

EDUCATION AS AN ELEMENT OF COMPETITIVENESS OF RURAL HOUSEHOLDS IN THE WIELKOPOLSKIE VOIVODSHIP

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Abstract. In the era of globalization and economic integration, education constitutes a significant element of creating the value of human capital. Despite the fact that it is not possible to purchase it, and, only in some degree one may gain it as a result of increased education, it is vital to undertake the activities by governmental and non governmental organizations aiming at its quality improvement. Better educated people better operate on the market and easier adjust to changing market conditions. In rural areas of Wielkopolska only 4.2% of habitants have higher education, therefore it is necessary to undertake complementary activities by institutions dealing with education, solving and promoting different forms of replenishing job qualifications as well as constant education. The graduates should be equipped in capabilities indispensable in market economics, improving their competitiveness.

Key words: education, rural areas inhabitants, human capital

INTRODUCTION

The aim of the elaboration is to define the role of the human capital in building the competitiveness of the households situated in rural areas of Wielkopolskie voivodship. The considerations made in the paper are based on inquiry research conducted by the author in 2004 and 2007 among rural population of Wielkopolskie voivodship, financed from the intercollegiate interdisciplinary project conducted by The Poznan University of Life Sciences and The Poznan University of Economics. The selection of the responders was carried out in such way, so that the sample reflected the socio-economic situation of the entire population. The research results are based on the responders' experience, therefore the results may be burdened by the non-random errors. The sampling had purposive character. In the frames of the conducted analyses the inquiry were carried out adequately

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in 786 and 559 households. The research was carried out in all the 31 districts of Wielkopolskie voivodship. The inquiry questionnaire consisted of 88 questions divided into 11 thematic blocks. The selected questions from the III, V, X and XI block (households incomes, responder's and household's economic activity, education and subjective poverty) were used by the elaboration of the paper. The unpublished data of the Main Statistical Office from 2005 concerning the socio-material situation of rural population had a supplementary character.

The contemporary market economy, setting economic aims as priorities, results in increased competition for foreign investments among communes. The potential investors decide about new locations basing on the possibility of using the synergy effect. The main area of competition are rural areas, which constitute 95% of the area of the Wielkopolskie voivodship and are inhabited by nearly 45% of its overall population. Therefore, they constitute a considerable reservoir of human resources. New challenges of knowledge-based economy impose an improvement in the quality of the capital. Raising the level of education becomes a necessity and, at the same time, increases the chances of development of households and is conducive to an improvement in the situation in the labour market and, consequently, participating in social welfare. As a result, investments in human capital become inevitable in the process of household development and in the development of the society as a whole.

EDUCATION AND THE COMPETITIVENESS OF THE RURAL POPULATION IN WIELKOPOLSKA

Defining human capital is the key element of the considerations on building the competitiveness of households, particularly in rural areas. Its peculiarity derives from the fact that it cannot be materialised as assets acquired on the market, but through self-investments [Marciniak 2002]. Most generally, it can be treated as a total of interrelated variables such as knowledge, skills, experience, creative thinking and the capability of work as well as mobility aimed at finding better employment, health and psychical welfare. These features, though they are not the only determinants, significantly determine the resources of this capital.

The value and the meaning of human capital, also more broadly understood as social capital, result from the fact that it constitutes one of the three dimensions of sustainable development. The participation of the inhabitants of rural areas, i.e. active participation of citizens in managing social issues, is the key factor in the process of expansion [Juroszek 2008, Hauser 1999]. However, in order to be able to talk about unlimited subjectivity of the rural population, it is necessary to meet a number of conditions, including the most important one – constant improvement in the quality of human resources, including the improvement in their education. Therefore, education is treated as investment and one of the elements raising the marginal productivity of human capital. The data from the National General Census shows that the rural population is worse educated than the urban one. The educational gap with regard to university graduates amounts to 9.2 percentage points (there was an increase of 1.9 percentage points between censuses). Although the level of education of the rural population has been on the increase for a long time, over

three quarters of the rural population have no secondary education. While people with secondary and post-comprehensive education constitute the greatest percentage of the urban population, most of the population living in the country have primary education or even lower (Figure 1). This situation results from, among others, greater educational obstacles encountered by the rural environment. A number of families cannot afford to send children to secondary schools, universities or colleges in bigger towns.

The improvement in education in recent years has been caused, among others, by the extinction of the oldest generation, i.e. the worst educated one at the same time and by a lower urban migration balance. It legitimises the claim that the migration of educated people has been limited, but on the other hand, the better educated and those able to find their place on the labour market decide to stay in urban areas, which offer both greater opportunities of getting a satisfactory job and a wider range of future choices. According to Orczyk [2005], the four most important challenges in the coming years include maintaining educational aspirations in society, eliminating significant differences in access to education, developing various forms of educating adults and instant improvement in education quality. Rural youth realise the necessity of further education and making continual improvements to one's skills. The research conducted in 2007 shows that only one in ten households (9.6%) includes people over 18 not continuing their education on secondary level, which constitutes a decrease by nearly two percentage points. Respondents claim the main reason for discontinuing education to be financial problems (41.3%), and learning difficulties (28.6%). It is also problematic that 27% still believe that the education they have achieved is sufficient and there is no need for them to continue their education (Figure 2). According to a number of opinions, an excess of university graduates can result in a discouragement from one's own self-development, however, the market has not been saturated yet in rural areas and the distance, in comparison with urban citizens, is still quite considerable [Kalinowski, Łuczka-Bakuła 2007].

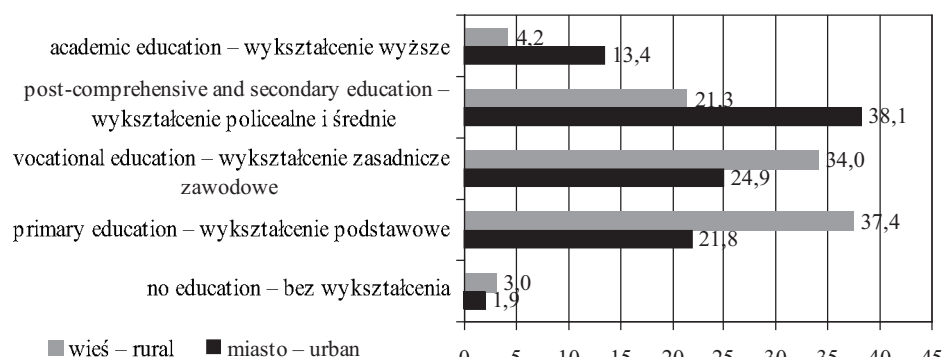


Fig. 1. Education levels among the inhabitants of the Wielkopolskie Voivodship in 2002

Rys. 1. Struktura wykształcenia mieszkańców województwa wielkopolskiego 2002 roku

Source: Author's own calculation based on *Gospodarstwa domowe i rodziny. Województwo wielkopolskie*, Poznań 2003.

Źródło: Opracowanie własne na podstawie *Gospodarstwa domowe i rodziny. Województwo wielkopolskie*, Poznań 2003.

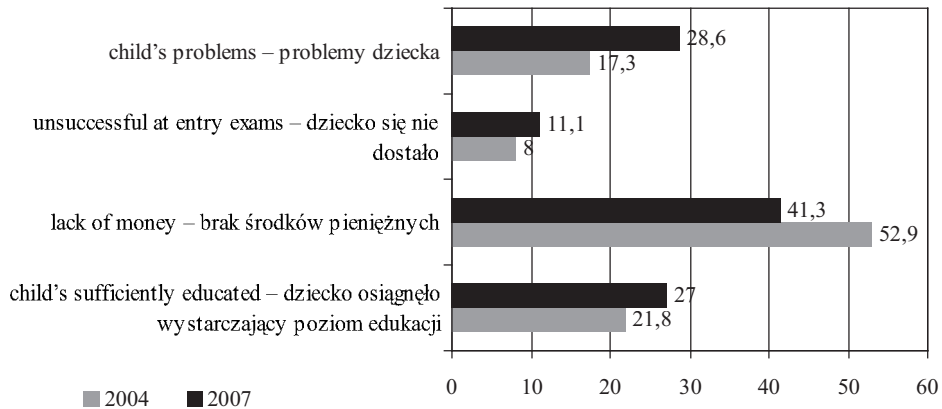


Fig. 2. The causes of abandoning education by the youth

Rys. 2. Przyczyny niekontynuowania nauki przez młodzież

Source: Author's own research – 2004 and 2007.

Źródło: Badania własne.

Relatively low income of people with lower education living in rural areas comparing to the urban population contribute to the so-called phenomenon of brain drain [Michalski 2006], i.e. the migration of better-educated youth, both from rural to urban areas and abroad. Such state of affairs can be a source of trouble for the rural population in following years. The tendency for rural areas to be only inhabited by people with low incomes, as well as the unfavourable way of calculating educational grants and the lack of funds in small schools, can result in a further deprivation of the youth of the opportunity for using extracurricular classes. Research shows that even now, parents are forced to withdraw from private lessons for their children and extracurricular activities. However, it is advantageous that the percentage of households which were unable to bear the burden within the last three years decreased by 5.7 and 2.6 percentage points respectively (Figure 3).

Knowledge has become a good, subject to economic exchange and, therefore, it determines the material status of households. A lower level of education is conducive to earning relatively lower incomes. It results from the unpublished CSO data that the people with academic background earn incomes higher by a third and can manage disposable incomes of 1080 PLN. Secondary school graduates earn not more than PLN 743 (Figure 4). One can therefore assume that lower incomes result from an increased competitiveness in this group and, hence, agreeing for lower earnings for doing any available job. However, as the economic situation improves, these conditions become subject to changes. Even now, one can notice cases of rejecting employment when earnings do not meet expectations. Lack of money and low education level result in a kind of feedbacks. A low level of education is conducive to earning low incomes, which, in turn, limits development opportunities of the youth. Children from rural schools, which rarely implement extended curricula, are usually worse educated than their urban peers. Moreover, they are forced to withdraw from extracurricular activities and choose less prestigious schools with lower demand, which eventually leads to further educational limitations. Therefore, it is advisable to work on creating a complex system of scholarships for the most skilled students, a preferential system of bank loans for poorer families, financed by the state. It is also

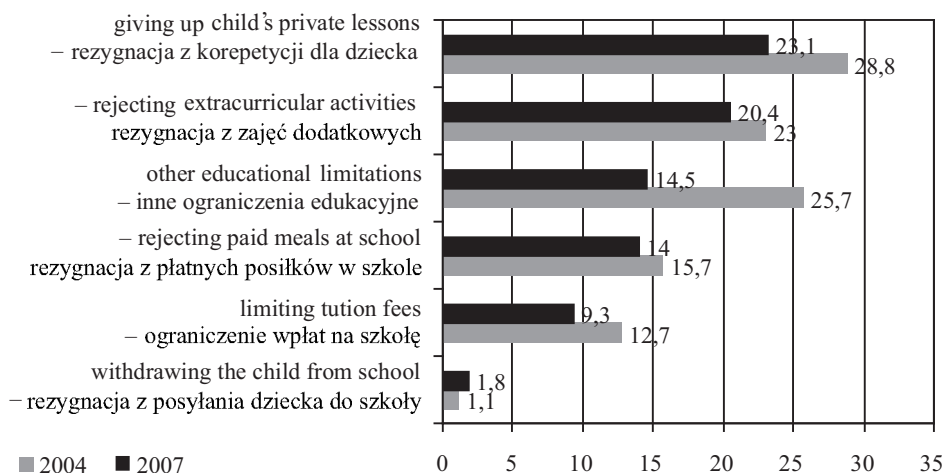


Fig. 3. Educational limitations resulting from financial reasons in 2004 and 2007 (%)

Rys. 3. Ograniczenia edukacyjne z przyczyn finansowych w roku 2004 i 2007 (w %)

Source: Author's own research.

Źródło: Badania własne.

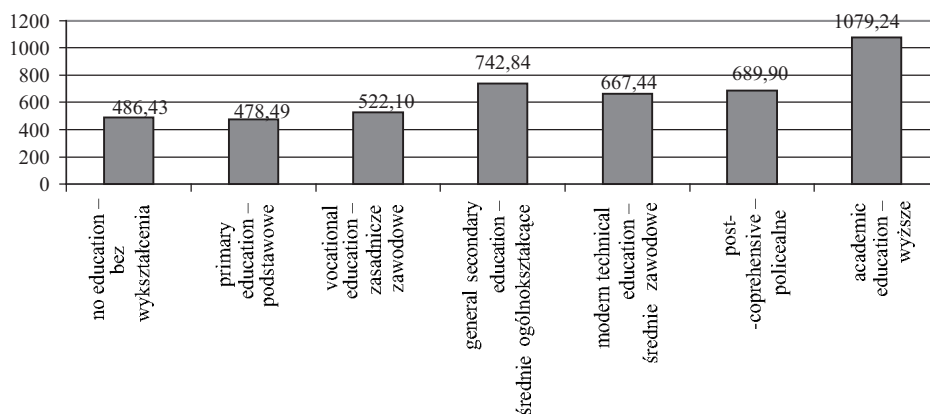


Fig. 4. Disposable incomes depending on the level of education in rural areas of the Wielkopolskie Voivodship (PLN per capita)

Rys. 4. Dochody rozporządzalne w zależności od poziomu wykształcenia w 2005 roku na obszarach wiejskich województwa wielkopolskiego (w zł/osobę)

Source: Author's own calculations based on unpublished CSO data.

Źródło: Obliczenia własne na podstawie niepublikowanych danych GUS.

inevitable to increase budget expenditure on human capital in order to prevent the phenomenon of 'inheriting' the parental professional status and repeating their educational patterns. Due to budgetary limitations, the state is obliged to create instruments enhancing people, including domestic and foreign investors, to invest in human capital.

Less educated rural population have some difficulties with matching the conditions of the local labour market. Besides the fact that they agree to relatively lower wages, they

take up the job incompatible with their aspirations. Simultaneously the fear concerning the incomes loss causes that this group more often decides to work in lower safety standards or threatening health. People without education or of general education three times more often demonstrate the fear concerning the loss their work than the people with higher education (adequately 76%, 73% and 23,4%). They think that in relation to the lack of the adequate skills and realized trainings and courses they may be deprived of the job by employer.

Financial limitations result in a low degree of rural youth's involvement in extracurricular activities aimed to develop their skills. This results in a decline in the development potential of the group. According to Nelson and Phelps [1966], the technical society is obliged to make increasing investments in its own development in order to meet increasing technological expectations as the economy becomes saturated with imported knowledge. However, research shows that two out of five households are forced to reject any extracurricular activities. It is a growing concern that in times of globalisation, only one family in four allocates extra money to studying foreign languages (Figure 5).

The increase of the percentage of people supplementing their education is beneficial for the whole society, as better educated people are able to decide on implementing innovations faster and use new techniques more effectively [Zajączkowska-Jakimiak 2006]. Academic education is conducive to an increased flexibility in the labour market and an easier adjustment to it and also influences the readiness to start work. Research shows that people with academic and post-comprehensive education are more often ready to start work instantly than people with vocational education or those without any education (Figure 6). A low percentage of people ready to start work instantly in all groups can be a symptom of accepting the hitherto situation, but also result from starting unregistered work. Accepting this form of work results mainly from the willingness to be paid a slightly higher salary and to improve one's material situation at the expense of future security.

The level of education correlates with the evaluation of one's own material situation. It also affects the mentality of the respondents and, to a significant degree, determines the perception of reality. The households whose heads of family have academic education evaluate better their own material situation in comparison with other households (Figure

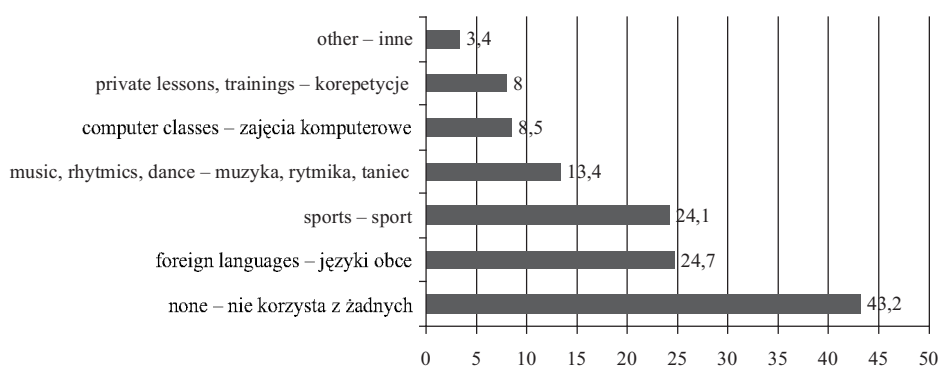


Fig. 5. Using extracurricular classes by rural youth

Rys. 5. Korzystanie z zajęć nadobowiązkowych wśród młodzieży wiejskiej

Source: Author's own research.

Źródło: Badania własne.

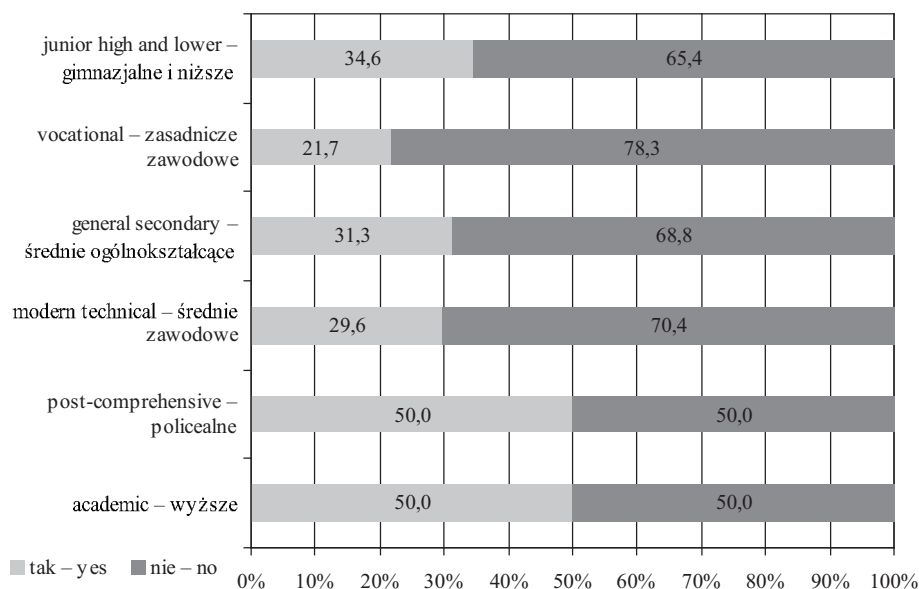


Fig. 6. Readiness to start work (in %)

Rys. 6. Gotowość podjęcia pracy (%)

Source: Author's own research.

Źródło: Badania własne.

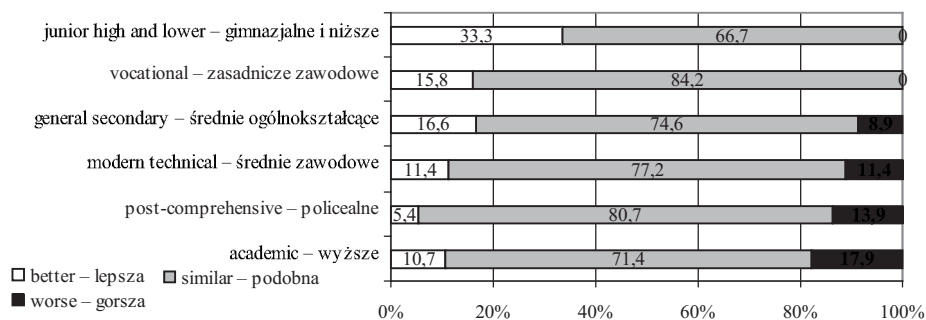


Fig. 7. Self-evaluation of households' material situation in 2007

Rys. 7. Samoocena sytuacji materialnej gospodarstw domowych w 2007 roku

Source: Author's own research.

Źródło: Badania własne.

7). Therefore, it can be assumed that academic education provides greater chances of adaptation to current living conditions and is conducive to a greater satisfaction with one's own financial situation.

People with post-comprehensive and higher education are more willing to take up the risk than the people with lower education. They more often are decided to undertake their own business. Nearly 40% people with higher and 59% of post comprehensive education are willing to start their own business when they lose their job, whereas 28.9% people with

lower education are willing to run their own business (and only 11% people with elementary education). The main reason for resignation of self-employment is lack of adequate funds for launching a business (47.1%), lack of the sense of the point of running own business (36.2%), lack of idea (19.6%) and lack of skills and qualifications (11.9%).

One of the conditions of a proper educational pattern is starting it in the early phase of child's development, i.e. between the ages of three and five. In rural areas of the Wielkopolskie Voivodship, as well as in Poland, pre-school education is of poor quality and it only covers children from the age of six. Only one in ten children in rural areas attends a kindergarten at an earlier age (every third child does in urban areas), which greatly impedes making the opportunities for development equal and contributes to the fossilisation of discrepancies between urban and rural areas. As education is important regarding both, the capital dimension, implemented on the market and, at the same, the personal development, not related with economic opportunities, activities of local governments aimed at increasing the accessibility of education, starting with the kindergarten level, are inevitable. Later on, it is necessary to adjust educating the labour force and adapting it to local labour markets. According to Wieczorek [2001], it should not be forgotten that schools should serve the purpose of increasing households' competitiveness. Hence, graduates should be well equipped with skills inevitable in the market economy, allowing them to compete at the local market.

CONCLUSIONS

Education constitutes a significant element of forming the value of human capital. Although the latter cannot be acquired, but only, to some degree, accumulated as a result of increased education, state activities and the activities of NGOs, aiming at increasing the quality of human capital are inevitable. They may result in an increase of the rate of economic growth and, particularly, an improvement in the social and economic situation of households. It is particularly important due to the relatively low level of education among rural population, as only 4.2% have academic education. As rural youth want, to a large degree, to continue their education, the main obstacle is constituted the lack of sufficient money supplies. The institutions responsible for the improvement in the quality of human capital need to support continual training. Due to the state budget limitations, there is a need for activities and instruments of state policy to encourage investors and other people to invest in human capital. Without proper solutions and instruments, increasing the competitiveness of rural households in the market will not be possible.

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EDUKACJA JAKO ELEMENT KSZTAŁTOWANIA KONKURENCYJNOŚCI WIEJSKICH GOSPODARSTW DOMOWYCH W WOJEWÓDZTWIE WIELKOPOLSKIM

Streszczenie. Kapitał ludzki w dobie globalizacji i integracji gospodarczej jest coraz ważniejszym elementem konkurencyjności gospodarstw domowych. Jego główną determinantą jest wykształcenie, które sprzyja zwiększonej aktywizacji ludności. Osoby lepiej wykształcone lepiej odnajdują się na rynku i łatwiej dostosowują do zmieniających się warunków rynkowych. W związku z tym konieczne są komplementarne i aktywne działania instytucji zajmujących się kształceniem, rozwiązujące i promujące różne formy uzupełniania kwalifikacji zawodowych, a także kształcenia ustawicznego. Absolwenci szkół powinni być wyposażeni w umiejętności niezbędne w gospodarce rynkowej, podnoszące ich konkurencyjność.

Słowa kluczowe: wykształcenie, ludność wiejska, kapitał ludzki

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