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Achievements and challenges in the food sector and rural areas during the 10  
years after the EU enlargement*

# CZECH COUNTRYSIDE – DEVELOPMENT AFTER EU ENLARGEMENT

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# Structure of contribution




- Situation before EU access
- Development in the Czech Republic (2004 – 2013)
- Economic and social preconditions
- Impacts of CAP on Czech Agriculture
- Employment in rural areas
- Consumption change
- Conclusions

# Development since EU access



- Joining the EU in 2004 has been reflected in economic and social area;
- Due to social structure of the rural population, living conditions are differentially changing;
- Proportion of the rural population employed in primary agricultural production decreased;
- Access to EU helps to structure the economy of the Czech countryside and affects some social trends of the rural population.



## Development of economic and social preconditions in the Czech Republic (2004 – 2013)

The development of the last decade must be analysed in combination with the social and economic preconditions of rural life and with regards to the common European and national trends, which are influent by all these factors.

# Situation before 1989



- Seventies and eighties of 20th century were characteristic by the strong orientation on the private life and own family;
- A life way reflected the economic possibilities and prevailing social values;
- Plot and garden substituted to a large extent the insufficient food-supply and missing services.

# Life styl before 1989



The life style was influenced especially by:

- ❑ Possibilities of education and professional carrer;
- ❑ Existing wage-levelling;
- ❑ Different kinds of social support (e.g. young families and solitary mothers);
- ❑ Level of health care;
- ❑ Possibilities of consumption and leisure time;
- ❑ Others.

# Basic social-demographic data

Year	Marriages		Divorces		Abortions	
	Total data	Per 1000 inhabitants	Total data	Per 1000 inhabitants	Total data	Per 100 births
<b>1989</b>	81 262	7,8	31 376	3,0	126 507	98,2
<b>2004</b>	51 447	5,0	33 060	3,2	41 324	42,2
<b>2005</b>	51 829	5,1	31 288	3,1	40 023	39,0
<b>2006</b>	52 860	5,1	31 415	3,1	39 959	37,7
<b>2007</b>	57 157	5,5	31 129	3,0	40 917	35,6
<b>2008</b>	52 457	5,0	31 300	3,0	41 446	34,6
<b>2009</b>	47 862	4,6	29 133	2,8	40 528	34,2
<b>2010</b>	46 746	4,4	30 783	2,9	39 273	33,4
<b>2011</b>	45 137	4,3	28 113	2,7	38 864	35,7
<b>2012</b>	45 206	4,3	26 402	2,5	37 733	34,6

Source: *Czech Statistical Office, 2013.*

# Social-demographic changes



- ❑ Decreasing number of marriages;
- ❑ Significantly increased divorce rate;
- ❑ More than one half of contracted marriages divorce today;
- ❑ Abortions fell off significantly.



# Basic social-demographic data

Year	Live births		Still births	Live births outside marriage	
	Total data	Per 1000 inhabitants	Total data	Total data	Percentage
<b>1989</b>	128 356	12,4	525	10 141	7,9
<b>2004</b>	97 664	9,6	265	29 839	30,5
<b>2005</b>	102 211	10,0	287	32 409	31,6
<b>2006</b>	105 831	10,3	299	35 259	33,2
<b>2007</b>	114 632	11,1	315	39 537	34,4
<b>2008</b>	119 570	11,5	272	43 457	36,3
<b>2009</b>	118 348	11,3	319	45 954	38,7
<b>2010</b>	117 153	11,1	293	47 164	40,3
<b>2011</b>	108 673	10,4	317	45 421	41,8
<b>2012</b>	108 576	10,3	379	47 088	43,4

Source: *Czech Statistical Office, 2013.*

# Social-demographic changes



- Decreasing birth-rate;
- Natal mortality, which was traditionally low, decreased again;
- Share of illegitimate births during the watched period grown exceedingly;
- New social cohabitation model, closer to West European reality, started step by step.

# Life expectancy – women (years)

<b>Country / Year</b>	<b>2004</b>	<b>2012</b>
<b>EU 28</b>	81.5	83.1*
<b>Spain</b>	83.7	85.5
<b>France</b>	83.8	85.4
<b>Liechtenstein</b>	85.1	85.2
<b>Czech Republic</b>	79.1	81.2
<b>Poland</b>	79.2	81.1
<b>Bulgaria</b>	76.2	77.9
<b>Serbia</b>	75.5	77.5
<b>Macedonia</b>	75.8	76.9

\* = interrupted series

Source: *Czech Statistical Office, 2014*

# Life expectancy – men (years)

<b>Country / Year</b>	<b>2004</b>	<b>2012</b>
<b>EU 28</b>	75.2	77.5*
<b>Iceland</b>	78.9	81.6
<b>Switzerland</b>	78.6	80.6
<b>Sweden</b>	78.4	79.9
<b>Czech Republic</b>	72.5	75.1
<b>Poland</b>	70.6	72.7
<b>Bulgaria</b>	69.0	70.9
<b>Latvia</b>	65.6	68.9
<b>Lithuania</b>	66.2	68.4

\* = interrupted series

Source: *Czech Statistical Office, 2014.*

# Life expectancy changes



- Increasing of male life expectancy from 72,5 to 75,1 years and female life expectancy from 79,1 to 81,2 years (2004 – 2012);
- Gender differences continue, the differences between more and less developed countries always exist;
- Improvement of life expectancy during the pursued period in both groups (men and women) as well as all chosen countries ranges about 2 years.

# Life expectancy impacts



- Growing share of people in pensionable age;
- Growing demand on the new conception of social policy;
- Changing structure of social benefits;
- Other kinds of health threat, connecting with the age as well as life standard (obesity, age-related diseases, etc.);
- Increasing deficit of civic amenities in rural areas (with the worse age structure of population).

## Impact of CAP on Czech agriculture

Czech Republic entered into the European Union on May 1, 2004 and had to adopt conditions of the Common Agricultural Policy of the EU and others policies. Impacts of CAP on Czech agriculture are numerous – both positive and negative.

# Positive impacts



- Growth of financial sources for farmers;
- Advantages in the form of an increase in income and living standards;
- Higher purchase prices and expanding export options;
- Accelerating of development of regions with GDP per capita below 75 % of EU average.



# Negative impacts



- Increasing requirements on administrative;
- Fall of some traditional products for the sake of regulated quota system;
- Disproportion of direct payments between so-called „old Member States“ and „new Member States,“
- Reduction of self-sufficiency for commodities of livestock production.



## Employment in rural areas

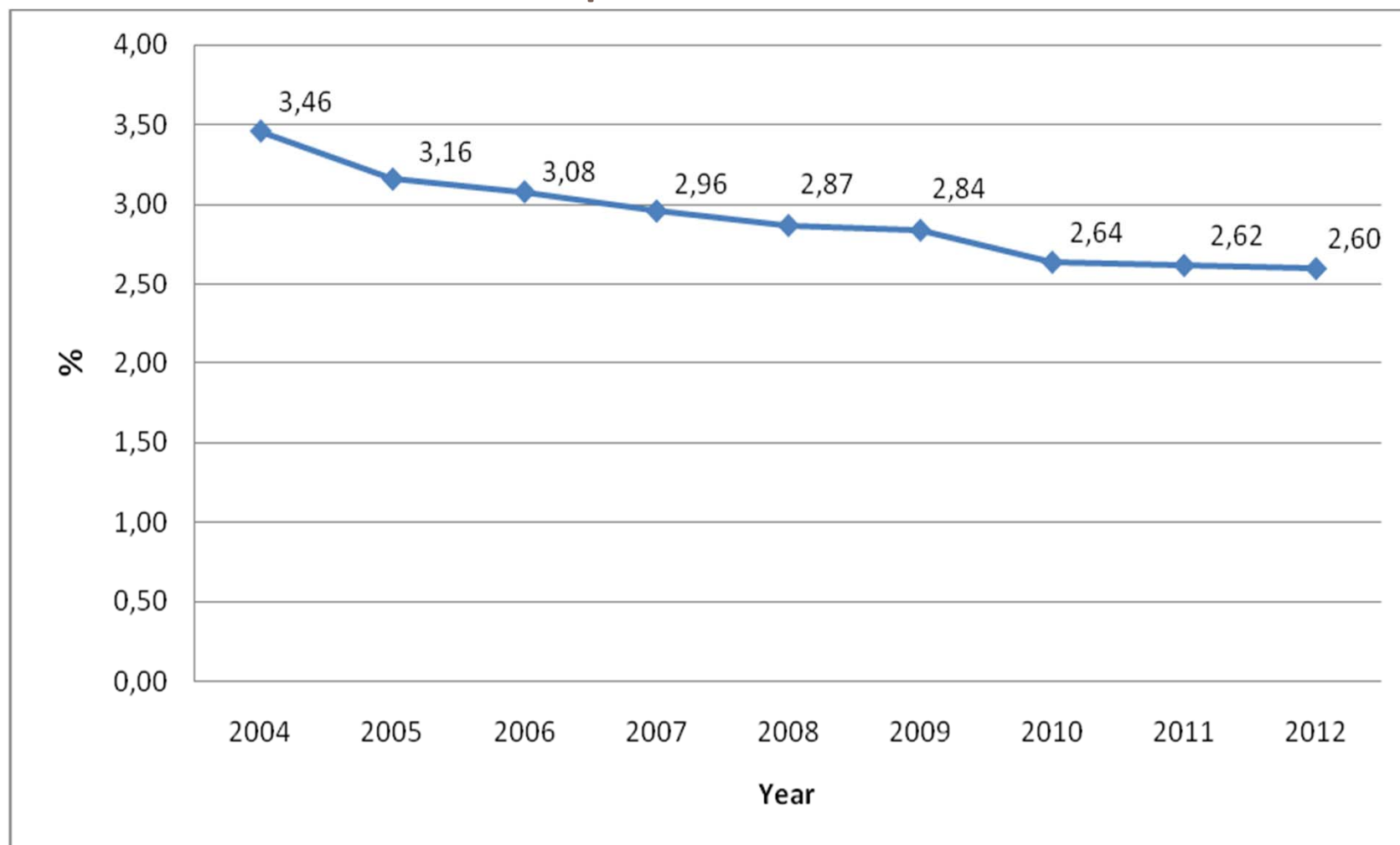
Rural areas are typical of higher employment in primary and secondary sector (agriculture, industry and construction) and lower employment in tertiary sector – services.

# Situation in rural areas



- Impact of transformation and privatization processes;
- Privatized enterprises cannot not employ the redundant workers;
- Higher unemployment rate (especially persons in age more than 50 years and women);
- Lower economic activity and less job opportunities.

## Share of workers in agriculture within the labor force of Czech Republic 2004 – 2012



Source: *The Ministry of Agriculture of the Czech Republic, 2012.*

# Progress of employment



- Before 1989 - almost 10% permanently employed workers in the national economy (approached one million persons);
- Decline of employment by 60 % in agriculture sector after 1989;
- Share of workers in agriculture within the labor force has decreased again from 3.46 % in 2004 to 2.60 % in 2012.

# Average gross salary by branches

<b>Year</b>	<b>Agriculture, forestry and fishing (CZK)</b>	<b>Industry (CZK)</b>	<b>Financial and insurance activities (CZK)</b>	<b>Professional, scientific and technical activities (CZK)</b>	<b>Education (CZK)</b>	<b>Summary (CZK)</b>
<b>2005</b>	13 950	17 814	36 258	23 727	18 762	<b>18 283</b>
<b>2006</b>	14 802	19 010	38 687	24 742	20 008	<b>19 447</b>
<b>2007</b>	16 189	20 432	41 509	26 799	21 225	<b>20 927</b>
<b>2008</b>	17 909	22 167	44 629	30 364	22 233	<b>22 653</b>
<b>2009</b>	17 766	22 740	45 861	31 881	23 508	<b>23 425</b>
<b>2010</b>	18 092	23 649	45 638	31 928	23 349	<b>23 903</b>
<b>2011</b>	18 622	24 412	47 378	32 441	23 505	<b>24 466</b>
<b>2012</b>	20 010	25 159	51 351	32 771	24 389	<b>25 112</b>

Source: *Czech Statistical Office, 2013.*

# Salaries in agriculture



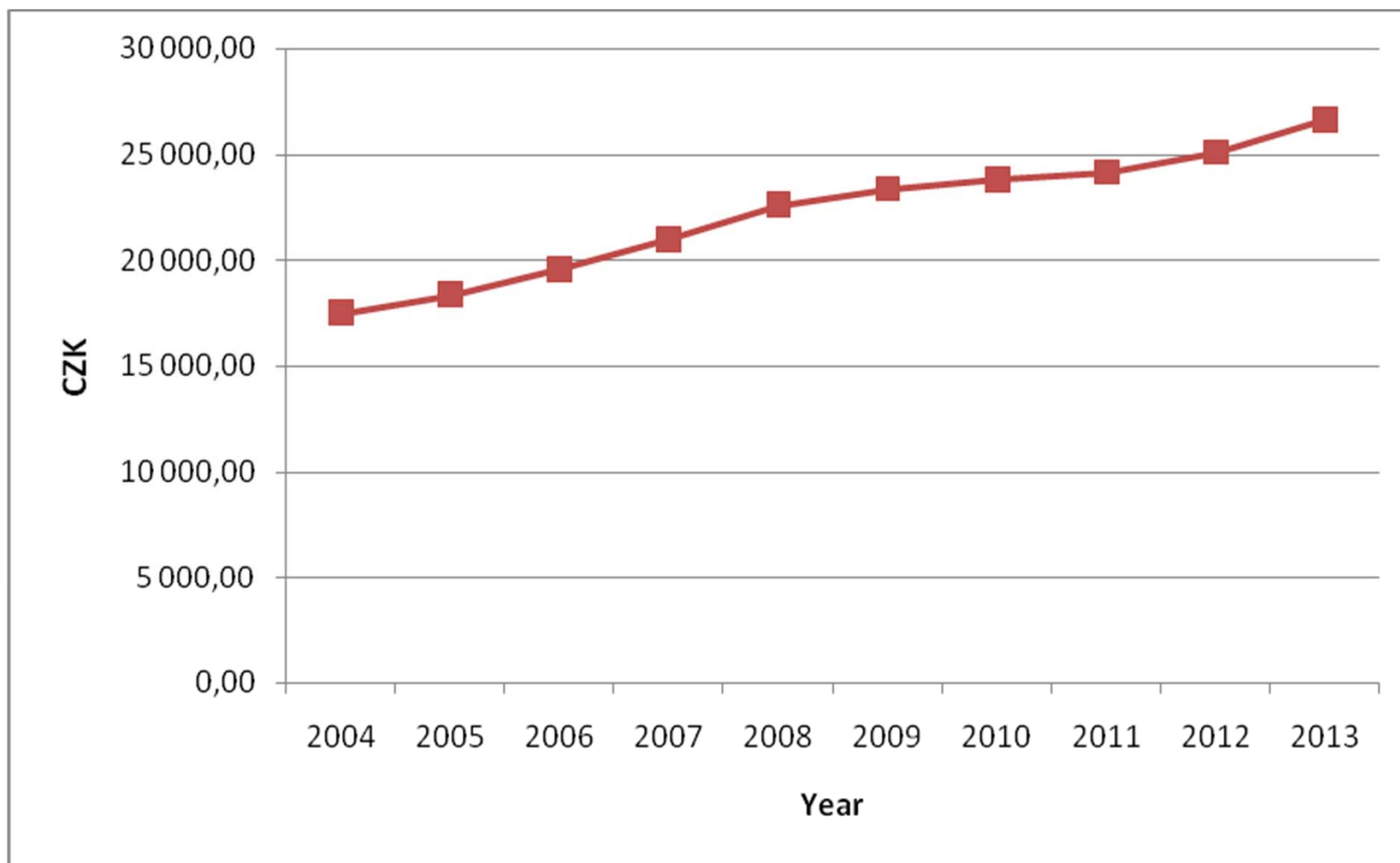
- Average gross salary in agriculture is lower than salaries in most other branches;
- Agriculture is characterized by wage disparity, wages in this sector amounted 78 % of the average;
- Disparity is caused by the structure of jobs possibilities, lower productivity of labor force in agriculture (their age structure, education, possibilities of requalification etc.).

# Consumption change

Main features are growing offer of goods and services, entry of external companies on market, growing differentiation of purchase power by various social groups.



## Average salary in Czech Republic (2004 – 2013)



Source: *Investia.cz*, 2013.

# Situation in rural areas



Consumption is influenced by:

- Subsistence farming;
- Self-help activities, services, repairs;
- Traditional patterns of consumption;
- Different needs in the rural space with the lack of civic amenities.

## Comparison of basic foodstuff and goods (2004 – 2013)

<b>Product</b>	<b>Price 2004 (in CZK)</b>	<b>Price 2013 (in CZK)</b>	<b>Amount of product bought from average salary (2004)</b>	<b>Amount of product bought from average salary (2013)</b>
<b>Bread 1kg</b>	15.25	23.10	1 145	1 153
<b>Chicken 1 kg</b>	51.80	69.63	337	383
<b>Milk 1 l</b>	14.35	20.49	1 217	1 300
<b>Egg</b>	2.47	2.95	7 071	9 029
<b>Butter 1kg</b>	115.48	164.34	151	162
<b>Men's cotton socks a pair</b>	44.20	55.84	395	477
<b>Postage for a letter</b>	6.50	13.00	2 687	2 049
<b>Theater ticket</b>	144.12	236.91	121	112

Source: *Czech Statistical Office, 2013.*

## Conclusion

Most important conquests for population is the democratic development, change the prospects of people, who are able to compete in the labour market.

# Main findings



- Statistical data reflect life standard and life possibilities growth in the last decade;
- Rural population is differentiated according to the social groups;
- Offer of good and services is limited by the size of locality;
- An admittance of the CR into EU give a certain warranty of democratic development, because Czech institution became a part of European institutional system.

Thank you for your attention

