THE SIGNIFICANCE OF THE EUROPEAN UNION STRUCTURAL FUNDS FOR THE INCREASE OF RURAL HUMAN CAPITAL

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The worldwide experience vividly shows that countries investing in people necessarily lag behind other countries. Since Lithuania has become the member of the European Union (EU), real possibilities for the use of the support of the European Union structural funds assigned for rural human recources development have opened. During the years 2004–2006 the European Union support means for the development of Lithuanian rural human resources according to the GPD LEADER+ type measures "Gaining of skills" and “Training” have been successfully mastered. The sums of signed contracts were equal to 6.717 and 3.138 million Lt, respectively.

Human resources, rural areas, agriculture, structural funds.

Introduction

In the nearest future the economical and social progress in Lithuania (the same as in other developed countries) will be basically determined by the development of a knowledge-based society and economy. Once the country has joined the EU, at the same time it has joined one of the common parts of policy, i.e. structural policy, which aim is to decrease the differences of the economical and social development of the EU with the help of financial measures and improve the competitive ability of backward regions. The main instrument for the realization of this policy is the means of EU structural funds. One of the main documents regulating the distribution of fund means is the General Programming Document, where presumptions and actions connected with the development of human resources are being foreseen according to the second priority field. The aim of this priority is to decrease unemployment, even to block the road to unemployment while coordinating employees’ knowledge and skills with the still-forming labour market demands and the stable development of human resources, i.e. with the aims of economic growth.

The aim of the work is to analyse the possibilities and directions for the increase of Lithuanian rural human capital using the means of EU structural funds.

Tasks to be solved: to ground the significance of the investment in rural human resources; to analyse the assimilation indices of the EU structural funds assigned for the increase of rural human capital.

The object of the work is the EU structural funds assigned for the increase of the country’s rural human capital.

Research methods used during the research are the following: the method of the document and scientific literature analysis, the logical abstraction method, the induction and deduction method as well as the method of logical abstract investigation.
The significance of investments in rural human resources

Human capital is the investment in human resources for the purposes of education, career education, health service, scientific research as well as design works. Expenditures are made while waiting for the future benefit. The conception of human capital is being widely applied while substantiating investments in secondary and higher education, the job-related training as well as in the preschool training in families, health service and in the information on the search of labour market for the unemployed and young specialists. Even more important is the social function of human capital: the social disunity of society members is decreasing; the human life is becoming more promiscuous and full-fledged. Therefore, the investments of modern society in human capital will be very large (Janulevičiūtė, 2004; Keršienė, 2004). The main value of any society is human being and the final criterion of social progress is human being and the absolute satisfaction of his demands. Consequently, human capital is the most valuable resource of the modern society of today, even more important than natural values and the accumulated worldly goods (Bagdanavičius, 2002). The worldwide experience vividly shows that countries investing in people necessarily lag behind other countries. At present, everything is conditioned by the level of education and the amount of accumulated knowledge. Much attention should be paid to economical aspects of education and science, because the effective use of educational potential is the main condition for the society’s economical and social stability (Šileika, 2003). Knowledge, the ability to use the newest discoveries as well as the creation of new knowledge and technologies are the main drivers not only for modern economy but for many other fields of everyday life as well. One of the main conditions for the country’s development and modernization is economy based upon innovations and knowledge as well as the capability to create and apply new knowledge in all fields of everyday life. Many countries recognize the knowledge-based society as the endeavoured aim or already existing phenomenon (Čičinskas, 2004). Productive knowledge, as a base of economy, is being accumulated and constantly renewed. It occurs while developing scientific researches and practical activity based upon knowledge and technologies of informational relations, as well as while integrating business, science and studies in the fields of competitive production and service rendering. With the rapid growth of the role of knowledge in the society the drivers of economic development are changing rapidly as well. In the developed countries the traditional economy is already being changed into knowledge-based economy. It is already being created (especially in the EU) as a particular bridge between knowing and life prosperity of humans (Akranavičiūtė, 2007). The accumulated knowledge in the society automatically awakes the increasing return of production degree. The result of the accumulated knowledge in human capital is the increase of income, capital and consumption for one inhabitant at the same time. Therefore, state investments in education, scientific research and experimental development (accumulating new knowledge) are very important internal factors of economic growth. The necessity to create new development engines and to increase the variety of economic activity is a nowadays challenge for Lithuania. The main thing while in-
creasing competitive ability is a systematic creation, the use and spreading of knowledge in all economics and society not only in the industry of modern technologies but in the sectors of textile, woodwork and agriculture as well.

Human capital is not the whole of coincidences and knowledge. In the course of life the human being passes through particular age stages, where every one is being characterised by the state of his natural or acquired features. In every stage investments are needed for the formation of humans. In default of investments any backward expenditure cannot be compensated in other stages. Human capital can be in the state of natural and economic reproduction. Not only special financing is needful for the maintenance of such state but the active use of new scientific knowledge as well (Cesynienė, 2005).

Education and scientific researches have the largest influence on the growth and employment. According to the leaders of the EU (Lisbon) “investments to people and the development of active, dynamic welfare state” have the deciding influence on knowledge-based economy. It means that the states members must invest more to human resources and pay more attention to lifelong learning, because the better preparation gives more opportunities to be employed. At present the investments of organizations to the training of employees competencies are becoming more active, i.e., the attitude of organizations towards human resources is changing, the high demand for employees conditions that the cry “the most important in organization are people” becomes the reality of many companies. The long-term competitive advantage of the organization lies behind the capability to create, accumulate and properly use knowledge (Burton, 2001). In the modern knowledge-based and information society the work activity is changing and becoming more complex and made decisions as often as not has weighty significance not only for the members of labour organization but for its external environment as well (Consequently, the requirements for the employees’ competence is increasing and changing as well. Employees must constantly improve their skills, i.e. to develop and deepen their knowledge, to train their capabilities and appeal to labour and personal values (Vasiliauskaitė, 2005).

According to the statistics of 2005, 1 million and 134 thousand or 33.3 per cent of Lithuania’s population lived in rural areas. Employable population in rural areas made up 649.8 thousand or 57 per cent. Employment in agricultural sector is decreasing, however, this sector yet remains the major income source for rural population. According to the general agricultural census data of 2003, 519.9 thousand workers worked in farmers’ and family farms, i.e. 48 per cent of men and 52 per cent of women. The status of the majority of workers employed in farmers’ and family farms were farming persons and members of their family (511.3 thousand). The number of regular hired workers was only 4.1 thousand, and the number of casual workers was 4.5 thousand. The majority of agricultural workers (working in farmers’ or family farms) usually worked part time (14.7 thousand worked full time and 505.2 thousand worked part time). In the part time structure, the work shorter than 2 hours (37 per cent) or the work from 2 to 4 hours duration prevailed (36 per cent). Only 8 per cent of the employed population worked 8 hours per day (Kšivickienė, 2006).
From the quality point of view, rural resources are problematic because of the low level of education. Only 4.9 per cent of the employable rural inhabitants have higher education, and on the average in Lithuania – over 40 per cent. The unemployment in rural areas is higher than in towns, however, one can feel shortage of some workers in rural areas (starting with teachers and finishing with skilled workers). The number sexagenarian is increasing in rural areas. Though the number of inhabitants is decreasing in Lithuania on the whole, however, the demographic situation in rural areas is worsening especially rapidly. The decline of the number of inhabitants in rural areas is conditioned by the decline in the birth-rate and higher death-rate numbers than in towns as well as the migration of young inhabitants (25–29 years) from rural areas to towns. At present, people are migrating not to towns, but mostly abroad. During latter years, the access to education has grown significantly, but socially correct and obtainable to everyone educational system hasn’t been created yet. In this field the least was achieved in preschool training. The programs of non-formal education are not equally obtainable to the children from towns and rural areas. The accessibility to the children from rural areas is being limited by the quality of various circles and far from perfect carriage system, which is very often coordinated with the time of formal education classes. Unfortunately, very often the additional training programs do not satisfy pupils’ self-expression demands.

In Lithuania, the strategy of the security of Lifelong learning has been implemented for already several years. During latter years the tendency of the growth of the number of consistent learners has been watched (only during the period of 2003–2004 this number has increased by 2 per cent), however, educational services are not accessible to everyone, especially to those living in rural areas.

Considering the above problems, in the regulations of the State education strategy for 2003–2012 it was planned to develop the accessibility to preschool training services, to create and develop the system for general preschool training and non-formal education for children and adults. It was planned to support the establishment of universal multi-functional centres in rural areas, in the accommodations of to-be-closed comprehensive schools while using the EU structural funds during the period of 2007–2013.

The political, economical and social changes going on in our state have significant influence on the change of education system. A demand for the creation of such structures, capable of flexibly and rapidly reacting to the constantly changing labour market demands, occurred. The network of professional schools has been started to reorganize in the country. 18 professional schools from 48 have the names of agricultural schools. In order to prepare high-skilled workers, it is necessary to create the centres for practical training supplied with the newest machinery, equipment and training aids. They should be created together with business organizations used for the training of various levels as well as for the improvement of skills.

The network of colleges should be developed as well. The same as with professional schools they should be supplied with the newest machinery and training aids. The colleges have already started to carry out their regional mission. They
create the more favourable environment for the young people with higher education to live in districts.

Lithuanian universities are facing challenges dictated by globalisation and demographic processes. In order to overcome them it is necessary to concentrate both intellectual and material resources. Universities ought to play significant roles while solving rural problems. Their mission will be the implementation of technical progress and innovations (Kaimo ..., 2007).

Large investments are necessary for the fulfilment of these works. One of the directions of the support for rural areas in the Law on the rural development and agriculture is the support for science, consultation and education (Lietuvos ..., 2002). The support for agriculture and rural development is being provided from the means of national budget as well as from the means of the special and other support funds of the EU, from private and other means (Lietuvos ..., 2002).

The principles, directions and results of the EU structural funds assigned for the development of rural human resources

Since Lithuania has become the member of the European Union (EU), real possibilities for the use of the support of the European Union structural funds assigned for rural development and pisciculture have opened. The possibility to reach one of the main aims of the EU, i.e. to decrease the differences of economical and social development of separate states and regions as well as to improve the competitive ability of backward countries has also opened. The main instrument for the implementation of this policy is the means of the European Union structural funds, which are being distributed following Programs Financing Regulations. For the efficient use of the means from the EU structural funds the General Programming Document (GPD) of Lithuania for the period of 2004-2006 has been prepared and coordinated with the European Commission (Lietuvos ..., 2004). It is a strategic document, where the aims of the EU structural funds and the member state actions’ as well as the strategy of the development were stated and where the contributions to EU structural funds and other financing sources were indicated (Bendrojo ..., 2004). The strategy presented in the GPD was grouped into 5 priorities and was implemented according to one or several measures. The support from structural funds was given as irrevocable subsidy and the financing of projects can reach from 45 up to 100 per cent of proper expenditures. The GPD measures were assigned for the increase of rural human capital. It’s being tried to help rural population to improve the quality of their life, to encourage them to more actively participate making and implementing decisions of the development using “LEADER+” type measure or the development orientated towards the initiative of the European Union’s societies. The main aim of the activity connected with the gaining of skills is to strengthen rural human resources and prepare them for the implementation of Leader+ type measure. While implementing this activity, seminars, designed for the local activity groups (LAG), rural communities, other rural organizations and rural population were arranged. LAG could place orders according to this sector of the activity field called “Gaining of skills”, i.e., technical support for the studies in
rural vicinities, their evaluation and the preparation of the tentative integrated strategies considering demands of population. The accredited consultation institutions of science and education could place orders according to the following sectors of the activity field “Gaining of skills”: information of population and education in order to encourage them to actively participate in the process of rural development; training courses for administrators and members of communities and LAG closely connected with the training of capabilities in the fields of partnership creation, administration and financial management; arrangement and dispersal of informational and methodical material and the spread of the gained experience. Up to now the majority of topical rural questions have been solved in separate institutions and organizations without the inter-coordination of solutions and actions, therefore no expected results have been achieved. While applying the principle of partnership, the activity of the state and local authorities’ institutions, conditioning the rural life, as well as business and non-governmental organizations, rural communities and rural population (while solving topical rural problems) has been tried to bind up. More and more actively local communities are acting under the conditions of the fluctuations of modern society, however, they are lacking the capability to focus on human and social capital, to create and implement the policy of community development, to participate when making decisions important for the life of community. The establishment and strengthening of communities as well as the creation of opportunities for the development of regions are one of main changes since Lithuania has joined the European Union. The development of community involves environmental, economical, social, demographical, technological, political and other fields. It’s been tried to reach that the community should be able to constantly raise its welfare.

The aim of the measure “Training” is to improve the skills of persons working in the agricultural sector and earning their living by the activity connected with the rural development measures as well as to enable them to readjust to new market changes corresponding to strict ES standards in the sectors of environment protection, human, plant and animal welfare and food.

Tasks of the measure:

1. to provide farmers and other persons connected with the activities of land, forest husbandry and other alternative to agriculture activities, with theoretical and applied knowledge, that could be used while applying the knowledge to qualitative and quantitative changes in agricultural and food sectors;
2. to acquaint farmers with the standards of environment protection, landscape preservation, hygiene and animal welfare as well as with the quality requirements for agricultural and food products;
3. to teach farmers about the management of the economically perspective farm;
4. to teach forest owners and other persons connected with the forest husbandry, how to develop forests in order to improve their economical, environmental and social functions;
5. to teach farmers, how to pass from farming to other activities (Bendrojo ..., 2004).
The scientific, educational, consultation and other organizations, which had gained the right to be engaged in adult education according to a set form by Lithuanian and EU competent institutions, received the support according to this measure. The following trainings were carried out according to the measure “Training”: new technologies for the production of agriculture and forest husbandry, business economics and management, accounting, environment protection, water management, ecological and sustainable farming, animal welfare, quality requirements for sanitary, agricultural and food products, alternative trading in rural areas, cooperation and information technologies. Local activity groups actively arranged and placed orders for the gaining of support means (Table 1).

Table 1. The indices of the activity of the placing of orders according to the GPD measures LEADER+ type measures “Gaining of skills” and “Training” during 2004–2006

<table>
<thead>
<tr>
<th>Measure</th>
<th>Assigned support means during 2004–2006 in million Lt</th>
<th>Total number of orders in million Lt</th>
<th>Orders in comparison with assigned means in per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>The activity of LEADER+ type measure “Gaining of skills”</td>
<td>9.373</td>
<td>18.132</td>
<td>193</td>
</tr>
<tr>
<td>Training</td>
<td>3.044</td>
<td>8.513</td>
<td>280</td>
</tr>
</tbody>
</table>


During the period of 2004–2006 the support foreseen in directive regulations was rendered for the strengthening of rural human resources according to the GPD LEADER+ type measures “Gaining of skills and “Training” (Table 2).

Table 2. The indices of the demand and the rendering of the support for the strengthening of rural human resources according to the GPD LEADER+ type measures “Gaining of skills and “Training” during 2004–2006

<table>
<thead>
<tr>
<th>GPD measure</th>
<th>Total number of orders</th>
<th>The number of signed contracts in units</th>
<th>The sum of contracts in million Lt</th>
</tr>
</thead>
<tbody>
<tr>
<td>The activity of LEADER+ type measure “Gaining of skills”</td>
<td>155</td>
<td>94</td>
<td>6.717</td>
</tr>
<tr>
<td>Training</td>
<td>99</td>
<td>43</td>
<td>3.138</td>
</tr>
</tbody>
</table>


In 2007 the National payment agency continues the administration of GPD orders, the payment of support and the supervision of projects.
Conclusions

1. State’s investments in education, scientific researches and experimental development accumulating new knowledge are important internal factors for economic growth.

2. From the quality point of view, Lithuanian rural human resources are problematical because of the lower level of education. The unemployment in rural areas is higher than in towns, but there is a shortage of some workers in rural areas. Political, economical, social changes going on inside the state have big influence upon the change of educational system. The demand for the creation of the structures, capable of flexibly and rapidly react to the constantly changing labour market demands, arose.

3. It’s being tried to help rural population to improve the quality of their life, to encourage them to actively participate making and implementing decisions of the development using “LEADER+” type measures or the development orientated towards the initiative of the European Union’s societies. 95 contracts have been signed in the country according to this support measure during the years 2002–2004. The sum of contracts was 6 million and 736 thousand Lt.

4. According to the measure “Training”, the professional activity of persons working in the agricultural sector and earning their living by the activity connected with the rural development measures, is being improved as well as a new possibility to readjust to new market changes corresponding to strict ES standards in the sectors of environment protection, human, plant and animal welfare and food, is being given to them. 43 contracts have been signed in the country according to this support measure during the years 2002–2004. The sum of contracts was 3 million and 137 thousand Lt.

The list of references


Žinios, gebėjimas pasinaudoti naujausiais atradimais, kurti naujas žinias ir technologijas – pagrindinė tik šiuolaikinio ūkio, bet ir daugelio kitų gyvenimo sritys svarba. Viena svarbiausių šalies raidos ir modernizavimo sąlygų – inovacijomis, žiniomis pagrįsta ekonomika, gebejimas, kurti ir visose gyvenimo srityse taikyti naujas žinias. Lietuva, tapusi visateise EUROPOS SĄJUNGOS STRUKTŪRINIŲ FONDŲ REIKŠMĖ KAIMO ŽMOGIŠKOSIO KAPITALO DIDINIMUI

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