, most of them treated the funding for "Village renewal" as one more source of financing their small-scale investments. If there was a formal requirement to develop a village renewal plan, a municipal official was appointed to be responsible for its development. In this way the original methodology of village renewal, involving a bottom-up process of developing a village plan and integrating the inhabitants around its implementation, was in many cases lost.

Due to the supposed difficulty in objective selection of projects, already at the stage of programming the Sectoral Operational Programme 2004-2006 any qualitative criteria for project evaluation were disregarded. The selection of projects (i.e. villages) where village halls were to be renovated or sports centres, playgrounds, tourist or heritage centres created, was carried out on the basis of tax income of the whole municipality, unemployment and tourist attractiveness measured by the number of tourist facilities entered into the records of the given municipality (not the village concerned!). A certain opportunity to introduce qualitative evaluation was created by the so-called "regional criterion" which could be defined by the regional authorities. The mandatory village renewal plan and its relationship to the planned investment were not evaluated at all in the process of project selection. In 99% of cases the investor was the municipality which implemented projects allocated by the regional authorities. The inhabitants of the village, who before accession were not only the authors of the village renewal programme, but also the persons responsible for the development and implementation of most activities, this time for procedural reasons were practically banned from the implementation



of EU-funded projects. It was the municipality which selected, in the process of public procurement, the contractor – a company which carried out all the investment work. Quite apart from the fact that such procedure significantly increased the cost of the operation, we return here to the disastrous model of relationships where village inhabitants are “serviced” by the municipal office, and it is this office which takes final decisions concerning tasks implemented in a given village. In the original approach to village renewal these relationships were completely different.

One should add here that the lack of involvement of the beneficiaries is not the result of “EU bureaucracy”, since there are many examples of projects from all over Europe where rural inhabitants themselves carried out most of the work and their involvement was adequately valued (Mosley, 2000). Even in Poland, in operations carried out at the same time (between 2004 and 2006), financed from the European Social Fund, the possibility to involve and value the work of volunteers was envisaged. It is to be feared that in many cases the idealistic principles of village renewal will be reduced to a programme of small-scale municipal investment financed from EU funds. Many facilities needed for rural areas will be created in this way, but will they be accompanied everywhere by the necessary development of self-organisation and involvement of rural inhabitants? The experience with investment from EU funds in many countries shows that while it may be difficult to obtain funding to build a village hall, sports centre or culture house, it is even more difficult to maintain them in operation! Without a considerable involvement of the inhabitants, a sense of ownership and responsibility by the local community for what happens with the acquired assets, one can easily imagine how huge are the costs which would be involved in the maintenance of such facilities. Managing a village hall and organisation of an internet cafe there, organisation of afternoon activities for children, youth and adults, running a sports club, festivals, taking care of the local food products, crafts classes, cleaning up of the playground or village square: all of these services can be provided by the inhabitants themselves. Can be provided – if the municipal, voivodship and other authorities will perceive these activities as a comprehensive action towards improving the quality of life, carried out jointly with the rural inhabitants. Then it is possible to “gain” an additional extremely important asset of the rural community – social capital.

The above described dissociation of investment projects from the local community in Poland is related to the administrative system in which the individual villages do not have a legal entity, a separate budget and cannot individually apply for funds. In this way the local communities numbering several hundreds, sometime more than a thousand inhabitants, are entirely dependent on the municipality as the higher-level administrative unit. Recently an attempt has been made to at least partly improve this situation. In 2009 the law about village fund has come into effect, which gives certain funds to the local villages (in the range of EUR 1-5 thousand) to be used for small-scale operations at the village level.

Social infrastructure can have a significant impact on preventing the erosion of social capital. However, this process must empower local communities, which must have a sense of ownership and take responsibility for the functioning of the village hall. It is clear that this element was missing in the design of the Polish development programmes. Thus, investment in social infrastructure may not always lead to the strengthening of rural social capital.

### **Transferring responsibility for rural life to the inhabitants**

In many descriptions of the Polish situation after the 1989 changes rural areas are often shown as the place with lower degree of self-organisation and lower social capital. This is confirmed by the so-called “social diagnosis” carried out regularly in subsequent years, by data of organisations monitoring the official activity of NGOs (Herbst, 2006) as well as by a report describing the situation of the Polish rural areas (Report, Gorlach, 2000). The voices defending the image of rural areas as a place for civic initiative did not find significant support until the period 2006-2008. At that time, in the biannual report “Rural Poland 2008”, Jan Herbst mentions as many as 43.5 thousand organisations making up the rural “third sector”. This number is composed of 27 thousand associations, including 16.5 thousand voluntary fire brigades, 700 foundations as well as 3.5 thousands of rural professional or economic organisations, in particular women’s centres, producer organisations, around 3,500 organisations of professional and economic self-government, such as agricultural circles and producer organisations, 900 other organisations such as hunting units or mutual support groups, 1,300 trade unions – non-agricultural, as stressed by the author, since the agricultural ones do not have a legal entity, 4,000 agricultural cooperatives, 8,000 organisational units of the Catholic Church and other churches, as well as other entities such as water companies, flood wall unions, soil and forest communities. According to a previous work by J. Herbst, the frequently quoted results of Social Diagnosis, including research by the European Social Fund carried out in 2006, which refer to the passive attitudes of rural inhabitants “do not apply the same measure to the voluntary and charity organisations doing work in the Polish rural areas. In the rural environment most of the joint activity is not catalysed by institutions, but by informal networks of cooperation and mutual aid, which are not easy to capture at the statistical level” (Ibidem, p. 166). This phenomenon is quite obvious to people dealing with rural communities, but they are rather important from the point of view of the level of rural knowledge by a wider group of researchers. Kurczewski (2006) wrote that “in the rural area the existence of any organisation is difficult to establish due to the lack of distinction between social and neighbourhood links and organisational relationships”. Jeremy Rifkin reminds us that the railway, the steam engine, automobile, airplane, wireless, telephone, and later radio and television helped to reduce time and space. A hundred years ago one could get to know several hundreds of people in the whole lifetime, while at the end of the 20th century one can meet as many people within less than a week (Rifkin, 2000). All of this affects the personality and quality of human relationships. The contemporary rural communities have certainly much in common with the traditional forms (not all of their members meet hundreds of new peo-



ple each week), but a new factor has appeared which significantly changes the human relations, i.e. the general accessibility of the external world through the media. According to Herbst (2008), who quotes the European official statistics, the Polish people less frequently than others look into the socio-political press, but they are no different from other Europeans in the use of radio and television to follow the current events. One can risk the conclusion that it is this practically unlimited access to radio and television, and recently also to the internet, which results in a serious modification of the functioning of traditional rural communities, their willingness to meet, spend time together etc.

It is therefore not enough to build a village hall to make the place full of life and noise made by the old and the young. One should ask the question whether a given community has some bottom-up initiative, a group, an organisation or association which would like to benefit from this possibility to spend time together. Walzer (1999) wrote that many people today look at civil society in the hope that it can solve the problems which used to be the domain of the state – first of all the problems of poverty, unemployment and exclusion. One should not expect that civil society organisations will solve today all the problems of rural areas, but without rural organisations one cannot dream of solving any problems of rural communities.

### **Associations to save rural schools – an example of bottom-up civic initiative**

An example of a bottom-up initiative is the creation in many Polish villages of non-public schools run by community associations. It was a spontaneous reaction of many rural societies to the closing down of their village school. The way in which the national school network was reformed by transferring the decision as to the nature of such schools to local self-governments, caused many local economic and social conflicts concerning the existence of such schools in small areas. On the one hand, the low educational subventions and demographic trends have forced self-governments to economize. On the other hand, the closing down of rural schools will cause irreversible losses for village communities. The idea to solve the conflict concerning rural schools for village families and inhabitants is to establish local associations. These associations would act as founding bodies for the local schools. The establishment of an association for the development of rural areas leads to creating schools that are more active and more economical at the same time. It also helps to integrate local communities. According to the estimates of the Federation for Educational Initiatives (Komorowska, Radwański 2002), 400 private schools (with public status) were established in Poland between the years 1998-2008. Additionally, 300 local communities are threatened by school closures every year.

There is evidence that many rural associations implement cultural activities and take up actions in the sphere of social services, health care and care for the disabled. Sport and tourist activity involves children and teenagers as well as adult inhabitants. The direct commitment of parents and pupils as well as the creation of a “family atmosphere” facilitates the process of solving pupils’ behavioural prob-

lems. Some associations also carry out a variety of business activities, active-career teaching and other forms of adult education for village inhabitants. Such institutions are open all day, throughout the whole year, serving as the heart of village life.

### **The LEADER approach – will it fill the gaps left by other programmes?**

The significant changes described above concerning the structure of rural communities, sources of income and the way of life of rural inhabitants, as well as the newly emerging possibilities of investment support – mainly from EU funds – require great care and in-depth analysis. Decisions about investment directions in rural areas should be based on reliable analysis and should be devolved as much as possible to the lowest levels of decision-making. In Europe, a well-established method of doing this seems to be the wide application of the bottom-up territorial development implemented by the local actors, i.e. the LEADER approach. In the period 2007-2013 over 300 Local Action Groups will implement their development plans over most areas of Poland. Although many municipal authorities treat the LAG as an additional source of financing rural investments, the mechanism of partnership in the implementation of the local development strategies allows us to hope for a better integration and co-existence between the various actions than has been hitherto possible. In addition, as a result of lobbying by the Polish NGOs, certain elements have been introduced to the LEADER approach that strengthens the bottom-up civic initiatives. Among the project types eligible for the LAG funding, in addition to investments in rural infrastructure under village renewal, measures for micro-enterprises and diversification towards non-farming activities, there are also the so-called “small projects”. These are small grants of up to EUR 5.000 which should support bottom-up rural initiatives; in particular they can serve to “revive” the larger investments into social infrastructure.

One of the questions that should be asked now is: in view of the large financial scope of the projects implemented from EU funds, will there be enough commitment and common sense to ensure appropriate impact on social capital? Will the bureaucracy related to EU programmes permit a widespread support to local communities, enabling a synergy effect between investment and bottom-up capacity building?

Generally, even large amounts of funding from a variety of sources to finance investments do not guarantee the “viability” of rural areas. It is certainly not only a matter of building facilities that improve the quality of life which is a decisive factor whether a given area will be a “living countryside”.

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