



INSTYTUT EKONOMIKI ROLNICTWA
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PAŃSTWOWY INSTYTUT BADAWCZY



IAFE-NRI – prospects for Polish rural areas strategy elaboration

Presented by Zbigniew Floriańczyk
basing on IAFE-NRI researchers works
outcomes

Warsaw 15.10.2010



Outline of the presentation

Uncertain environment for constructing agricultural and rural development strategy

Overview of contemporary situation in Polish agriculture and rural areas

Strategic goals for Polish agriculture and rural development and related theoretical challenges



**Uncertain environment for
constructing agricultural and
rural development strategy**

Agriculture growth – theoretical perspective

Neoclassical theory models of agriculture growth taking into account diminishing return of capital and labour stresses possibilities connected with technology improvement.

Models of agriculture development became interested in explanation how to stimulate technological progress.

Contemporary improvement of productivity in agricultural sector in developed countries justify the industrial type of agriculture but sounds to fail on global scale.



***Uncertain environment for
constructing agricultural and
rural development strategy***

Example of limits of industrial type of agriculture development pathway

Ability to transfer agricultural labour of low productivity to other sector of economy – dual sector model

Implementation of modern technologies and input supply - high payoff input model

Social and cultural constraints – diffusion model

Institutional role in implementation of modern technologies – induced innovation model

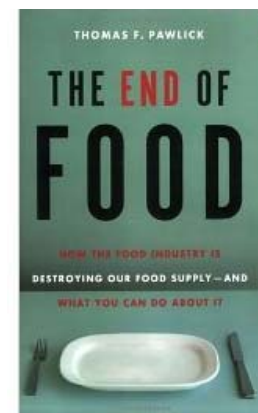


**Uncertain environment for
constructing agricultural and
rural development strategy**

Doubts about industrial type of agriculture future

Technological progress potential is questioned while the main resources – land, people and input - used in agricultural production are becoming scarce

Growing concerns of food quality in developed countries and related society health problems indicate need of consumption patterns change and demand for more natural way produced food.





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rural development strategy**

Recent financial and economic instability - impact on food sector

Moderate decline in the marketed
production of food

Commercial holdings are more exposed
to shocks, but they receive more
support.

Small farms respond with increasingly
extensive production.

Growing limits on agricultural and rural
development support.





Overview of contemporary situation in Polish agriculture and rural areas

SWOT analysis - Strengths

Multidirectional agricultural production that is optimal regarding regional differences in resources availability.

Modern and competitive food processing sector.

Relatively good condition of the natural environment of rural areas.

Relatively high amount of lands resources suitable for non-agricultural purposes.





Overview of contemporary situation in Polish agriculture and rural areas

SWOT analysis - Weaknesses

Low productivity of agricultural labour and profitability of agricultural production.

Unfavourable for agriculture farm fragmentation.

Remaining high number of subsistence farms.

Prevailing low quality land accompanied with poor water resources

Weak development of rural infrastructure – communication.





Overview of contemporary situation in Polish agriculture and rural areas

SWOT analysis - Opportunities

Grow of economy that creates employment opportunities for rural population

Growing interest in energy crops - opportunity for agricultural productions expansion.

Growing global demand - opportunities for competitive farms.

Growing number of higher education centres - closer to rural areas.

Growing interest of rural space use by non-agricultural sectors.



SWOT analysis - Threats

Change in policy - decrease of resources aiming at rural development and direct support

Liberalization of EU agricultural market - existence of uncompetitive farms in question.

Expansion of rural policies that slowing down mobility of rural resources

Growing investment attractiveness of urban areas in knowledge based sectors.

Higher risk for agriculture production due to climate changes.



Strategic goals I

Prevention from broadening disparities between urban and rural level of development. Actions toward improvement standards of living in rural areas are recommended.

Improvement of agro-food sector competitiveness. It is recommended to support related knowledge development and stimulate implementation of innovative technology.

Strengthening food security and safety. Sufficient volume of qualitative food should be provided by national agriculture that is main player concerning physical condition of society.



Strategic goals II

Stimulation of multi - sectoral development of rural areas for better utilization of endogenous rural resources.

Improvement of social capital in rural areas through better quality education services.

Promotion of sustainable development of agriculture. The sustainable agriculture that takes into account growing public goods is considered as the target one. It is expected that policy creates environment to coexistence of different types of farms to meet market and public goods demand.



Strategic goals for Polish agriculture and rural development and related theoretical challenges

How to fit these strategic goals into one economic theory?

Sustainable development concept that takes into account economic, social and ecological aspects is promising but hard to be implemented under recent financial and economic disturbances. The validation of public goods is also a challenging issue.

The new institutional economy explaining property rights and transaction costs influence on economic growth as well as new politics economy identifying economic and social mechanism deciding on it's structures are promising in this respect.





***Thank you for your
attention!***

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