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Distribution of EU and National Funds Supporting Agriculture and Rural Development: Empirical Insights from Mazovia Region

Abstract. This paper addresses the question of distribution of support from the EU budget and the national budget to agricultural holders in Mazovia region in comparison with Poland as a whole. In the first main section, the characteristics of the agricultural sector in the region, using main sectoral indicators, is presented. The second section illustrates the agricultural and rural support under the Rural Development Program and the Sectoral Operational Program "Restructuring and modernization of agriculture and rural development" provided to Mazovian beneficiaries with reference to this support at whole country level.
Empirical analyses are based on Eurostat statistics as well as on data obtained from the Agency for Restructuring and Modernization of Agriculture and the Ministry of Agriculture and Rural Development. Results of the study show that the Mazovian province, which is a region that can be placed in front of agricultural development, was awarded over the period 2004-2007 a relatively high level of support and ranked first or second among all 16 provinces according to selected measures.
Key words: funds**,** agriculture, rural, distribution, Poland, Mazovia

Introduction

The Common Agricultural Policy (CAP) of the European Union (EU) has sought to address a wide range of goals. One of them is to support incomes of farmers and the whole rural population. However, an essential question arises as to the balance of support awarded to the well-of regions as compared with the less well-of regions in the country.

The redistributive consequences of the CAP have regained a strong interest in recent years since this policy is increasingly seen in the context of economic and social cohesion[2] of the regions [Anders et al. 2007]. Investigation of the regional or territorial impact of the CAP has been made among others by Sotte [The regional... 1995], Laurent and Bowler [CAP... 1997], Shucksmith and others [2005] and Dax [2005].

According to a European Commission study [Study... 2001] CAP tends to reallocate income from high- to low-income regions within the EU and, thus, contributes to convergence. The opposite was observed by Shucksmith and others [2005], who carried out empirical analyses over the period 1990 to 2000 at the NUTS-3[3] level covering the EU-15 and neighboring and candidate states. They found that in general the CAP works against the objectives of economic and social cohesion, and that Pillar 2 (rural development measures) benefits rather richer regions with lower unemployment rates and high population growth. It is worth to stress that mentioned studies were based upon the instruments of the CAP

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[2] In 2000-2006 five EU funds contributed to the cohesion policy, i.e. European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund, European Agricultural Guidance and Guarantee Fund (EAGGF)with its Guidance Section and Financial Instrument for Fisheries Guidance (FIFG).
[3] Nomenclature of Territorial Units for Statistics.

applied before its change in 2003 and that the introduction of the Single Payment Schemes probably influenced the interregional allocation of farm support in the EU.

Mazovia, situated around the capital town of Warsaw, is the largest of Poland's 16 administrative regions or provinces (called voivodeships) both in terms of area (11.4% of the country's total territory) and population (13.1% of Poland's overall population). It is also the wealthiest Polish province and economically strongest NUTS-2 region[4] in Poland, generating over 20% of the country's total GDP.

In this context it seems reasonable to compare the region's share in the national structure of agricultural holdings and the region's share in the EU support allocated to agriculture and rural development in Poland.

Objectives, data and methodology

The main aim of this work has been to present the European funds directed to agriculture and rural development in the Mazovia region and to assess whether there was a correlation between the agricultural endowment and the support level in the region. In the first step main indicators describing the agricultural sector in the region were compared with those for whole Poland. Furthermore, the distribution of EU support from the Common Agricultural Policy was presented.

Two main data sources were used. Agricultural statistics were obtained from the Regio Eurostat database and refer to NUTS-2 level. Certain data on funds were supplied by the Agency for Restructuring and Modernization of Agriculture (ARMA) and the Ministry of Agriculture and Rural Development (MARD).

Agricultural sector in the Mazovia region against the all-Polish background

A substantial part of the province has an agricultural character. The south-western and the central part of the region are areas with dynamically developing vegetable and fruit production. The north-eastern part specializes in dairy farming, while the production of potatoes dominates in the north-western part of the province.

Table 1 covers the main characteristics of the structure of agricultural holdings in Poland and the Mazovian province in 2005.

It can be seen from Table 1 that of 2476.5 thousand of agricultural holdings in Poland in 2005 12.7% were located in Mazovian province. They represented 13.2% of the Polish agricultural land. In Poland prevails almost universal owner-occupancy of land, but the percentage of agricultural area farmed by owner (88.4%) was in the region higher compared to Poland's average (78.4%). Consequently, the share of rented or partly rented farm area was relatively lower.

[4] Poland has 16 voivodeships (regions) that correspond to the EU NUTS-2 level.

Table 1. Structure of agricultural holdings population in Poland and in the Mazovian province in 2005

Main indicators	Poland	Mazovia	Mazovian share in Polish total, %
Total number of holdings	2476470	314180	12.69
Total agricultural area (hectares) of which:	14754880	1952310	13.23
owner farmed	11560820	1726620	14.94
%	78.35	88.44	
tenant farmed	2979020	199340	6.69
%	20.19	10.21	
share farmed or in other modes of tenure	215040	26350	12.25
%	1.46	1.35	
Total standard gross margin[1] (ESU)	8264550	1211190	14.66
Number of holdings in less favored areas	1026960	171840	16.73
of total number of holdings, %	41.47	54.69	
Agricultural area in less favored areas	7422470	1236310	16.66
of total agricultural area, %	50.31	63.33	
Number of holdings with agricultural land			
less than 5 hectares	1750860	184110	10.52
%	70.70	58.60	
5 to 10 hectares	370200	70870	19.14
%	14.95	22.56	
10 to 20 hectares	237940	44030	18.50
%	9.61	14.01	
20 to 30 hectares	62860	9790	15.57
%	2.54	3.12	
30 to 50 hectares	33920	4200	12.38
%	1.37	1.34	
>=50 hectares	20700	1180	5.70
%	0.84	0.38	
Number of holdings with size of			
less than 2 ESU	1718800	183010	10.65
%	69.41	58.25	
2 to 4 ESU	291740	48970	16.79
%	11.78	15.59	
4 to 8 ESU	228600	41980	18.36
%	9.23	13.36	
8 to 16 ESU	147830	26860	18.17
%	5.97	8.55	
16 to 40 ESU	72850	11350	15.58
%	2.94	3.61	
40 to 100 ESU	12830	1680	13.09
%	0.11	0.10	
100 ESU and over	3820	340	8.90
%	0.15	0.11	

Notes: [1] A European Size Unit (ESU) is a measure of the economic size of a farm business based on the gross margin imputed from standard coefficients for each commodity produced in the farm. 1 ESU is equal to 1200 euro of Standard Gross Margin.
Source: own calculations based on Eurostat “General and regional statistics”

In Poland, including the Mazovian province, small farms (up to 5 hectares) dominate in the agrarian structure, but in Mazovia farm fragmentation is less severe, since small units account for barely 56.7%, while in Poland as a whole for 70.7% of all holdings. On the other hand, larger farm units (≥ 30 ha) represent 1.7% of all farms in the in the region, and 2.2% in the whole country. Small (in terms of the economic size) farms' proportion in the total number of farms is lower in the Mazovian province than in Poland as a whole. Holdings having a size less than 4 ESU accounted for 73.8% in the Mazovian province and for 81.2% in Poland.

Table 2. Labour force in agricultural holdings in Poland and in the Mazovian province in 2005

Main indicators	Poland	Mazovia	Mazovian share in Polish total, %
Total labour force in AWU[1]	2273590	333380	14.66
of which family labor force in AWU	2146720	315430	14.69
%	94.42	94.62	
Labour force excluding non-family labour force employed on a non-regular basis (persons)	5111470	656660	12.85
Labour force excluding non-family labour force employed on a non-regular basis (AWU)	2207110	318680	14.44
Total family labour force (person), of which	5044310	653050	12.95
full-time employed	693890	127500	18.37
%	13.76	19.52	
Holders being a natural person	2472830	313970	12.70
of which			
age < 35 years	313350	45730	14.59
%	12.67	14.57	
age 35 to 44 years	549210	74400	13.55
%	22.21	23.70	
age 45 to 54 years	763050	103220	13.53
%	30.86	32.88	
age 55 to 64 years	425270	49060	11.54
%	17.20	15.63	
age 65 years and over	421950	41570	9.85
%	17.06	13.24	
Holders being a natural person			
male	1670690	232610	13.92
%	67.56	74.09	
female	802140	81360	10.14
%	32.44	25.91	

Notes: [1] The annual work unit (AWU) corresponds to the work performed by one person fully employed in farm (1800 hours a year).
Source: own calculations based on Eurostat "General and regional statistics"

The rural population of Mazovia counts about 1,814 thousand people or 35.8% of the region's total, or 12.3% of the total rural population in Poland. The general characteristics of farm population in the Mazovian province as compared to the whole country is presented in Table 2.

In 2005, out of the total Poland's farm labour force as well as the family labour force, both expressed in Annual Work Units, almost 14.7% was employed in Mazovia. 333.4

thousand AWU employed in farms in the region are equivalent to 17.1 AWU per 100 hectares of agricultural land, being a somewhat higher labour input indicator than the Poland's average (15.4 AWU/ha). As much as 19.5% of farm family members in the Mazovian province regarded working in their own farms as full-time employment, while in whole Poland this percentage was on average 13.8%. Those proportions indicate at a labour intensive type of farming but also at an agrarian overpopulation as a serious problem facing the region.

Holders being a natural person (individual farmers) accounted for 99.93% of all agricultural holdings in Mazovia and for 99.85% in Poland. Mazovia has a more favorable age structure of individual farmers in relation to the whole country's structure. As much as 28.9% of individual farm holders in the region, compared to 34.3% in Poland as a whole, were aged 55 years and over. A little more than every eight farm holder in the Mazovian province was 65 years old or older. Only 14.6% of Mazovian and 12.7% of Polish farm holders were less than 35 years old. In spite of this, the fact that almost 14.6% of all young farm holders in Poland operate in the Mazovian province can be an optimistic sign for the future of agriculture in the region, especially in view of a demographers' report saying that the average age of the Mazovian residents is above the national average.

As concerns the gender structure of individual farm holders, both in the whole Poland and in Mazovia, the share of male holders is by far greater. Women account for almost 26% of individual farm holders in the region, whereas in Poland the share of female holders is on average 32.4%.

Agricultural and rural support in Mazovia region and in Poland

Table 3 presents data on direct payments being a major form of EU funding in agriculture and an instrument of income support for farmers granted to them proportionally to the agricultural land. Farmers were paid those payments for the first time in 2004 after the accession of Poland to the European Union.

The number of applications submitted by claimants in Poland raised from 1.4 million in 2004 to 1.47 million in 2006, i.e. by 5%, whereas in Mazovia from 207.85 thousand to 222.4 thousand, i.e. by 7% respectively.

Over the period 2004-2006 Mazovian farm holders received on average 13.3% of the total value of payments under the Single Area Payment Scheme (SAPS) in Poland, which are fully financed from the EU budget and allocated to farmers irrespective of their farms' production. Mazovian proportion of total supplementary area payments paid under the Complementary National Direct Payments (CNDP) scheme, financed generally from the national budget[5] and granted on the basis of area farmed with specified crops, varied according to the type of payment. In the case of payments for other crops in 2006 this percentage was 12.9% while in the case of payments for hops only 0.7%. However, in 2007 Mazovia accounted for 16.8% of the total amount of so called animal payments. With regard to the total area payments per 1 claim over the period 2004-2006, in Mazovia they on average were smaller than in Poland, representing about 87% of the national value per 1 claim.

[5] Hops growers in 2007 received direct payments in two parts: SAPS rate fully decoupled, and CNDP coupled payments.

Agricultural producers in the Mazovian province in 2006 submitted 133.8 thousand applications for payment of the less favoured area support, which constitutes ca. 18.7% of the total number of LFA applications in Poland (Table 3). This results from the fact that in Mazovia 63% of agricultural land is located in the less favoured areas, compared to only 50% in Poland. As a consequence, over the period between 2004 and 2006, the level of LFA payment per hectare of agricultural land in the Mazovian province was on average 11% higher than in the whole of Poland.

With former Guidance Section of the European Agricultural Guidance and Guarantee Fund and with present European Agricultural Fund for Rural Development (EAFRD) the EU has been financing, in a context of shared management between the member states and the Community, rural development programs implemented in member states. These funds are distributed through programs run by national governments.

The Rural Development Program (RDP) was launched in Poland by the Agency for Restructuring and Modernization of Agriculture (ARMA) on 2 August 2004. It was designed to support a diversified development of rural areas and to improve the agricultural holdings' economic condition. Particular aid measures adopted for implementation under the Polish RDP 2004-2006 took into account social, economic and environmental (ecological) aspects of the development in coherence with structural programs, including the Sectoral Operational Program (SOP) "Restructuring and modernization of agriculture and rural development" implemented with the aid of structural funds. This SOP constituted one of the main instruments for structural transformation in agriculture during the first post-accession period, i.e. over the years 2004-2006 [Agriculture... 2007].

The implementing institution for the majority of measures and the final distributor of all the measures under the SOP "Restructuring and Modernization of the Food Sector and Rural Development 2004-2006" was the ARMA.

Table 4 presents the distribution of rural development support in Poland and in Mazovia over the period 2004-2007, excluding the support for the LFA financed in the framework of the RDP and direct payments financed in the framework of the mentioned SOP which were presented earlier. As numbers in Table 4 show, Mazovia is by far the highest-ranking region among all sixteen provinces in Poland with respect to absorption of funds assigned for implementation of such measures as early retirement, start-up assistance for young farmers, improving the processing and marketing of agricultural products as well as the development and improvement of infrastructure related to agriculture.

Mazovia also tended to capture a relatively high share of programmed expenditure for two RDP measures: 'Adjusting agricultural holdings to EU standards' (almost 20% of Poland's total) and 'Support for semi-subsistence farms' (16% respectively), occupying the second position among all provinces in both cases. It is worth mentioning here that the distribution of financial resources between 16 provinces within SOP measures such as investments in agricultural holdings, supporting young farmers and development and improvement of infrastructure related to agriculture was made in relation to the economic size of agricultural holdings in each province, with farms of size larger than 4 ESU being prioritized [for details see Uchwała... 2004].

Table 3. Direct payments to farmers and payments to Less Favorite Areas in Poland and in the Mazovian province in 2004-2007

Type of payments	*2004 campaign*			*2005 campaign*			*2006 campaign*			*2007 campaign*		
	Poland	Mazovia	Share in Polish total, %	Poland	Mazovia	Share in Polish total, %	Poland	Mazovia	Share in Polish total, %	Poland	Mazovia	Share in Polish total, %
Area payments[1]												
Number of applications submitted	1400370	207851	14.84	1486189	223 849	15.06	1471745	222413	15.11	n.a.	n.a.	n.a.
Number of payments disbursed	1381355	205325	14.86	1460188	219829	15.05	1446680	218192	15.08	n.a.	n.a.	n.a.
Total amount, million PLN, of which:	x6341.17	824.97	13.01	6688.34	882.63	13.20	7779.90	1022.81	13.15	2211.11	297.60	13.46
Single Area Payment Scheme	2852.91	377.60	13.24	3158.67	423.82	13.42	3871.20	517.67	13.37	1210.99	166.17	13.72
Complementary National Direct Payments												
- other cops	3485.97	447.35	12.83	3527.70	458.81	13.01	3906.57	505.14	12.93	754.76	90.40	11.98
- hops	2.28	0.02	0.76	1.97	0.01	0.41	2.14	0.01	0.40	0.70	0.00	0.00
- permanent pastures ('animal payment')[2]										244.67	41.03	16.77
Area payments per 1 claim, PLN	4590.54	4017.87	87.52	4580.46	4015.08	87.66	5377.76	4687.66	87.17	n.a.	n.a.	n.a.
Support for agricultural activity in less favored areas												
Total amount, million PLN	1144.67	209.60	18.31	1267.55	234.99	18.54	1283.94	236.79	18.44	n.a.	n.a.	n.a.
Number of applications submitted	628762	113709	18.08	706365	131201	18.57	717601	133 797	18.65	754 993	143682	19.03
Arable land, hectare	6439309	1055982	16.40	7057659	1179349	16.71	7191774	1204266	16.75	7438127	1265354	17.01
Amount per 1 hectare, PLN	177.76	198.49	111.66	179.60	199.26	110.95	178.53	196.63	110.14	n.a.	n.a.	n.a.

Notes: [1] Data for 2007 as of 31 December 2007; [2] Animal payment was introduced in 2007; Symbols used in the table: PLN – Polish Zloty, n.a. – not available.
Source: own calculations based on publications [Sprawozdanie ... 2008] and [ARiMR... 2007]

Table 4. Progress in implementation of the Rural Development Program 2004-2006 and the SOP "Restructuring and Modernization of Food Sector" in Poland and in the Mazovian province, as of 31 December 2007

Policy measure	Number of beneficiaries and payments made	Poland	Mazovia	Region's share in Polish total, %	Region's rank among all provinces
Rural Development Program					
Early retirement	number of decisions[1/]	54014	9459	17.51	1
	amount, million PLN	84.61	14.83	17.53	1
Support for semi-subsistence farms	number of decisions	157456	25280	16.06	2
	amount, million PLN	1 313.86	212.10	16.14	2
Support for agri-environmental undertakings and animal welfare	number of decisions	116260	10297	8.86	3
	amount, million PLN	810.76	54.45	6.72	6
Aforestation of agricultural land	number of decisions	363.25	56.92	15.67	2
Adjustment of agricultural holdings to EU standards	amount, million PLN	71398	13564	19.00	2
	number of decisions	2 274.58	454.45	19.98	2
Support for agricultural producer groups	amount, million PLN	100	3	3.00	10
	number of decisions	22.12	0.80	3.61	9
SOP "Restructuring and Modernization of Food Sector"[2]					
Investments in agricultural holdings	number of finished projects	20989	3502	16.68	1
	number of payments	23944	4013	16.76	1
	amount, million PLN	2 013.54	296.98	14.75	2
	of which EU funds	1 094.69	160.65	14.68	2
	%	54.37	54.09		
Setting-up of young farmers	number of finished projects	14151	2348	16.59	1
	number of payments	14151	2348	16.59	1
	amount, million PLN	707.55	117.40	16.59	1
	of which EU funds	530.66	88.05	16.59	1
	%	75.00	75.00		
Improving the processing and marketing of agricultural products	number of finished projects	836	106	12.68	2
	number of payments	900	112	12.44	2
	amount, million PLN	982.89	163.19	16.60	1
	of which EU funds	686.66	113.99	16.60	1
	%	69.86	69.85		
Diversification of agricultural activities and activities close to agricultural activity to provide multiple activities or alternative incomes	number of finished projects	3601	410	11.39	3
	number of payments	3859	434	11.25	3
	amount, million PLN	247.94	31.03	12.51	2
	of which EU funds	173.54	21.70	12.51	2
	%	69.99	69.94		
Development and improvement of infrastructure related to agriculture	number of finished projects	2947	450	15.27	2
	number of payments	3043	461	15.15	2
	amount, million PLN	114.92	22.92	19.94	1
	of which EU funds	80.44	16.04	19.94	1
	%	70.00	70.00		

Notes: [1] Final decisions on payments; [2] Data refer to payments that have been already realized.
Source: own calculations based on the ARMA data

Similarly, the RDP measure of support for semi-subsistence farms was targeted at a clearly defined group of agricultural holdings with economic size between 2 and 4 ESU. As Table 1 reports, in Mazovia there were some 48970 holdings in this size class (16.8% of the total number of such farms in Poland and 15.6% of Mazovian agricultural holdings).

The region ranked below the average (on 9th position) only in the case of support for agricultural groups. The Mazovian share in agri-environmental and animal welfare payments was also relatively low (6.7%) resulting in the region's 6th place in the rank.

Those results demonstrate, similarly to previously mentioned studies on the inconsistency of CAP with the cohesion objectives (see introduction), that CAP expenditure tends to be concentrated more on Polish richer regions than on the lagging ones.

An extremely good position of the Mazovian province among Polish regions in terms of absorption of agricultural and rural financial support, especially when projects that required pre-financing and co-financing are taken into consideration, demonstrates that the Mazovian agricultural holders, food processors and government administration were capable to adequately meet the projects' obligations as well as to attract, absorb and process the assistance being offered by both the EU and the Polish state.

Table 5. Distribution of funds between regions: selected measures of the RDP for Poland, 2007-2013

Voivodeship	Setting-up of young farmers		Modernization of farms		Diversification into non-agricultural activities		Basic services for the economy and rural population		Village renewal and development		Micro business creation and development	
	%	rank	%	rank	%	rank	%	rank	%	rank	%	rank
Mazowieckie[1]	**16.61**	**1**	**16.61**	**1**	**16**	**1**	**12.13**	**1**	**12.13**	**1**	**12.14**	**1**
Wielkopolskie	12.69	2	12.69	2	8.3	5	9.75	2	9.75	2	10.19	3
Lubelskie	11.28	3	11.28	3	14.35	2	8.2	3	8.2	3	7.69	5
Łódzkie	9.01	4	9.01	4	9.63	3	6.38	6	6.38	6	6.06	7
Podlaskie	7.88	5	7.88	5	5.93	8	4.89	13	4.89	13	3.37	14
Kujawsko-pomorskie	7.69	6	7.69	6	4.68	9	5.71	8	5.71	8	5.5	9
Warmińsko-mazurskie	4.88	7	4.88	7	2.76	13	5.44	9	5.44	9	4	12
Dolnośląskie	4.38	8	4.38	8	3.65	19	6.14	7	6.14	7	5.83	8
Świętokrzyskie	4.35	9	4.35	9	7.46	6	4.29	14	4.29	14	4.71	11
Pomorskie	4.13	10	4.13	10	2.82	12	5.14	12	5.14	12	4.82	10
Małopolskie	3.69	11	3.69	11	8.67	4	7.77	4	7.77	4	10.84	2
Zachodnio-pomorskie	3.19	12	3.19	12	1.79	15	5.31	11	5.31	11	3.9	13
Podkarpackie	3.11	13	3.11	13	7.28	7	6.83	5	6.83	5	8.25	4
Opolskie	2.7	14	2.70	14	2.16	14	3.15	16	3.15	16	3.35	15
Śląskie	2.48	15	2.48	15	3.01	11	5.33	10	5.33	10	6.66	6
Lubuskie	1.93	16	1.93	16	1.51	16	3.54	15	3.54	15	2.69	16
Poland	100.0		100.0		100.0		100.0		100.0		100.0	

Notes: [1] Polish name of the Mazovian province.

Source: own calculations based on data obtained from ARMA and MARD

This probably results from a relatively privileged economic situation of the Mazovian province that is more likely to determine the bargaining position of regional authorities vis-

à-vis national authorities managing programs under the SOP and the RDP, as well as from the Mazovian agricultural holders' position in comparison to that of the potential support beneficiaries from other regions in Poland.

On 24 July 2007 the EU accepted the Rural Development Program (RDP) for Poland and the financial perspective 2007-2013 with a total budget equal to 17.2 billion euro, of which 77% will originate from the European Agricultural Fund for Rural Development and the rest from the Polish state budget. Poland will be the largest beneficiary of RDP funding in the entire EU-27.

Data in Table 5, showing ranks of the provinces according to their shares in the total value of support from selected programs in Poland, suggest that the distribution of rural development funding among Polish regions still favours the Mazovian province.

However, because of some objections that may be raised against the above results a different procedure for comparison of the distribution of the support between regions has been applied. So, in order to verify the suggestion that the Mazovian region received more privileged treatment than the other regions, transfers to the beneficiaries proposed in the 2007-2013 perspective were expressed in euros per hectare of agricultural area and per AWU employed in family farms. This method was applied to the rural development measures directly linked to agricultural holdings (Table 6).

Table 6. Programmed support under the RDP for Poland 2007-2013 per hectare of agricultural land and per AWU of family labour force

Voivodeship	Setting-up of young farmers				Modernization of farms				Diversification into non-agricultural activities			
	per 1 hectare		per 1 AWU		per 1 hectare		per 1 AWU		per 1 hectare		per 1 AWU	
	EUR	rank	EUR	rank	EUR	rank	EUR	rank	EUR	rank	EUR	rank
Dolnośląskie	18.3	14	194.0	11	77.3	14	822.0	11	12.5	13	133.0	13
Kujawsko-pomorskie	31.3	4	353.5	3	132.7	4	1498.0	3	15.7	10	177.0	8
Lubelskie	30.9	5	176.6	12	131.2	5	748.5	12	32.4	4	184.9	3
Lubuskie	17.7	15	330.3	4	75.1	15	1399.9	4	11.4	14	212.6	1
Łódzkie	35.2	1	208.1	10	149.2	1	881.8	10	31.0	5	183.0	4
Małopolskie	23.4	10	63.7	15	99.3	10	270.1	15	45.3	2	123.2	14
Mazowieckie	**34.4**	**2**	**218.8**	**9**	**145.7**	**2**	**927.5**	**9**	**27.2**	**6**	**173.5**	**10**
Opolskie	20.5	12	267.1	8	86.9	12	1131.8	8	13.5	11	175.8	9
Podkarpackie	18.3	13	61.0	16	77.7	13	258.4	16	35.3	3	117.4	16
Podlaskie	30.3	7	290.2	7	128.3	7	1230.0	7	18.7	8	179.7	7
Pomorskie	23.6	9	324.8	5	100.2	9	1376.4	5	13.3	12	182.5	5
Śląskie	25.8	8	118.5	14	109.2	8	502.4	14	25.7	7	118.4	15
Świętokrzyskie	32.7	3	137.0	13	138.5	3	580.4	13	46.1	1	193.3	2
Warmińsko-mazurskie	21.2	11	359.1	2	89.9	11	1522.0	2	9.9	15	167.1	11
Wielkopolskie	30.5	6	295.9	6	129.4	6	1253.9	6	16.4	9	159.2	12
Zachodnio-pomorskie	14.6	16	392.0	1	62.0	16	1661.2	1	6.8	16	181.0	6
Poland	27.1		196.3		115.0		831.9		22.3		161.5	

Notes: Data on agricultural land and labour refer to 2007.

Source: own calculations based on data obtained from ARMA and Eurostat.

In the case of three individual measures the Mazovian farm holders will obtain the support above the national average. Per hectare values of the aid in the Mazovian province would exceed the national average by 22 to 29% depending on the measure. Similarly, the support per unit of family farm labour may be approximately 7-11% higher compared with this support for the whole of Poland.

Mazovia still ranks high (2nd) among Poland's 16 administrative regions for amount of assistance for young farmers and for modernization of farms obtained per hectare of agricultural land. However, this support in relation to farm family labour force places the region 9th in the whole country.

Because sums that will be transferred to financing the development measures are designed to reinforce the economic progress in rural areas, they are expected to affect not only farmers but the rural population as a whole. Table 7 shows funding in the framework of selected measures of the RDP 2007-2013 per rural inhabitant in the regions.

Table 7. Programmed support under the RDP for Poland 2007-2013 per capita of rural population[1]

Voivodeship	Diversification into non-agricultural activities			Basic services for the economy and rural population			Village renewal and development			Micro business creation and development	
	euro per capita	rank	Poland =100	euro per capita	rank	Poland =100	euro per capita	rank	Poland =100	euro per capita	Poland =100
Dolnośląskie	13.8	12	62.4	99	8	105.3	39.7	8	105.3	65.4	100.0
Kujawsko-pomorskie	18.8	7	85.1	97.7	9	103.9	39.1	9	103.7	65.4	100.0
Lubelskie	41.2	1	186.4	100.3	5	106.7	40.2	5	106.6	65.4	100.0
Lubuskie	12.4	14	56.1	123.6	4	131.5	49.5	4	131.3	65.3	99.8
Łódzkie	35.1	3	158.8	99	7	105.3	39.7	7	105.3	65.4	100.0
Małopolskie	17.7	9	80.1	67.4	16	71.7	27	16	71.6	65.4	100.0
Mazowieckie	**29.1**	**5**	**131.7**	**93.9**	**10**	**99.9**	**37.6**	**10**	**99.7**	**65.4**	**100.0**
Opolskie	14.2	11	64.3	88.5	12	94.1	35.4	12	93.9	65.4	100.0
Podkarpackie	19.5	6	88.2	77.8	14	82.8	31.2	14	82.8	65.4	100.0
Podlaskie	38.8	2	175.6	136.3	1	145.0	54.6	1	144.8	65.3	99.8
Pomorskie	12.9	13	58.4	100.2	6	106.6	40.1	6	106.4	65.4	100.0
Śląskie	10	16	45.2	75.3	15	80.1	30.2	15	80.1	65.4	100.0
Świętokrzyskie	35	4	158.4	85.6	13	91.1	34.3	13	91.0	65.4	100.0
Warmińsko-mazurskie	15.3	10	69.2	128	2	136.2	51.3	2	136.1	65.5	100.2
Wielkopolskie	18	8	81.4	90	11	95.7	36.1	11	95.8	65.4	100.0
Zachodnio-pomorskie	10.1	15	45.7	127.9	3	136.1	51.2	3	135.8	65.3	99.8
Poland	22.1		100.0	94		100.0	37.7		100.0	65.4	100.0

[1] Refers to rural populations in rural communes, urban-rural communes and towns with population up to 5 thousand people.

Source: own calculations based on data obtained from ARMA and the Central Statistical Office of Poland.

In author's opinion a special attention should by paid to 'Micro-business creation and

development' program that is supposed to help rural population to start, expand or enhance micro businesses, to create employment opportunities and to diversify rural areas. Unfortunately, figures in the last column of Table 7 suggest that this program seems not to promote cohesion between Poland's rural regions, since it adopts an equal per capita distribution of the aid between regions in spite of the differences in their economic development. Mazovia being Poland's best developed region is going to receive the same amount of support per rural habitant as the least developed regions or regions with the highest formal employment in agriculture in relation to the total employment (for example Lubelskie, Podlaskie, Podkarpackie), where labour force should be shifted from agriculture to industry or services.

Likewise, support for the basic services for economy and rural population per capita in the Mazovian province is at the same level as in the whole Poland. Rozkrut [2008] points out that development of services in the regions of Poland is correlated with their overall economic development. So, one can expect that in the Mazovian province the development of services sector is far above the Polish average.

Conclusions

1. The Mazovian province represents about 12.7% of all agricultural holdings, 12.2% of overall agricultural area, 14.7% of total standard gross margin in agriculture and 14.7% of total farm labour force in Poland. Over the period 2004-2006 Mazovian farm holders received on average 13.3% of the total amount of single area payments and 12.9% of complementary direct payment for basic crops but 18.4% of compensatory payments for less favoured areas. The region attracted a relatively high proportion of aid for adjustment of agricultural holdings to EU standards (20%), for development and improvement of infrastructure related to agriculture (19.9%) and for early retirement (17.5%).
2. By comparing the Mazovian shares in Poland's agricultural resources (land, farm holdings and labour) and the region's shares in the overall support under selected measures in Poland, the present study results indirectly suggest disparities in the distribution of CAP support across regions in Poland. Likewise, funding under the Polish Rural Development Program for 2007-2013 shows ongoing imbalances in the distribution of aid.
3. Disparities between administrative provinces in Poland in the distribution of the EU and national funds for agriculture and rural development to some extend reflect differences in the size of the regions in terms of their territory and population. To overcome the limitations of the regional comparison according to the total amounts of the distributed support, the programmed budget for 2017-2013 was related to the agricultural area, farm labour and rural population in order to obtain the support per hectare, per AWU and per capita in each region. Based on these estimates Mazovia ranks high among all Polish regions in relation to the support in absolute terms but loses its top position when the support per AWU and per capita is taken into consideration. However, in the case of all selected measures the aid per hectare, per AWU and per capita in the Mazovian province is equal to or above the Polish average.
4. If Poland is to exploit its economic potential, all regions, wherever they are situated, need to contribute to the economic growth and the whole of Polish population, including rural and farm population, must be given a chance to benefit from the economic development. Territorial cohesion "implies that people should not be disadvantaged by

wherever they happen to live or work in the Union" [A new.... 2004, p. 27]. For fairness reasons there is a need for a better balanced distribution of the CAP support among Polish regions.

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