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ENTREPRENEURSHIP DEVELOPMENT AS A FORM OF COUNTERACTING AGAINST THE MARGINALIZATION OF RURAL POPULATION: EXAMPLE OF POLISH

The threat of marginalization of rural areas in Poland is a very serious problem that must be tackled. The marginalization manifests itself through the derivation of the rural population, the growing number of unemployed and those living below the poverty line. One form of prevention is the development of entrepreneurship among the rural population.

РОЗВИТОК ПІДПРИЄМНИЦТВА ЯК ФОРМА ПРОТИДІЇ МАРГІНАЛІЗАЦІЇ СЕРЕД СІЛЬСЬКОГО НАСЕЛЕННЯ: ПОЛЬСЬКИЙ ПРИКЛАД

Загроза маргіналізації сільських районів у Польщі є дуже серйозною проблемою, яка повинна бути вирішена. Маргіналізація проявляє себе через зубожіння сільського населення, зростаюче число безробітних та осіб, що живуть за межею бідності. Однією з форм протидії є розвиток підприємництва серед сільського населення.

Держава має значний вплив на розвиток бізнесу на селі за рахунок програм, запропонованих у вигляді фінансової підтримки з фондів Європейського Союзу та якості закону. В рамках тих програм працюють органи місцевого самоврядування та консультаційно-інформаційні організації у сільській місцевості. Все це для того, щоб створити оптимальні умови для виявлення творчого потенціалу, закладеного в людях, які живуть у сільській місцевості, і який проявиться в конкретних економічних ефектах. Щоб підприємництво сталося важливим фактором у розвитку сільських районів, воно повинно мати збалансований характер, тобто, його масштаби, форми та їх інтенсивність не можуть не враховувати і екологічний аспект. Про це повинні памятати місцеві органи влади, формуючи політику місцевого розвитку та розвитку стратегії в сфері підприємництва на територіях підлеглих підрозділів. Процес переходу від сільськогосподарської функції до підприємницької функції сільських районів — це явище, яке можна зауважити в останні роки. Тим не менш, ступінь розвитку коливається в регіональному та місцевому масштабах. Сільські сім'ї, особи, які надають різні послуги, місцеві товариства черпають велику користь від розвитку підприємництва на селі, тому вони всі говорять про необхідність подальшого динамічного розвитку цього процесу.

РАЗВИТИЕ ПРЕДПРИНИМАТЕЛЬСТВА КАК ФОРМА ПРОТИВОДЕЙСТВИЯ МАРГИНАЛИЗАЦИИ СЕЛЬСКОГО НАСЕЛЕНИЯ: ПОЛЬСКИЙ ПРИМЕР

Угроза маргинализации сельских районов в Польше является очень серьезной проблемой, которая должна быть решена. Маргинализации проявляет себя через обнищание сельского населения, растущее число безработных и лиц, живущих ниже черты бедности. Одной из форм противодействия является развитие предпринимательства среди сельского населения.

Государство оказывает значительное влияние на развитие сельского бизнеса за посредством программ, предлагаемых в виде финансовой поддержки из фондов Европейского Союза и качества закона. В рамках этих программ работают органы местного самоуправления и консультационные службы в сельской местности. Все это для того, чтобы создать оптимальные условия для представления творческого потенциала, заложенного в сельском населении, которое проявится в конкретных экономических эффектах.

Тем не менее, чтобы предпринимательство стало важным фактором в развитии сельских районов, оно должно иметь сбалансированный характер, то есть, его масштабы, формы и интенсивность не могут не учитывать и экологический аспект. Местные органы власти должны это иметь в виду при формировании местной политики развития и развития стратегии в области предпринимательства на территориях подчиненных подразделений. Переход от функции сельскохозяйственной к функции предпринимательской сельских районов — это то явление, которое хорошо видно в последние годы. Тем не менее, степень развития колеблется в региональном и местном масштабах. Преимущества развития сельского предпринимательства уже почувствовали крестьянские семьи, люди, предоставляющие различные услуги, а также все местные сообщества, поэтому все они заявляют о необходимости дальшего динамического развития этого процесса.

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1. The Social and Economic Situation of the Rural Population in Poland

Contemporarily, a village means a settlement unit with thick buildings, it has agricultural functions or related services and tourism functions. The unit does not have the municipal status. The term "village," "colony," "settlement" and "hamlet" differ between the kinds of rural units created during the process of settlement development. According to J.Tkocz, "a village is a territorial unit with specified borders, land layout, habitation and it constitutes a special unity with specified social relations and legal rights. Another definition of the rural area was established by W. Gaworecki who claims that the rural area may be specified as a unit which is not urbanized and whose population does not exceed the number of 2500 [9].

In various Polish legal acts, rural areas are defined as areas situated outside administrative borders of towns and cities. They are rural units or form the parts of urban and rural communes. In jus-

tified cases, rural areas may be extended to small urban units, strictly but fictionally related to rural

areas

Combining all the definition, J. Bański ascribes the rural area the following characteristics:

- relatively low density of population,

- population mostly related to agriculture and forestry. - traditional lifestyle (close to nature) and customs,

- extensive use of land (usually agriculture and forestry),

- rare buildings and scattered settlements,

- the sense of the inhabitants that they live in the village[7]. Traditionally, the village is associated with agriculture, food production and work on the farm, however, at present, it is gaining importance as a living space and it is associated with activities unrelated to the agricultural sector. Economic and technical transformations contributed to the unprofitability of small agricultural farms. There was also the reduction of the labor market in cities, which was particularly caused by the liquidation of large state enterprises. A. Sikorska claims that: "The factors that contributed to the size of rural unemployment and related pauperization were also: common liquidation of enterprises within the rural cooperation as well as the liquidation of state agricultural farms. Workers' families suffered from those changes most severely." As a result numerous rural residents started search-

ing new income sources launching and managing non-agricultural businesses.

The development of rural areas is recently largely discussed due to various conditions and expectations. Rural areas constitute 80% of the territory of the European Union while only 20% the EU population live in those areas. Still the income and employment problems of rural citizens have not been solved. On the one hand, agriculture (the basic branch of rural economy) specifies the self-sufficiency level and the putritional sofety, on the other hand, it defines the need to manage or even sufficiency level and the nutritional safety, on the other hand, it defines the need to manage or even reduce the food surplus. There is another relevant requirement for special management in rural areas abiding by the principles of balanced development which is currently widely promoted. It is particu-

larly important for rural areas whose economy is based on special development. [9]

Rural areas in Poland constitute 93.4% of its territory. They are inhabited by 14,785,000 people, e.i. 38,3% of the population. Over half of them do not earn their living on agriculture. The share of the rural population varies regionally – from 20.7% in Silesian Voivodship to 59,1% in Podkar-packie Voivodship. The traditional rural family usually lives in a multigenerational structure. Home-steads consisting of 5 persons or more constitute 29.7% of all homesteads, while in the city the proportion is 12.2%. Despite the significant improvement that occurred during recent years, the education level of the rural population is much lower than that of the residents of cities. The rise of proportion of secondary education is another positive tendency in that regard.

A big problem in Poland is the scale of the apparent and concealed unemployment and the limited employment opportunities in the village. According to the data about the economic activity in 2009, 2.7 million people worked in agriculture, hunting and forestry, e.i. 19% of all the employed. That indicator is much higher than in other EU states (4.5%). The people working in the Polish agricultural branch constitute over 14% of all the people working the whole extended European Union.

Also the share of women working in the Polish agriculture is much higher. It should be noted that

considering the generally high level of employment in agriculture (in such regions as Lubelskie, Podlaskie, Podkarpackie Vovivodship it reaches almost 40%), there are regions facing the problem of the lack of lessees and the depopulation of rural areas. There are other significant differences in the number of farms and their land structure. According to the National Census of Agriculture of 2002, there were 1956,1 thousand farms with the area of over 1-hectare cultivated land. Small agricultural farms of 1-5—hectare area (58.8%) prevailed in the land structure. The land resources in those farms were too small to ensure sufficient sources of income. The average size of a farm (9.6 hectares) shows the significance of regional diversification. The highest fragmentation is found in the southern voivod-ships (Małopolskie – 3.2ha, Podkarpackie – 3.5ha) while the largest agricultural farms are located in the north of Poand (Warmińsko-Mazurskie – 21.4ha, Zachodniopomorskie – 24.1ha). Most of the individual holdings have so-called checkerboard land use pattern, 20% of which has six lots of land or more (in some cases the distance of land lots from the homestead is larger than 10 kilometers). The more (in some cases the distance of land lots from the homestead is larger than 10 kilometers). The highest scatter of agricultural lands may be found in the south-eastern regions of Poland. All those fac-

tors significantly disturb the development and modernization of agricultural production, which negatively influences the income situation of rural families. The unfavorable agricultural structure limits the number of market farms. According to the National Census of Agriculture of 2002, 17.1% of farms temporarily or permanently did not run agricultural production (in 1996 - -2, r. -2.4%, 10.6% of the production). They only produced crops for their own use (in 1996 - 12.7%, 25.5%, 5%) produced mostly for their own use and sold the surplus on the market [7].

The analysis of the spatial aspect of rural and agricultural development in Poland enables to make a clear division of the country into: 1) the agriculture of the western and northern regions of Poland; those are high-productivity farms with the technical and social efficiency comparable with that of the nonagricultural branches 2) the agriculture of the central, southern and eastern regions of Poland, with low technical and social efficiency. The regions with high efficiency experience dynamic economic devel-

opment of rural areas, largely created by agriculture.

In the first half of the territory of Poland, there is a highly favorable and developed system: dynamic and favorable agriculture stimulates the dynamic development of the rural areas. The investment expenses of one farm on non-agricultural activity in 1996 were 2.3 higher the expenses on their agricultural activity. As a result, the western and northern regions of Poland created a particularly favorable multiplying mechanism of the agricultural and rural development. The agricultural dynamism and rationality stimulate the economic development of the rural areas, which further stimulates the mechanisms of the technical and economic development of agriculture and its widely conceived efficiency and expansion opportunities. With regard to the special aspect, the level of the agricultural development and rural economy in western and northern Poland bring into the conclusion that the agricultural branch and the economy of rural areas may be regarded as equivalent or even competitive component (pillar) of the strategy of regional development with comparison to the non-agricultural branches. Furthermore, the agriculture of this part of the country may be a forcible argument for the "independence" of the regional policy.

In the second half of Poland, in its central, eastern and southern parts, there is the threat of the marginalization of agriculture, stagnation and slow development of rural areas except for the region of Małopolska. There is also the threat that the negative scenario will take place—"the hampering" of the development of the village and agriculture. The regions dominated by the marginal, lowproductive agriculture are not able to stimulate the economy of their rural areas. As a consequence of the current conditions, the poorly developed forms of the non-agricultural rural activity block the development of commercial agriculture in that area. There is some hope for the recovery of the rural and agricultural areas in that part of Poland based on the demographic premises – the high proportion of people at the productive age is a chance for the improvement of the agricultural structure and the development of rural areas. The conclusion that stems from the division of the rural population

of Poland boils down to the following thesis: the basic social and economic problems of the southern and northern regions of Poland may be solved based on their agriculture (via agriculture). On the other hand, the social and economic problems of the village and agriculture of the central, eastern and southern regions of Poland may be handled using some external help [1].

In Polish society, particularly among the rural citizens with traditional believes, the contemporary consumer approach towards poverty differs from that of the past. For centuries, in traditional rural communities poverty was a severe problem which the rural population had to cope with. The term "peasant's poverty" was introduced in everyday language and its examples may be found in numerous monographic works and in belle-letters. Poverty was a common currency, which resulted in the acceptance of the poor sympathy and the conviction that everybody may face that problem. It in the acceptance of the poor, sympathy and the conviction that everybody may face that problem. It

was often treated as test to be rewarded in the afterlife.

Polish rural population has undergone the change of its mentality, system of values and its worldview. The media are promoting the approach focused on consumption, therefore, the problem of living standards and income differences, as well as the availability of consumption will become increasingly prevalent in social life. In the light of the economic changes described by some researchers with regard to the rural areas in Poland, the problem of the confrontation of expectations with opportunities will is has become more severe in rural communities, whose living standards are still lower than the average ones and the growing disproportions may become the source of social conflicts. The income differences are becoming increasingly severe and H. Domański notes that the process is accompanied by the crystallization of the stratification consisting in the adjustment of the income of individuals into their education and job title. The economic transformation results lead to social changes. The strains stemming from the unbalanced distribution and access to material resources are more explicitly becoming the basis for the distinction of social groups. They are also becoming the basic source of social conflicts in Poland. In case of the continuation of the changes that have already began, it seems that there is the risk that a new system will be created and maintained in which the rural population will have the marginal position. In other words, in the face of those changes, the polarization of earnings and harsher living standards in the village, one may claim that the directions and tendencies of the changes, instead of pushing towards, will distract us from implementing the postulates of the conception of balanced development [5].

2. Balanced Development of Rural Areas

The definition of the term "balanced development of rural areas" has changed its meaning. In the early seventies, the term was used in a purely economic form, however, with time, it started to include the social aspects of living in the village. In its original meaning, balanced development was specified as sustaining and harmonizing development in the sectored and regional systems. At present, it has been accepted that the natural environment should serve the fulfillment of the needs of contemporary societies through social and economic development. Simultaneously, such opportunities should be preserved for future generations. Balanced development of rural areas should include the three basic scopes: economic, social and ecological development. Economic development should contribute to the improvement of the economic situation in rural areas, ecologic development should counteract the degradation of natural environment, whereas social development should be aimed at ensuring the appropriate living standards to all citizens. In the face of the economic changes in the rural areas in Poland, it seems that ensuring balanced development in its social aspect is a difficult challenge due to the diversification of income and explicit social differences.

The intensification of the differences in income and living standards has become so serious that developed countries reject the welfare state model expecting their citizens to solve their system problems individually. Consequently, their functions are taken over by non-governmental organizations. Eliminating the already existing and worsening material differences is becoming the aim of non-governmental organization and the official aim of the state, as well as the subject of numerous

actions of non-governmental frequently low-key organizations.

Solving the already existing problems is important because growing living standard differences may lead to serious social consequences: people may fear and try to solve problems on their own. A strongly polarized society with large differences in material living standards becomes a potential field of conflicts and strains. Prosperous groups may isolate themselves from the people with harsh living conditions, which, in consequence, in some extreme cases may lead to the creation of material and social, but also spatial differences. It may result in the distinction between rich districts and poor areas. The gap between those two worlds becomes larger, while it is hard to eliminate those differences.

Balanced development of rural areas as a social aspect of changes, may become an important element of maintaining social order and preventing important problems by nipping them in the bud. Such aspects as preventing the creation of enclaves of poverty and welfare, allowing people in the village to make free choices about their future and ensuring descent income enabling those choices, should be taken into account by the people and institutions designing changes planned to be introduced in rural areas. [5]

The above-mentioned problems of rural and agricultural development in Poland are in favor of the extension of non-agricultural functions and the need to abide by the principles of balanced development. Balanced development of rural areas is related to the idea of multi-functionality, the creation of conditions enabling the establishment of diverse businesses respecting the environmental aspects. Other important element is the development of cultural and social functions and the strive to

ensure descent living conditions for the rural citizens.

Nowadays, villages are not associated only with agriculture anymore. Despite the fact that agriculture is still the domineering direction of businesses in the rural areas of the majority of the regions, their multifunctional character is emphasized more often. Farmers, their relatives, other village inhabitants unrelated to agriculture or people not living in the village launch other forms of non-agricultural activity devoting their capital to companies of production, commercial, educational or cultural character in rural areas. The degree of advancement of those processes are diversified territorially

The important form of professional development and the chance for additional income for the inhabitants of villages may be the diversification of farms towards non-agricultural activity using the

resources of their own farms.

The biggest number of farms running a non-agricultural activity are found in such voivodships as Zachodniopomorskie, Pomorskie and Dolnośląskie while the lowest number is measured in Podlaskie, Lubelskie and Podkarpackie. The most popular forms of activity is: commerce, food and crops processing, construction and transportation. Due to the limited access to funds, the non-agricultural activity in rural and agricultural areas is still underdeveloped (despite the fact that a few years ago the possibility of national and foreign financial support appeared, including the EU funds). On the other hand, the following factors impede development: the low level of education of young people living in the village, underdeveloped economic, institutional and social infrastructure, scattered settlement system contributing to limited local demand for goods and services.

3. Development of Entrepreneurship in Rural Areas

The fundamentals and mentality of rural communities are undergoing a significant change. Peasants' and farmers' mentality told them that farming was their lifestyle and the size of their farms specified their living standards. At present, it is more frequently replaced by the mentality of an en-

trepreneur. They are accepting all forms of income, either the major or additional, financial or nonfinancial stemming from the use of agricultural and non-agricultural production factors and their very agricultural products. As a result, the mobility of the manufacturing factor is on the increase. The imperative of the mobility of the manufacturing factors is the strive for maximizing the income. It is irrelevant for a individual farmer whether the above is implemented within the agricultural area

As for the ways to increase employment in the village, most frequently mentioned factor is the development of small business, particularly within touristic, renovation and construction and commercial services and food processing based on local resources. Undoubtedly, that is a very useful development direction which needs more support at all levels of government, as well as the help of non-governmental organizations. However, many specialists in this problem note that we should be very careful while assessing the use of that as the main factor creating new workplaces for the inhabitants of villages [4]. The experience gained by Poland appears to confirm that assessment. During the first years of the transformation, there was the development of small business in the village and the related increase of the share of those working on their own (outside agriculture). Nevertheless, since the middle 90's, the situation has been stabilized at the level of 10-11%.

That tendency has at least two causes: first, the slowdown of the increase possibilities (which had been related to the vast underdevelopment of the branch of small manufacturing and services in the village). Second, there was a vibrant development of large scale businesses in the branches competitive for the sector (e.g. commerce, agricultural and food industry). Off course, not all the increase possibilities of work on one's own were exhausted. Certainly, new opportunities will appear with relation to new needs and technologies, nevertheless, the greatest opportunities for the increase in the employment in rural areas are related to paid employment. Such potential exists and will be developed mainly in cities. Consequently, without a significant increase in the number of new workplaces in cities, solving the employment problems in rural areas will be very difficult.

The notion of entrepreneurship has many dimensions and it has already been widely described. In economy, it is associated with business, "... sometimes it is identified with running a business and it is analyzed from the angle of economic benefits which are achieved by actions taken by busi-

ness entities, local environments, regions or economy in general" [6].

Entrepreneurship is also a set of specified character features and behavior determining the form and results of running a business. According to the works on that subject, those features include: the willingness to take risk, the strive for changes, development, innovativeness, creativity, the pursuit of success, the need for something new, the ability to cope with difficult situations, market orientation, the creative use of opportunities and production factors in order to achieve calculable results, the search of distinctness with comparison to what other do etc. [8].

To a great extent, the transformation in rural areas is the result of the phenomenon of food over-productivity observed worldwide. As a consequence of the increased supply of agricultural products and relatively low food prices, a strong competition pressure was created, which forced farms to boost their specialization and concentrate the production means. At the same time, the need for workforce is on the decrease, thus, the people who used to engaged solely in farming more often take actions aimed at the diversification of their income. The drop in the profitability of production in small farms contributes to the increase of the activity of the people living in rural areas in search of alternative income sources, including the development of small rural businesses.

4. Conditionings of entrepreneurship development in rural areas

The main element affecting the rate of regional development are human resources and entrepreneurship. On the one hand a human appears to be labour force, on the other hand appears to be a consumer, i.e. a recipient of goods produced in definite space. Knowledge, being capable of changes, entrepreneurship, ingenuity which are the attributes of human resources quality become to a larger and larger degree an essential condition of maximizing the other economic factors at the society's disposal in a given area. It is an essential factor taken into account when choosing strategic directions of development of both rural agglomerations and areas which are unequivocally qualified as rural.

Multifunctional development of rural areas is a long process. Experiences of the developed countries show that development of small and medium-sized enterprises coming into being thanks to private persons has the biggest influence on economic revival of rural areas. Relatively fast growth of industrial production and services in the years 2000-2010, as long as it is maintained in the next 10 years, will be favourable for entrepreneurship development and creating non-agricultural workplaces in the country. However, currently rural areas in Poland still aren't an attractive place for national and foreign capital. The main reason for this situation is still low purchasing power of rural population, underdevelopment of infrastructure and lack of qualified labour force. The process of building up and modernization of infrastructure, including technical infrastructure which has a significant impact on employment growth and increase of investment attractiveness of typical rural communes is particularly important for development of rural areas. Lack of telephone, gas, good roads, water supply systems or sewage system hinders non-agricultural development. Building and

development of infrastructure should belong to inevitable general costs which are the basis for multifunctional development of rural economy.

Rural entrepreneurs and their companies gradually become one of the most important factors in local development. Non-agricultural activation of rural areas can significantly contribute to reduce unemployment, increase incomes of rural population, increase the degree of diversification of economy and curb the process of marginalization. Despite huge progress in rural areas thanks to inflow of means before and after joining the EU, economic situation of many communes in Poland is not easy, which often results not only from unsatisfactory process of managing a commune, but from too small a number of non-agricultural economic entities.

In rural areas and in towns basic economic entities are small companies which thanks to their flexibility play a dominant role in economy. Existence of many of those family companies is often short, because running a company in the country is much more difficult in urban agglomeration. The commune authorities, dreaming about big and rich companies very often do not appreciate the role of small companies in communal economy. However, the experience shows that economic revival of rural areas can take place only thanks to small companies whose part may turn into well function-

ing enterprises in the future.

Entrepreneurs in rural environment have not formed a homogeneous group of owners of economic entities. Inaccurate definition "entrepreneur" equally treats both the owner of craft workroom who has run it for a long time and the owner of a shop who has been working there by tradition and who was forced to start it because of loss of work and the owner of a guesthouse with a lot of vacancies and a restaurant. Although all of them run their own business activity, they are not characterized by the same economic expansion, knowledge of rules how to run business, abundance with capital, etc. Among them we can find such people whose goal is to get by and lead a peaceful life. There are also energetic individuals whose fates and actions should be observed carefully by the communal authorities because they can play a significant role in its development. All companies function in the so-called suspension between local community, i.e. recipients of services who appreciate their activity and set their social position in a commune, and local authorities whose policy can have a significant influence on company development. Therefore, local environment is one of the factors which defines company capacity to survive and develop, because an entrepreneur by making constant strategic choices aims at concluding the most favourable transactions with the surroundings. Actually, at the junction entrepreneur – surroundings a specific value of produced goods and services by a company is worked out. Company development mainly depends on individual ingenuity, imagination, courage and organizational skills as well as knowledge of business. Individualism is a basis of its development [2].

One should take into account a large scale of uncertainty and fears which are connected with the process of starting and running a business in difficult rural conditions. Therefore counseling for rural entrepreneurs is so important and indispensable – not only in the form of courses or trainings, but also in the form of individual consultations. There is no doubt that entrepreneurs after Poland joined the EU gained access to aid funds. Companies, with the passage of time learnt to take advantage of the union aid to a larger degree. However rural companies use it less often than companies from urban agglomeration. Both the volume of means allocated for this purpose and forms of this aid have been significantly enriched when compared to the first years after joining the EU. For example only a program of trainings and counseling for people who wanted to start a company is going to include about 170 thousand people by 2013 (400 mln EUR). 33 thousand people out of this number have an opportunity to get non-repayable financial aid to start their own company up to 40 thousand PLN. What is more, after the company is started, the owner can apply for aid (in the EU for many years), which consist in paying out for six to twelve months a regular salary which cannot exceed the minimal salary. This kind of aid aims at helping a company and its owner to survive in the most difficult initial period of its activity. The source of aid for rural companies is also Program of Rural Areas Development, however the fact that there was an obligation to create new workplaces and maintain them for two years brought about the situation in which there is slight interest in those means. To compare, in similar programs the subsidies stipulate that employment is not reduced in a company. A separate offer for the unemployed is prepared by district employment agencies in which everyone who has an idea to start a company may apply for aid amounting to 18 thousand PLN paid out only once. How big this aid is, is confirmed by the fact that by March 2009 companies and consulting firms rendering services for small and medium-sized entrepreneurship filed 50 thousand applications for nearly 100 billions PLN. 10 thousand agreements were signed amounting 15.6 billion PLN.

The situation is dynamic and changeable. According to what the government plans, by 2013 for aid programs for companies 25-26 billions will have been spent, 21 billions of which will be from the EU budget. Those means are mostly to be allocated for modernization of small and large companies, which will surely make it easier for some of them to survive the crisis but also to develop faster. It is hard to say what means will go to rural companies. There are alarming signals that in some voivodeships aid funds are mainly for large companies, because one has decided that only such companies are the most open to the process of innovation. There is also fear that the problem of

rural entrepreneurship development can be found at the junction of two programs: Program of Regional Development, which, as it arises from voivodeship strategies, is concentrated on large investments and urban centres and waiting period in agriculture. Problems of rural entrepreneurship development may not be well understood, because centres which manage programs will think that aid for rural companies is located not in them but in another place. The knowledge of rural entrepreneurship, its problems and needs is insufficient. For example, among numerous studies on sector of small and medium-sized companies of the Polish Agency of Entrepreneurship Development there is not such word as "village" or "rural entrepreneur". It is hard to decide on the basis of the data from the whole country what the number of economic entities in rural areas is.

Rural entrepreneurship is treated in the same way as urban companies. Those facts are the sign of the problem of no good recognition of specific problems of companies located in the country. The fact that Agencies of Regional Development in the EU countries which are engaged in entrepreneurship development, arrived at a conclusion that conditions in which rural business works, are so different from conditions in a city that separate entities which only deal with rural companies emerged, proves it. Ministry of Agriculture in England is another example. This Ministry was created by a special consortium which systematically monitors the state of entrepreneurship development in the country, informs about its specific problems, orders indispensable expert opinions, suggests programs of entrepreneurship development in peripheral areas. Also universities which do not have much in common with agriculture and villages realized how important and necessary development of the proposed of the contraction of the proposed of th of rural entrepreneurship is and they create special units which are responsible for the process of development of small rural business not theoretically but practically. Difficulties which entrepreneurship development in the country can face consist among other things in that money allocated for its development is too diffuse in different programs. Resorts which manage those programs do not want to cooperate so that the village interest is sufficiently taken into account. It is a problem of almost every rural policy of the EU. Despite a lot of fears and reservations concerning for example the directions of distribution of aid funds and the degree of using them by rural entrepreneurs, the fact which you cannot deny is that they will have bigger and bigger influence also on strengthening rural entrepreneurship. One should also note that there are positive changes in the previous way of thinking and acting, the evidence of which is the fact that village dwellers have been included in some preferences when awarding subsidies to people starting new companies.

Except the mentioned institutions, also institutions of civic society and partner initiatives, inspired by local communities, are also interested in entrepreneurship development in rural areas. The main objective of their activity is supporting and facilitating private persons starting business activity. They also help small economic entities in the local market. Those organizations are usually called agencies, centres, associations or incubators. We can also talk about foundations, unions or separated organizational bodies of different level of the national and self-government administration offices and representatives of foreign institutions. Also forms and types of this aid are diversified. Those institutions offer a wide range of services. They refer to consultancy, counseling, information, trainings connected with both run and planned business activity. The activity of those institutions is concentrated in large urban centres which perform functions of economic, administrative and commercial centres [5].

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