

The statistical effects brought by sub-measure 6.2 under the RDP 2014-2020, in terms of the national market and the Lublin region

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INTRODUCTION

In order to activate rural areas, a subsidy was created to support starting a business in rural areas, which was called sub-measure 6.2 under the RDP 2014-2020. Ultimately, the financial aid covered the years 2017-2022 and resulted in the supply of rural areas with a total amount of PLN 3.612 billion. In this chapter, we will look at the main assumptions and requirements that were set for potential beneficiaries.

The available amount that could be obtained depended on the number of places that were to be created according to the submitted business plan. The most advantageous amount, PLN 250,000, was available to beneficiaries who assumed the creation of at least 3 jobs. The minimum amount provided for by the measure was PLN 150,000 and was due to beneficiaries who intended to create 1 job. Although such differentiation was introduced only from 2019, because for 2017 and 2018 a fixed amount of PLN 100 thousand was in force. The funds were paid in 2 installments: first, the beneficiary received 80% of the granted funding, and if he implemented the business plan, he could apply for the remaining 20%.

The program gave the opportunity for development not only to the farmer, but also to his immediate family – the spouse and other household members, as long as they were subject to the Agricultural Social Insurance Fund continuously for 12¹ preceding the moment of submitting the application. In addition, the fact of having a business activity in the past did not block the candidate from submitting an application for aid, as long as the suspension or termination of such activity took place more than 24 months earlier.

Due to the fact that the sub-measure was to activate rural areas, the newly established entities were to operate permanently in the area of rural, urban-rural or urban communes – provided that the latter 2 did not have more than 5 thousand inhabitants.

Other requirements for potential beneficiaries to be able to apply for support at all are, m.in:

1. The economic value of the farm could not exceed the level of EUR 15,000 – the calculation is based on the standard production factor currently in force;
2. The subject of the activity could not be taxi services, highly specialised services (e.g. architecture) and services related to the entertainment sector.

More detailed information is available on the website of the Agency for Restructuring and Modernisation of Agriculture: <https://www.gov.pl/web/arimr/poddzialanie-62-pomoc-na-rozpoczecie-pozarolniczej-dzialalnosci-gospodarczej-na-obszarach-wiejskich-nie-asf>

¹ okres skrócony w ostatniej edycji programu – pierwotnie okres ten wynosił 24 miesiące

METHODOLOGY

For the purposes of this analysis, we use the resources of the Central Statistical Office (GUS).

In the first place, we designate the voivodeship that was the main beneficiary of the sub-measure. For this purpose, we download data from the category "EU funds – RDP 2014-2020" – subcategories "Beneficiaries under the RDP 2014-2020" and "Total amounts of payments made under the RDP 2014-2020" for the years from 2017 to 2022.

When this is determined, we focus on a smaller, county, main beneficiary scale. Therefore, we retrieve values from the following categories:

1. Labour market – subcategory "Registered unemployed residing in rural areas" for the years 2017-2022, with particular emphasis on January in terms of the Lublin region and for the years 2017-2024 in terms of voivodeships. In addition, we use the subcategory "Jobs – newly created and eliminated jobs" for the same period.
2. Population status – subcategory "Population in pre-working, working and working age by urban and rural areas" for the years 2017-2022.

The above data is collected in order to determine the m.in.:

3. What percentage of the county's population of working age were unemployed over the years;
4. Correlation between the aid received and the number of unemployed;
5. Correlation between the aid received and the number of newly created places;

It is important that on the basis of such data we are not able to demonstrate a clear causality and demonstrate the real impact of sub-measure 6.2 on the level of unemployment in rural areas. The analysed data will be limited to demonstrating or refuting the potential correlation between the funds obtained and the level of reduction in the unemployment rate.

RESULTS

The correlation coefficient between the number of beneficiaries in the district and the unemployment rate of rural areas on the district scale is determined at: -0.127. Also on the scatter plot there is no clear and strong correlation – an increased number of beneficiaries in the district does not translate directly proportionally into a decrease in the number of unemployed people.

The correlation coefficient between the percentage change in the number of unemployed rural areas and the percentage change in the number of unemployed in the whole district is determined at +0.59. So an average correlation is noticed. The result is expected due to the inseparable connection between rural unemployment and general unemployment at the county level.

The average percentage of rural unemployed persons in the working-age population of rural areas in Lublin districts for the years 2017-2022 is estimated at 7.0%. However, it is noted that the average annual share of the unemployed in the working-age population decreased from 8.4% in 2017 to 6.35% in 2022. This is an expected result, because the activation (and thus the decrease) of the unemployed in most districts over 5 years exceeded the level of 20%, while the percentage change in the number of people of working age did not exceed 15%.

The correlation coefficient between the number of beneficiaries and the number of jobs created (both values were calculated as a sum for the period 2017-2022) in terms of voivodships is calculated at +0.40. So an average correlation is noticed.

The correlation coefficient between the number of beneficiaries and the percentage decrease in rural unemployment in the years 2017-2024 in terms of voivodships is determined at -0.2364. There is no clear correlation between these values.

It is noted that trends in the number of unemployed rural areas between voivodeships are linked with slight deviations. However, there is a clear downward trend over the years 2017-2024; There was a decrease in rural unemployment at the level of 39.66% compared to the initial year (average value). The largest reduction in the number of unemployed was noted in Lubuskie (53.01%), and the smallest in Pomorskie (31.33%).

The downward trend in the number of unemployed is disturbed by the year 2020, when the pandemic broke out. The actions of central governments have caused disturbances in virtually every area of the economy, including agriculture. Non-agricultural activities were affected by restrictions on stationary activities, and the agricultural market was affected by increased production costs, and thus a decrease in profitability. The agricultural market smoothly transitioned from the crisis caused by the pandemic and restrictions to the crisis related to the mass import of eastern products, in particular cereals, on which the Polish agricultural market is based. Thus, it is possible to start analyzing the effects of the aforementioned influx of products on the national market soon.

A certain impact of the intervention on the labour market is noticed, but it is necessary to carry out more detailed analyses in order to reliably determine the results of the co-financing.

On the following pages, charts based on the data obtained are presented along with short descriptions.

Chart 1 – percentage change in unemployment in Lublin districts for the period 2017-2022 and the total number of beneficiaries.



Chart 2 – share of unemployed rural areas in unemployed Lublin districts (after excluding cities with powiat status) with a trend line.

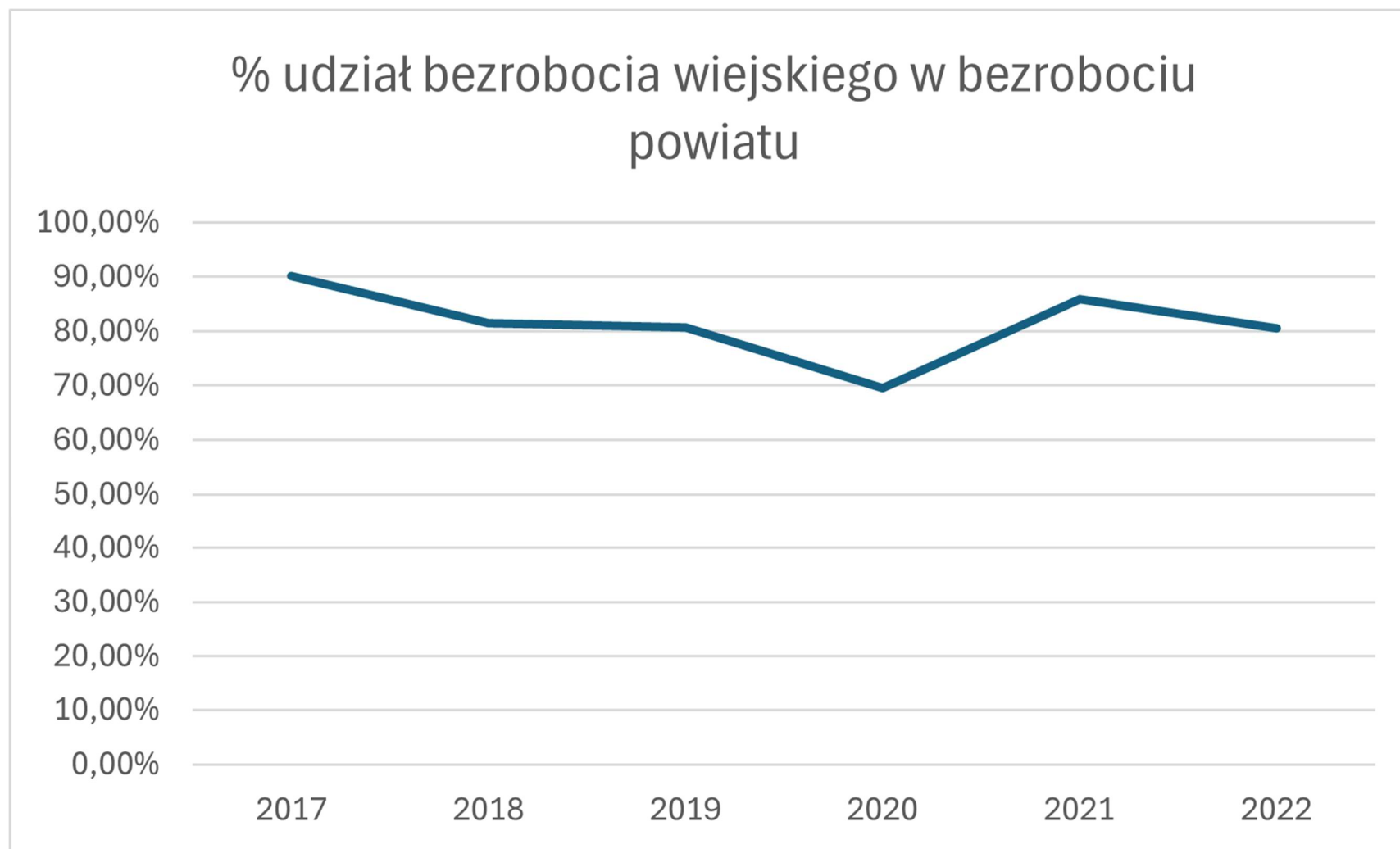


Chart 3 – average percentage change in the number of unemployed in terms of Lublin districts for the years 2017-2022.

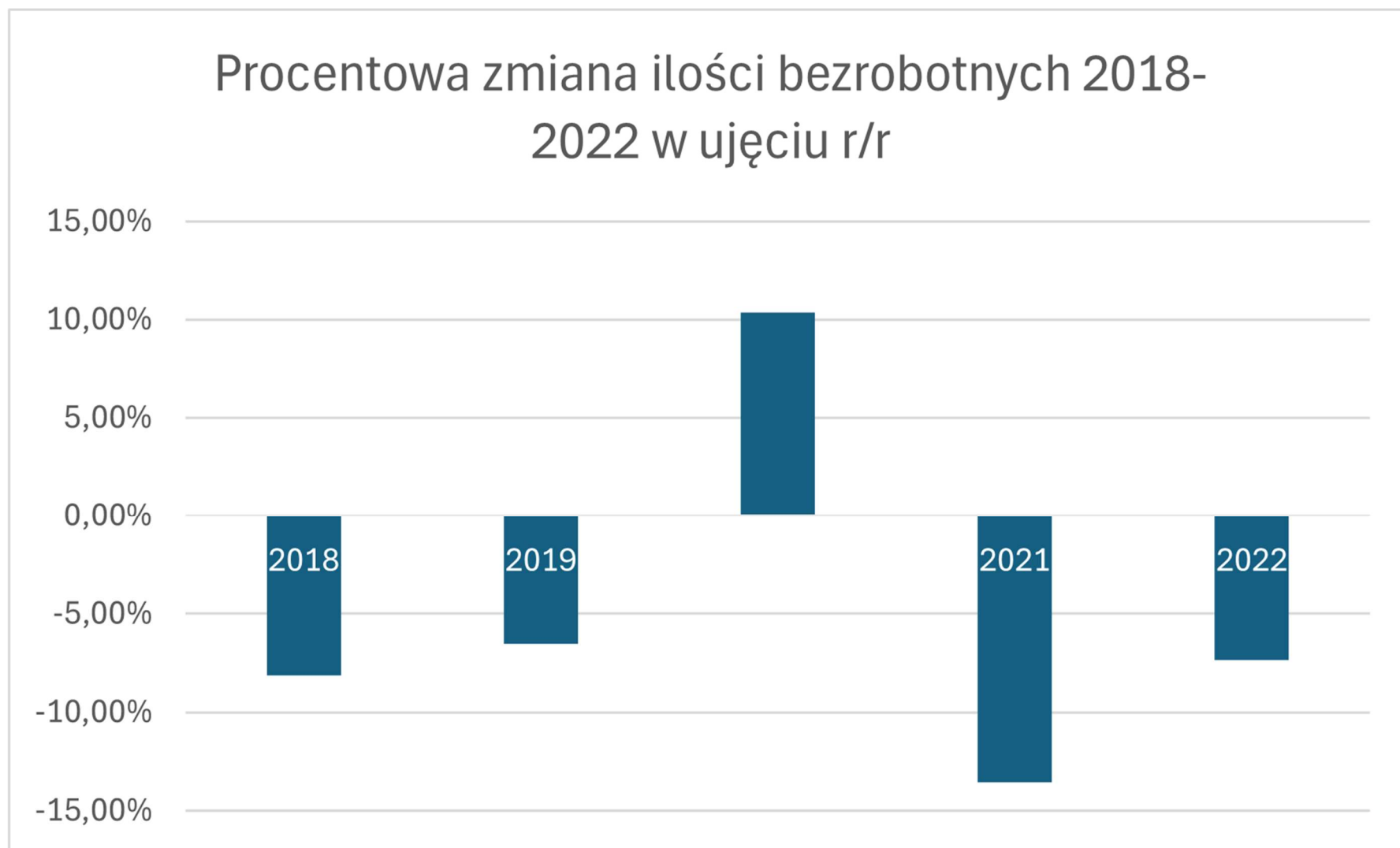


Chart 4 – number (in thousands) of jobs created in the period 2017-2022 for the Mazowieckie, Śląskie, Wielkopolskie and Lubelskie voivodeships.

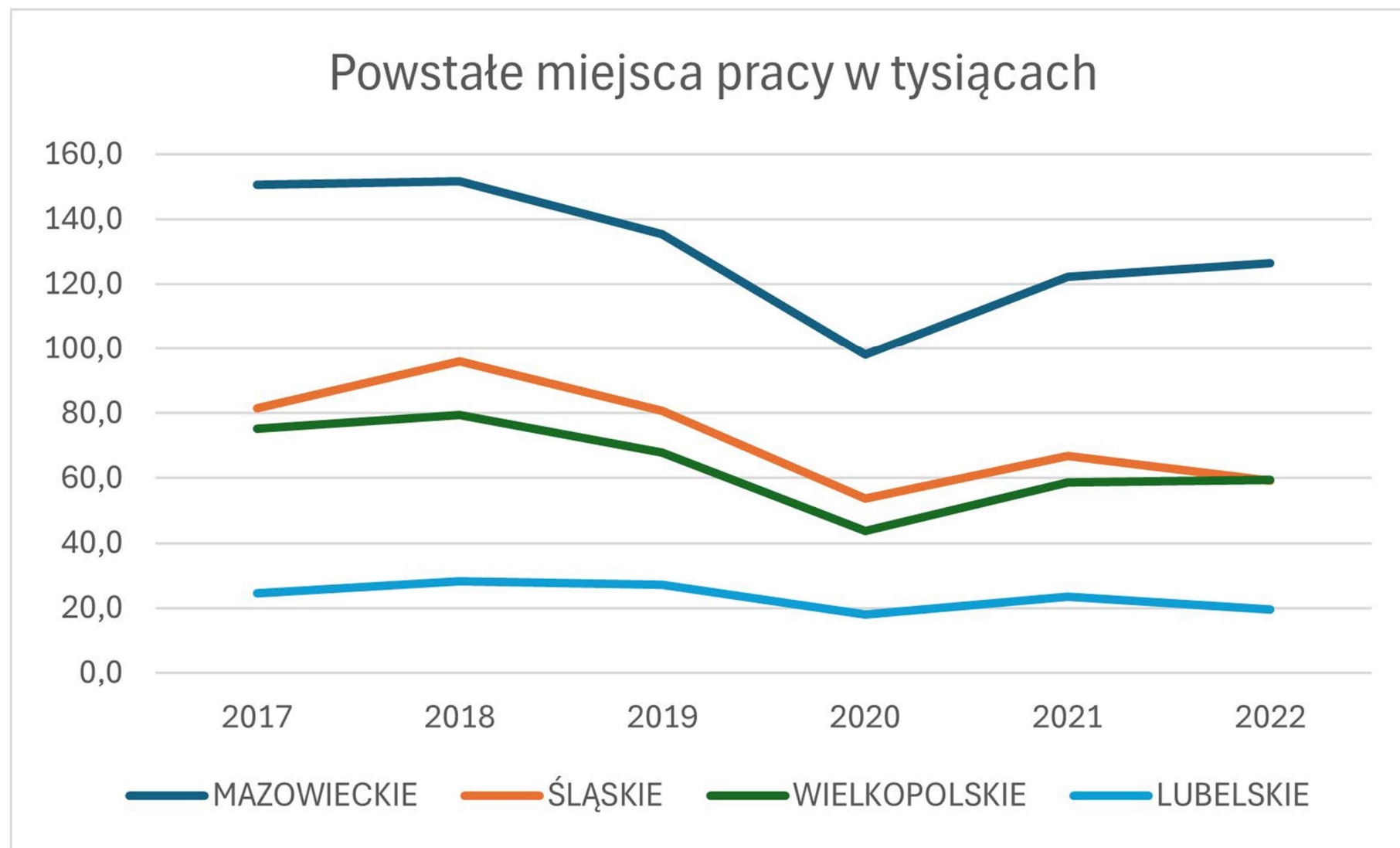


Chart 5 – number of unemployed in rural areas for 2017-2024 for Mazovia, Subcarpathia, Lublin and Małopolska together with a trend line based on data from Mazovia.

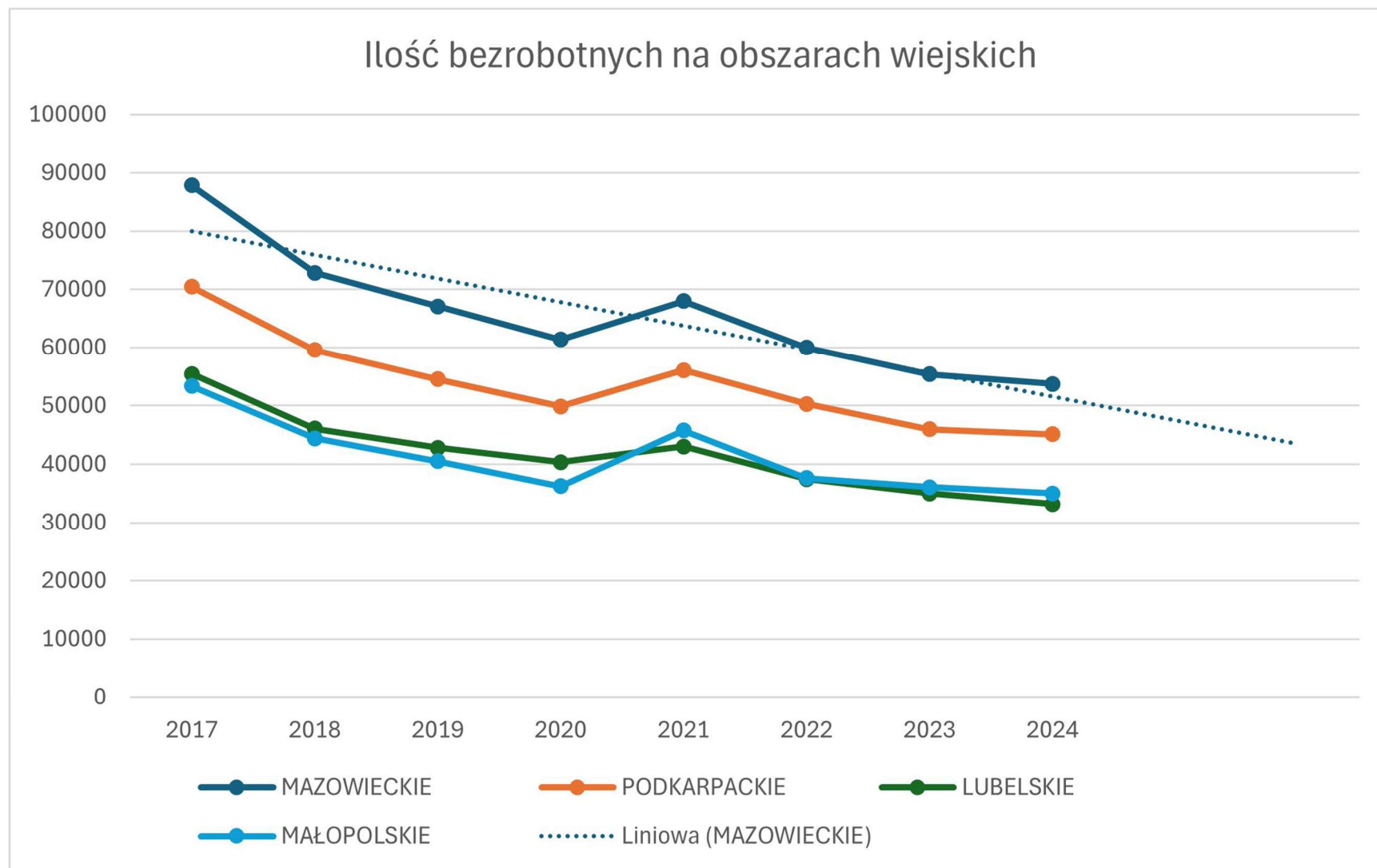


Chart 6 – average percentage change in the number of people of working age compared to the change in the number of unemployed persons for the years 2017-2022 for powiats
Lublin Voivodeship. Both values for rural areas.

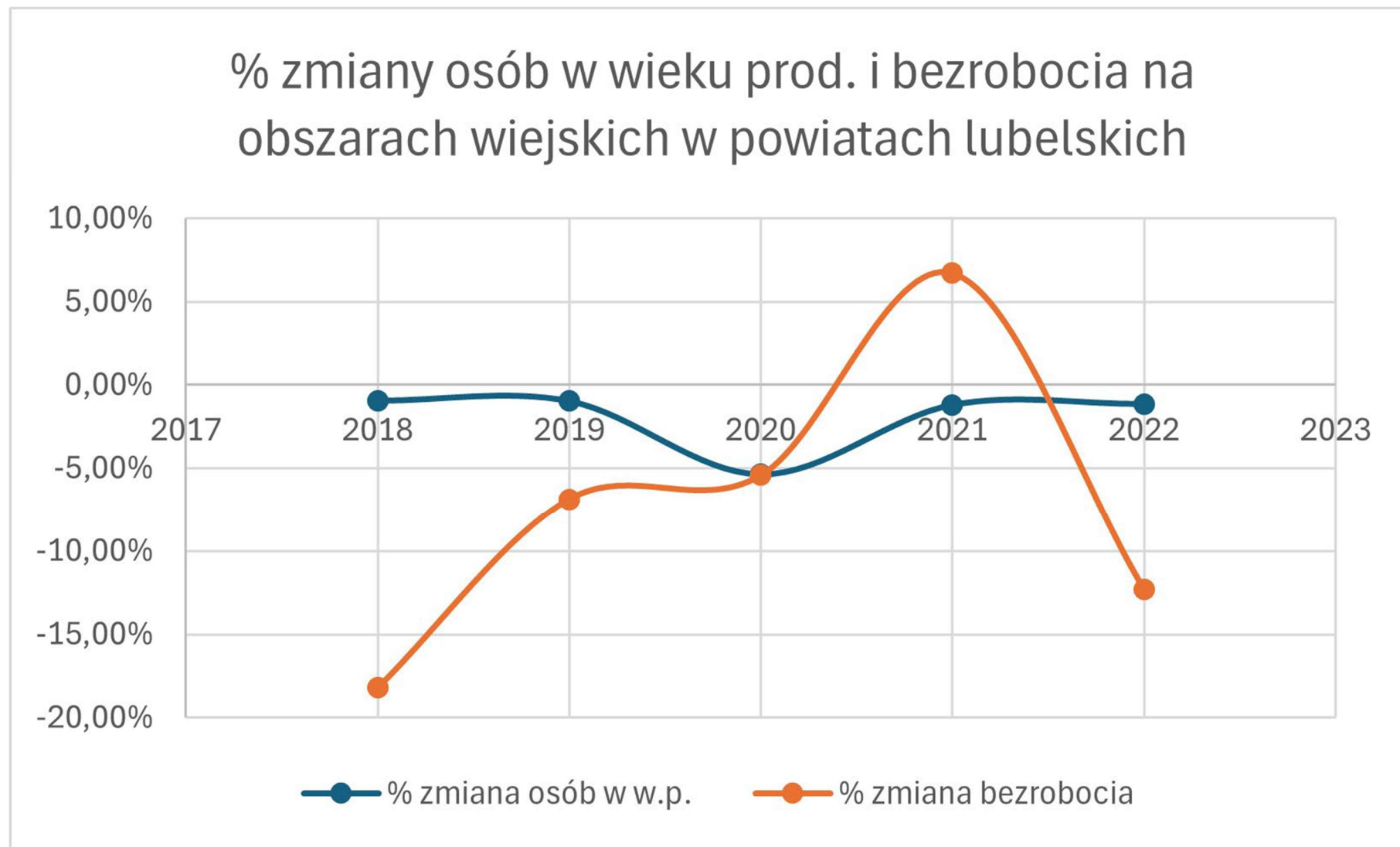


Chart 7 – percentage share of the unemployed in the working-age population in Lublin districts.

