



## COMPARISON OF IMPLEMENTATION OF RURAL DEVELOPMENT PROGRAMMES FOCUSSED ON DIVERSIFICATION IN SLOVAKIA IN THE YEARS 2007-2013 AND 2014-2020

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### Abstract

The European Union is aware of the importance of agriculture for rural economy and this is the reason why the EU decided to support this sector by means of rural development programmes. The objective of this paper was to compare the support of the development of multifunctional agriculture in Slovakia by the measures of the Rural Development Programme of the Slovak Republic 2007-2013 and the Rural Development Programme of the Slovak Republic 2014-2020 focussing on agricultural diversification. In the elaboration of the paper we used statistical data and information from the databases of the Agricultural Paying Agency and the National Rural Development Network. The data were analysed at the NUTS 3 (regions) and LAU 1 (districts) level of Slovakia. The main indicators under review were the number of applicants for the non-repayable financial contribution, the number of approved and completed projects and the number of entities, which implemented the projects. In the study we also focussed on financial indicators - the overall sum of the approved and granted contribution for the monitored measure, the share of the approved and granted contribution from the EU, the share of the approved and granted contribution in the overall contribution for the SR, the average number of the approved and completed projects in the individual programming periods and the average amount of granted contribution per completed project. The intensity of diversification support at the level of regions was examined on the basis of the granted contribution allocated to agricultural land. In the first programming period between 2007 and 2013 diversification was promoted in support measure 3. 1. In the year 2013 the Agricultural Paying Agency recorded in this measure 239 approved projects. The support of diversification into non-agricultural activities was in the second programming period 2014-2020 included in Submeasure 6. 4. In the year 2018 it was 173 projects that were approved. In the following years 2019 and 2020 more agricultural entities are likely to participate in the call under the current Rural Development Programme of the Slovak Republic 2014-2020 and diversify their production into non-agricultural activities. The Common Agricultural Policy of the European Union awards subsidies for measures promoting diversification in form of rural development programmes. The measures aim at improving the quality of life of rural population and the support of rural economy.

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**Key words**

The Rural Development Programme, diversification, non-agricultural activities, regions, the Slovak Republic.

## INTRODUCTION

In recent years a change has been seen in the traditional understanding of agriculture in connection with its transformation to multifunctional agriculture. The weakening relationship between agriculture and the rural areas is being explained by the transition from production agriculture to post-production (multifunctional) agriculture (Věžník et al. 2013). The changes in agriculture are motivated by the current form of the Common Agricultural Policy, which desists from providing funding to production and favours environmental protection, creation and maintenance of the landscape, food safety and good conditions for breeding farm animals (Ward et al. 2008). The support of diversification into non-agricultural activities is a part of this transformation of agriculture and at the same time it is one of the goals of the European agricultural policy, whose objective is also to keep the farmers in the rural regions (Tóthová and Fiľa, 2014).

The measures focussing on diversification and thus fostering the multifunctionality of agriculture are becoming a part of agricultural policies across the globe and the European Union (EU) is not an exception herein. The EU is aware of the importance of the primary sector when it comes to achieving food safety and levelling regional disparities. Many Slovak farmers face problems due to i.a. low prices of agricultural commodities, their sale and an instable market. For the farmers diversification presents a wide range of options how to extend their primary production orientation by other the so called non-agricultural activities and thus find a suitable solution for stabilizing their income. The support of development of multifunctional agriculture is being implemented also in form of the measures under the Rural Development Programmes. By implementing new non-agricultural activities the agricultural entities diversify their production and thus contribute to the development of multifunctional agriculture in Slovakia. The activities in multifunctional agriculture add to preserving the environment, sustainable development and the development of rural areas. Czimbalmos et al. (2013) share a similar view when considering the increase in the degree of farm diversification and expanding the European model of multifunctional agriculture as the best solution to the current crisis in agriculture.

The objective of this paper was to compare the support of development of multifunctional agriculture in Slovakia by means of the measures under the Rural Development Programme of the Slovak Republic 2007-2013 and the Rural Development Programme of the Slovak Republic 2014-2020 focussing on diversification in agriculture.



## THEORETICAL FRAMEWORK

Nowadays many farmers in Europe have difficulties gaining sufficient income from agriculture to cover their costs of living especially due to the complicated economic context, in which the prices of the principal agricultural crops are decreasing and the agrarian market prices are highly volatile. For many of them diversification into other non-agricultural activities (the European Parliament, 2016) presents a way of how to stabilize or increase their income. Diversification includes entrepreneurial activities that are carried out in the enterprise, which depend on agricultural land and capital activities of the enterprise (Maye et al. 2009). Diversification in agriculture is a key factor when it comes to achieving food safety and increasing employment in rural areas. It has an impact on both sides – the wider society but also the farmer, to whom it secures higher revenues and other entrepreneurial activities on his land. At present the rural areas hardly create any new jobs and the interest of young people to work in agriculture is very low. It is the non-agricultural activities of agricultural entities that open opportunities for creating new jobs. Špička and Picková (2007) state that diversification developed in the EU states between the years 2003-2005. As to the further gainful activities of the farmers the most common non-agricultural activities in the EU are the processing of agricultural products, food production, agrotourism and contract work. Also according to Arru et al. (2019) the recreational functions rank among the most important procedures for increasing the farmers' revenues and fostering the sustainability of rural areas. For Schöpe (2011) diversification is the fundamental sign heralding the change in the structure of agriculture. In practice for the agrarian sector it implies the creation of new branches, which can no longer be assigned to the original agricultural production, however they are dependent on the traditional sources of an agricultural enterprise. At present it is not easy to make agriculture thrive. The owners and managers engaged in the agricultural sector are therefore increasingly compelled to face challenges when it comes to searching for new and more stable sources of revenues. Applying the diversification strategy is one of the options how to improve the present situation. The more so as this strategy provides an important tool for enhancing the quality of rural infrastructure and creating new job opportunities in unconventional sectors and thus leads to reducing employment in the agricultural sector (Huml et al. 2011).

According to Tóthová and Fiľa (2014) diversification shall help agricultural entities extend their range of products, increase competitiveness and simultaneously obtain funding for further development of the entity. The farmers are considering what form of diversification to use, whether to stay in the agricultural sector and widen the existing production programme or try to diversify into non-agricultural activities. Hron et al. (2008) stress the importance of diversification for bolstering the competitiveness of small and medium-sized agricultural entities.



While the share of agriculture, forestry and fishing in the rural economies has gone down the importance of diversification has grown and its activities have been intensified (Boncinelli et al. 2018). The importance of diversification as a means of mitigating risks in agriculture is highlighted by Villa et al. (2019). According to Feliciano (2019) the diversification of the cultivated crops in terms of cost presents one of the most efficient methods how to reduce the instability of farm income. From the environmental viewpoint diversification of crops can stabilize the ecosystem through increasing biodiversity (Lancaster and Torres, 2019, Boltižiar et al. 2016). Those farmers who currently make use of more heterogeneous crop rotation are more likely to use crop rotation as a strategy for adapting to climatic changes (Roesch-McNally et al. 2018). Kołodziejczak and Kossowski (2011) claim that diversification of agricultural systems under the impact of the factors arising from the EU Common Agricultural Policy positively affects the agriculture in Poland, which is adapting to natural conditions.

Diversification in agriculture has a positive impact on creating new work places in rural areas and it can thus solve the problem of high rural unemployment. It focusses on the support of developing new forms of business, which present an alternative to agriculture. In comparison with the other EU states the structure of diversification in the production of agricultural entities in the context of Slovakia is insufficiently developed. The agrarian sector in the EU is characterized by a significant degree of diversification of its activities. More than 30% of farmers in the EU carry out another gainful activity beside their primary focus on agriculture (European Commission 2018).

## DATA AND METHODS

An important driving force for rural development in Slovakia is the implementation of the measures under the Slovak Republic Rural Development Programmes (SR RDP). The Rural Development Programme is a programming document, which in particular deals with the absorption of funding from the European Agricultural Fund for Rural Development. This fund aims at supporting the European rural development policy and this is why it is used for funding all the rural development programmes in the EU Member States. For the purposes of our analysis we used the two most recent programmes orientated at rural development: the SR RDV 2007-2013 Axis 3: Quality of life in rural areas and diversification of rural economy, Measure 3.1: Diversification into non-agricultural activities (code 311) and the SR RDV 2014-2020, Measure 6: Supporting farm and business development and Submeasure 6.4: Investments in creation and development of non-agricultural activities.

The information sources for elaborating this paper were the internal materials and the data of the Agricultural Paying Agency (APA) and the National Rural De-



velopment Network. The data were analysed at the NUTS 3 (regions) and LAU 1 (districts) levels of Slovakia. We applied the ArcView programme for statistical data processing and cartographic visualization of the results.

In the study the following analytical instruments were used: basic processing of the statistical data set and its subsequent analysis, methods of thematic cartography, comparative data analysis, comparison of indicators at the level of regions of Slovakia (LAU 1 and NUTS 3) as well as deduction and synthesis of the knowledge obtained.

In order to compare the implementation of the measures related to the diversification of agriculture under the Slovak Republic Rural Development Programmes 2007-2013 and 2014-2020 we monitored the following indicators: the number of applicants for the non-repayable financial contribution, the number of approved and completed projects and the number of entities that implemented the projects. The next indicators used for the SR were the overall sum of the approved and granted contribution for the monitored measure and the share of the approved and granted contribution from the EU. At the NUTS 3 level we calculated the share of the approved and granted contribution in the overall contribution in the SR, the share of the approved and granted contribution from the EU. We also determined the average amount of approved and completed projects in both programming periods and the average amount of the granted contribution per completed project. We examined the support of diversification at the level of regions on the basis of the granted contribution allocated to agricultural land.

## **RESULTS AND DISCUSSION**

One of the possibilities how to promote entrepreneurial activities in rural areas is to invest in diversification in agriculture. In many countries around the world the public can more frequently encounter cases, in which entrepreneurship in rural areas is being diversified into a wider range of economic activities. This results in creating a higher degree of economic diversity and sustainable rural areas. The organisations and measures focussing on the strategy of diversification count on added value for rural economy and on the sustainability of the whole agrarian sector. The key task of the agrarian sector has always been to provide food to the world's population and thus to ensure food safety.

### **Rural Development Programme of the Slovak Republic 2007-2013**

The necessity to support diversification in agriculture arises from the experience with implementing the pre-accession instrument SAPARD, the Sectoral Operational Programme Agriculture and Rural Development 2004-2006 and the Rural Development Plan of the Slovak Republic 2004-2006. According to A. Zverková and M. Zverková (2013) the rural development programmes in a significant way influence



the current trend of development and formation of rural landscape, which is prevalently used for agricultural purposes. Within the framework of the SR RDP 2007-2013 the allocated amount was EUR 1 969 418 078. The programme was approved by the Slovak government on 21 March 2007. The priorities of the programme reflect the principal goals of the EU Common Agricultural Policy.

For the purposes of the content of this paper Axis 3 is of particular importance: Quality of life in rural areas and diversification of rural economy, which falls under the priority orientated at creating new jobs in rural areas. The selected Measure 3.1 Diversification into non-agricultural activities initially gives reasons for supporting the strengths such as for example the natural, recreational and tourism potential of rural areas. As to the weaknesses it is the decreasing employment in the agrarian sector and the departure of young people from rural areas to bigger towns due to higher earnings and better job opportunities. The diversification of rural economy thus presents a solution to preserving and improving the conditions and opportunities for the rural population. The creation of new work places and the development of business activities can give the rural population an opportunity to get engaged in not only agricultural production. The objective of Measure 3.1 is the support of new and existing forms of enterprise, which will use these possibilities and provide an alternative to employment in agriculture and thus contribute to a well-balanced rural and regional development. The main areas of diversification are: investments in recreational and accommodation facilities, agricultural building reutilisation in agrotourism, investments in manufacturing and selling facilities for non-agricultural products and investments in complexes serving for the development of recreational and relaxation activities (Ministry of Agriculture and Rural Development, 2007). Ociepa-Kubicka and Pachura (2015) emphasize the important role of EU funding when it comes to supporting tourism as a form of economic activity in rural areas.

When comparing the number of applicants for the non-repayable financial contribution (AfNRFC) from Measure 311 at the beginning of the programming period in the year 2008 and at the end of the year 2013 we come to the conclusion that the number increased by more than twenty times. In the year 2008 within the first call in the Slovak Republic 271 applications were filed, while the most came from the Banská Bystrica (62), Nitra (42) and Košice (38) Regions. In the second round of the call 538 projects were accepted. The most AfNRFC were recorded in the above-mentioned regions, Banská Bystrica (178), Nitra (131) and Košice (110). The Agricultural Paying Agency (APA) subsequently shortlisted the applicants and excluded projects, which had failed to meet the necessary criteria for being granted the support. In the year 2008 in the Slovak Republic only 10 projects were approved (3 projects in the Trnava and 2 in the Nitra Regions and the other regions had 1 project apiece). In the year 2010 it was 54 projects and in the year 2013 the



APA recorded 239 approved projects. 45 and more projects were approved in the Banská Bystrica and Nitra Regions. More than 30 projects in the Prešov, Trnava and Košice Regions, while only 1 project was approved in the Bratislava Region. The average success rate of the AfNRF within both calls exceeded 30%. The largest amount of completed projects and the highest value of the granted contribution were recorded in the years 2010 and 2013, at the end of the programming period.

In the year 2008 the overall sum of the approved contribution for diversification of agricultural production in the SR amounted to EUR 12 266 071, while the share of EU funding presented 74.4%. When comparing the Slovak regions the highest share of the approved contribution amounting to 36.7% was seen in the Trnava Region. The second highest share (15.7%) was recorded in the Nitra Region. In the year 2008 at the beginning of the programming period no project had been yet completed. In the year 2013 at the end of the programming period the overall sum of the approved contribution in the SR exceeded the amount of EUR 107 924 531 and the EU co-funding share was higher (75.9%). When it comes to implementing the measures supporting diversification into non-agricultural activities there are considerable differences among the regions of Slovakia. The most successful regions according to the indicator – share of the approved contribution – were the Banská Bystrica (20.1%), Nitra (18.9%) and Trnava (18.2%) Regions. It is regions, which are the most used for agricultural production. Especially the Nitra and Banská Bystrica Regions are characterized by the highest share of agricultural land when compared with the other regions of Slovakia (NR - 22%, BB - 16%). Both these regions have the highest share of farms in agriculture (NR - 18%, BB - 19%) and also the highest employment rate in agriculture (NR - 18%, BB - 14%).

In the year 2013 within the scope of the monitored measure 101 projects in Slovakia were completed, while the granted financial contribution amounted to EUR 51 544 171 and the share of EU funding presented 74,9%. The average value of the granted contribution per completed project amounted to EUR 510 338. The largest number of projects was completed in the Trnava (23) and Nitra (22) Regions. Into these regions the biggest volume of the granted funding was allocated amounting to approximately 20%. The funding of the EU supporting projects in the regions of Slovakia amounted to approximately 75%. The regions with the lowest total granted contribution, the Košice and Trenčín Regions, were granted more than EUR 600 000 per completed project. It is regions with the lowest number of completed projects. The Trnava Region was granted the highest amount of funding from among the Slovak regions, EUR 11 933 194 and a completed project was awarded EUR 518 839. The Trnava Region together with the Trenčín Region recorded the highest intensity of support for the granted contribution for agricultural land (approx. EUR 4500 per 100 hectares of agricultural land). The higher values of this indicator were seen mainly in the regions situated in Western Slovakia.

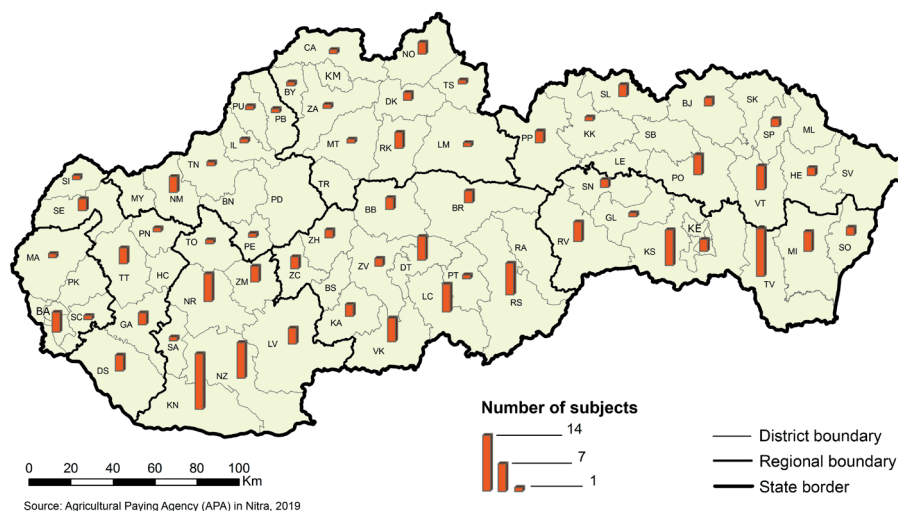




The highest project success rate according to the indicator average number of approved projects in the 2007-2013 programming period was seen in the Nitra (27 projects), Banská Bystrica (22 projects) and Trnava (21 projects) Regions. The aforementioned regions also had the highest average number of completed projects (Nitra, Trnava - 10, Banská Bystrica - 6).

Based on the database of the National Rural Development Network (NRDN), which includes organisations and administrative bodies participating in rural development a map by regions of Slovakia was created, which shows the number of entities, which implemented projects under the SR RDP 2007-2013 (Fig. 1).

The majority of entities with completed projects were situated in the south-west, south and southeast of Slovakia, in the districts that are the most used for agricultural purposes. It is particularly the districts of the Nitra Region, e.g. Komárno, Nové Zámky, Nitra, the districts in the Košice Region, e.g. Trebišov and the Košice-okolie district and the districts in the Banská Bystrica Region, Rimavská Sobota and Lučenec. According to internal materials of APA more than 70% of the projects dealing with support of diversification of production dealt with the tourism sector. It was investments into recreational and accommodation facilities, primarily focussing on renovation, modernisation, construction and expanding the capacities of tourism facilities in rural municipalities or reutilisation of agricultural buildings as agrotourism facilities. These were followed by investments into facilities that manufacture and sell non-agricultural production. About



**Figure 1**

Number of entities implementing projects within the RDP 2007-2013  
by districts of Slovakia

Source: APA Regional Office and the National Rural Development Network Nitra



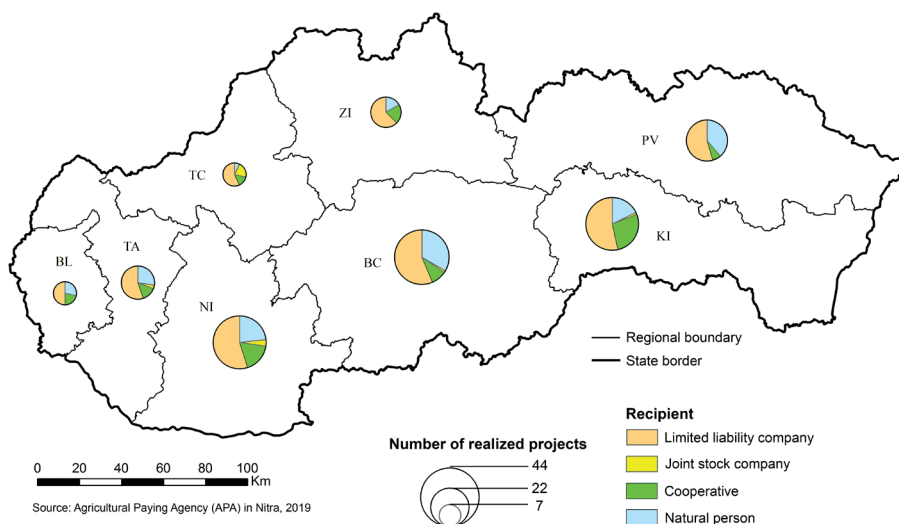


10% were projects dealing with the generation of renewable energy, specifically the construction of biogas plants.

As to the prevalent type of the beneficiary of the non-repayable financial contribution from the viewpoint of legal form it was limited liability companies followed by natural persons - self-employed farmers and cooperatives (Fig. 2). Legal persons presented more than 70%.

In Poland Wojewodzka-Wiewiorska (2019) also dealt with the implementation of the Rural Development Programme 2007-2013 within the framework of Axis 3, whose measure aims at diversification into non-agricultural activities. The author observed regional differences in the allocation of funding for diversification in rural economy. The support within the RDV enabled the creation of several work places, especially in the area of services for agriculture and forestry.

The interest of agricultural entities for other gainful activities is increasing in proportion to the size of the land farmed by the entity and its economic strength. The diversification activities on the farms of legal persons, which in terms of size of the farmed land belong to bigger entities, are more extended compared to the farms of registered natural persons (Buchta a Federičová, 2010). In general also in the Czech Republic the enterprises of legal persons are more active in diversification, while the enterprises of natural persons usually tend to be more specialized (Eretová and Jančák, 2017). The size of the entity also affects the type of diversification. Large entities prefer rural tourism and adding value to their products.



**Figure 2**

Structure of entities according to legal form with an implemented project within the RDP 2007-2013 by regions of Slovakia

Source: APA Regional Office and the National Rural Development Network Nitra



They dispose of a larger land area a part of which can be utilized for recreation or they have dispensable buildings that could be used for accommodating guests (Boncinelli et al. 2018). On the other hand, Hron et al. (2007) stress that it is only successful businessmen, who are typically also successful in implementing the diversification strategy. Those enterprises that have not succeeded in agrarian production cannot succeed in implementing the measure either as diversification per se does not present any universal guarantees of success.

From the point of view of the amount of the provided funding more funding was granted to trading companies, which are to a greater extent able to co-finance projects and thus meet the necessary preconditions for applying for more funding from the APA without facing any existential risk. As to the most frequent form of part-financing the projects the enterprises used a bank credit or a bank credit in combination with own finances. These enterprises in general if they show stability are favoured when applying for a bank credit. This is the reason why they could implement bigger and more demanding projects in contrast to natural persons (Bohátová, 2015).

### **Rural Development Programme of the Slovak Republic 2014-2020**

The Rural Development Programme was approved by the European Commission on 13 February 2015. Its main objectives are competitiveness of agriculture, food industry and forestry, sustainable use of natural resources, measures in the area of climatic changes and finally a well-balanced spatial development of rural economy. The support from the EU encourages the creation of new jobs, competitiveness and supports animal production and specialized crop production. For the project support EUR 1 008 742 740 were allocated.

For the content of this study Measure 6 is important: Supporting farm and business development and Submeasure 6.4: Investments in creation and development of non-agricultural activities. The submeasure is a response to the need to maintain employment and creating new jobs in rural areas, including the support of income diversification in the area of agriculture, aquaculture and forestry. A varied development of business activities in rural areas will create new job opportunities for the unemployed and particularly for the young people, which will translate into economic growth, stabilization, strengthening rural economy and generating new jobs.

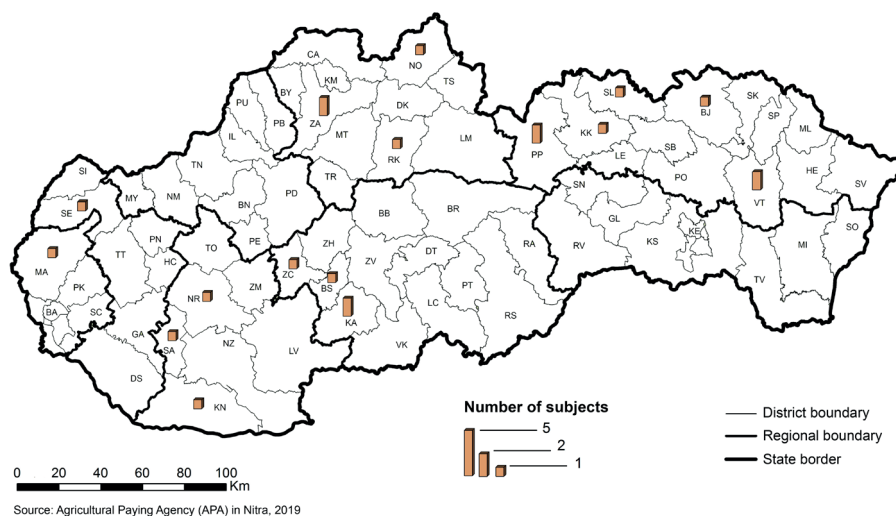
The SR RDP 2014-2020 describes the types of activities that will be supported. Diversification of rural economy will be concentrated into areas focussing on exploiting the potential for developing tourism and agrotourism (recreational and relaxation activities), providing services for the target group kids, seniors and persons with reduced mobility, processing and marketing products outside agri-



culture and food industry including complementary production and services of non-agricultural character (Ministry of Agriculture and Rural Development, 2014).

In the first two years of the SR RDP 2014-2020 Measure 3.1 from the previous programming period was finishing. This is why the years 2014 and 2015 saw an increased amount of applicants for the non-repayable financial contribution, a higher number of approved projects and completed projects. This resulted in a higher level of the granted contribution. In the year 2015 for instance 809 applicants were recorded, 209 projects were approved and 209 project were completed with a granted contribution of EUR 91 705 637. The most successful regions from the viewpoint of the number of completed projects and the share of the granted contribution were the Banská Bystrica (40.2%), Nitra (39.2%) and Prešov (34.2%) Regions. In the year 2018 the number of recorded AfRNFC presented 525. More than 100 came from the Banská Bystrica and Žilina Regions. The number of approved projects was 173 and they were supported with a financial contribution of EUR 106 107 845. The share of EU funding thus presented 74.6%. The majority of the approved projects were seen in the Banská Bystrica, Žilina (more than 30) and in the Nitra, Prešov and Trnava (more than 20) Regions. The aforementioned regions saw the highest share of the approved contribution - Banská Bystrica (26.3%) and the other regions over 15%. In the year 2018 in the SR 18 projects were completed. The granted financial contribution for projects amounted to EUR 6 185 754. The sum of EUR 343 636 was allocated to a single completed projects. The Nitra and Trnava Regions completed 4 projects each. The Banská Bystrica, Prešov and Žilina Regions completed 3 projects apiece. Up to a 30% share of the financial contribution was granted to the Banská Bystrica and Nitra Regions. It is regions with the highest granted contribution per completed project (Banská Bystrica - EUR 606 680 and Nitra - EUR 517 401). These regions recorded the highest amount of the granted contribution per 100 hectares of agricultural land (more than EUR 500). The share of EU funding in the project financing moderately fell down (74.6%), while the share of government support went up.

The highest project success rate over the whole monitored programming period between 2014 and 2018 according to the indicator average number of approved projects were seen in the Banská Bystrica (40), Nitra (32), Prešov (30), Žilina (27) and Trnava (25). On average over the whole programming period the most completed projects were in the Nitra (16), Banská Bystrica (15), Trnava and Prešov (13) Regions. In the years 2019 and 2020 we expect the number of approved projects to go up due to the growing number of applicants and the stimulating benefits related to the diversification measures. We expect the number of completed projects to rise. With regards to the low number of implemented projects under the SR RDP 2014-2020 also the database listing the NRDN entities



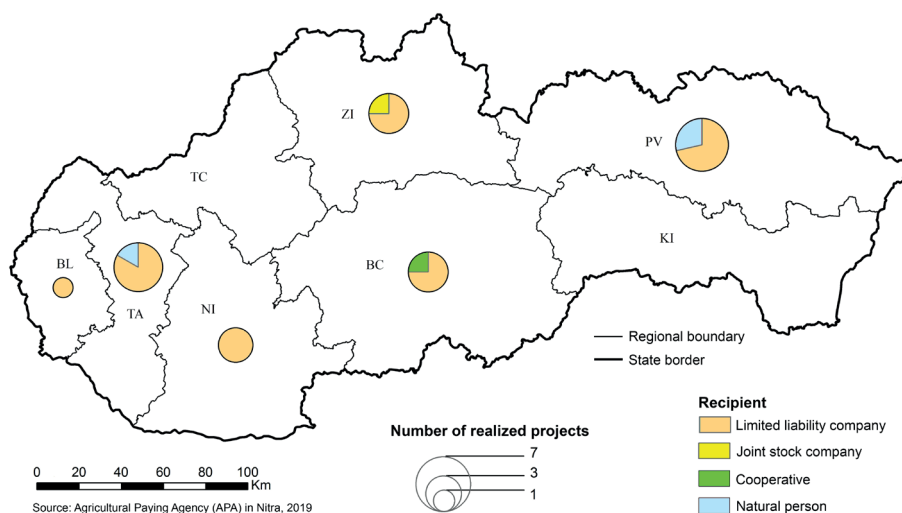
**Figure 3**

Number of entities implementing projects within the RDP 2014-2020  
by districts of Slovakia

Source: APA Regional Office and the National Rural Development Network Nitra

is significantly smaller as opposed to the previous programming period. In the database 25 entities were registered and most of them came from the Prešov and Trnava Regions (Fig. 3).

According to the APA the programme primarily supported activities focussing on diversification activities leading to rural tourism and agrotourism and further processing of agricultural products. The most successful was the Dunajská Streda district, where 5 projects have been implemented so far. Project activities connected with processing and sale of agricultural products, contract work and renewable energy sources were directed to agricultural regions of Slovakia orientated at production. The projects of entities farming in the north of Slovakia in areas, which less concentrate on production, mainly dealt with work in forestry, wood processing and a very popular activity was agrotourism. Also according to Eretová and Jančák (2017) diversification is common in enterprises, which are situated in adverse natural conditions and it is particularly activities related to tourism, where the enterprises profit from their location and quality of the environment. On the other hand, processing of agricultural products and contract work is typical of regions, which concentrate more on agricultural production. From the point of view of legal form it is legal persons that more diversify their production. The most successful entities when it comes to submitting projects were the entities with the legal form of a limited liability company (Fig. 4). Legal persons are mainly in

**Figure 4**

Structure of entities according to legal form with an implemented project within the RDP 2014-2020 by regions of Slovakia

Source: APA Regional Office and the National Rural Development Network Nitra

the production-orientated regions of Slovakia characterized by a higher degree of the adopted diversification measures, which correlates with the fact that they are economically more powerful (Buchta, 2018). Diversification, which is effectively exploited by an agricultural entity, will facilitate the allocation of the available financial resources and their utilization for agricultural production. The diversification strategy will help farmers find alternative ways of using their resources more efficiently in order to obtain higher economic return and better opportunities for selling their products.

## CONCLUSIONS

At present agriculture plays an important role in the development of rural areas. The agriculture of today compared to the agriculture of the past fulfils apart from the production function a number of other functions, among which we classify the social, environmental and landscape forming functions. About the entities, which in addition to the traditional agricultural activities carry out other activities, we say that they diversify their production. Diversification supports the multifunctionality of agriculture. The Rural Development Policy as the second pillar of the EU Common Agricultural Policy contributes to the development of diversification activities, especially activities of non-agricultural character. Diversification supports employment in rural areas by maintaining the existing and creating new jobs. It further



contributes to increasing or maintaining the profit of an agricultural enterprise. As a result of successful diversification both the entity and the region become more competitive and the quality of life in rural areas improves as well. In the years 2007-2013 diversification in Slovakia was supported by the SR Rural Development Programme 2007-2013, specifically Measure 3. 1. Diversification into non-agricultural activities. This measure aided the development of activities related to recreation and agrotourism, renewable power resources and manufacturing and selling facilities for non-agricultural products. The most widespread beneficiaries of the non-repayable financial contribution in terms of legal form were limited liability companies. The highest project success rate according to the indicator average number of approved projects was seen in those districts of Slovakia, which are the most used for agricultural production - Nitra (27), Banská Bystrica (22) and Trnava (21). The aforementioned regions are characterized by the highest average value as to the number of completed projects (Nitra, Trnava - 10, Banská Bystrica - 6). Into these regions the highest financial contributions supporting diversification were allocated.

In the first two years of the Rural Development Programme of the Slovak Republic 2014-2020 Measure 3. 1. under the previous period was still going on, that's why this period saw a higher number of approved and completed projects. Support in form of investments in creating and developing non-agricultural activities was implemented under Submeasure 6. 4. , which primarily supported activities orientated at agrotourism and further processing of agricultural products. In terms of submitting projects the most successful entities were entities with the legal form ltd. The highest projects success rate over the entire monitored programming period from 2014 to 2020 according to the indicator average number of approved projects was seen in the Banská Bystrica (40), Nitra (32), Prešov (30), Žilina (27) and Trnava (25) Regions. According to the average number of completed projects the sequence of the regions is as follows: Nitra (16), Banská Bystrica (15), Trnava and Prešov (13). We expect that in the last years of the programming period 2019 - 2020 the agricultural entities will be more interested in projects dealing with diversification into non-agricultural activities.

If we search to improve the quality of life of the population in Slovak municipalities and reduce the unemployment rate it is vital to reinforce the tools, which promote entrepreneurial activities in municipalities, create jobs and suitable conditions for diversification into non-agricultural activities. This is why it is inevitable in specific entities in the individual regions of Slovakia to carry out empirical research focussing on the outcome of implementation of support measures targeting diversification under the rural development programmes.



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