THE ECONOMIC AND SOCIAL INTERACTION BETWEEN TOWN AND COUNTRY IN THE REGIONS OF LITHUANIA

Jonas Caplicas, Rasa Rukuiziene
Lithuanian University of Agriculture

Summary

The existing level of regions urbanization, the dimensional structure between town and country, urbanization stage determine the interaction between town and country. Three of ten Lithuanian regions are urbanized, four balanced and three rural. This means that economic and social importance of country is uneven. The economic base of rural regions is agrarian, less effective and has enough potential for development. This is the reason why GDP per inhabitant is less than in other regions, besides the unemployment rate is the highest. The tendencies of existing urbanization are contrasting in the regions of Lithuania. The sequel urbanization is going only in regions where is high level of urbanization now. The substantial indicators of de-urbanization (the migration from town to country and the rising dependence of economic base on agriculture) are in the rural and balanced regions. Different tendencies of urbanization are not increasing but reducing the cohesion of regions. It is essential to add, in the regional policy of development, measures for betterment of balancing between development of town and country.

1. Introduction

The territorial space of every country or region consists of towns and rural areas. This different urbanization rate depends on interaction between structured social economic system space, which determines State's of Region's economic fundamement. The disjuncture of such interaction of mentioned systems determinates the economy scope structure, location of resources in territorial areas, social and economic policy, and the most impressive impact have organization factors, the important ones are regional urbanization level, urbanization stage, the spatial structure of town and country.

The upgrowth of civilization history is connected with the economic and social progress, literacy and education leakage, the improvement of wellness, higher appeasement of confessional and political requirements. Upgrowth of towns is one of the main regional and state economic power expansion features. The upgrowth of towns influences the amount of negative social, economic and environmental protection changes out of towns touch, especially in rural areas [2]. The upgrowth of towns, in prime stages, was produced by recruiting human resources and gently moderates the endogenic development possibilities. The living standard differences between town and country creates the preconditions of country, disjuncture and further increase. The countryside disjuncture becomes social, economic and political problem, because the country verges to extinction. This fact was underlined by United nations IIIrd Conference of Settlements [8]. The country disjuncture problems in EU are fewer because of considerably high attention, directed to the Policy of Rural Development. Country is available value, which emphasizes the natural, economic, social and ethnic/cultural diversity and country's oneness, image, touring attraction.

Cork Conference announced the necessity to preserve rural vicinities and balanced development between town and country [4]. Balanced development of town and country means the economical and
Social partnership between town and country during development process. Town uses the advantages of country and makes the preconditions for economical development of country.

Social differences between town and country in Lithuanian regions are tangible. The simplex of interaction between town and country impacts the social differences after Independence reinstatement the state economical depression. In public life is vital the opinion, that country is the slipper of state economical rise, with high load for National Budget. The expertise of strategic State documents shows, that balance of town and country development and interaction of such intensification have not patterned yet.

Research object — the regional macroeconomic, social and demographic indices of Lithuania.

Research objective — to evaluate the interaction between town and country in different Lithuanian regions, and its impact to macroeconomic and social state of regions.

Research problems:
1. To identify the Lithuanian regions according the urbanization level, urbanization stage and spatial structure of town and country.
2. To evaluate the macroeconomic and social state and tendencies of different Lithuanian regions.

The theoretical research foundation of interaction between town and country is composed by the theory of spatial arrangement and urbanization, substantiates the principles of moving human resources and capital distribution and movement in territorial space.

This is W. Cristailler’s theory of central forces [1], G. Maier, F. Todtling [6] and concepts of urbanization stages of the other authors. The interaction between town and country has to be researched in the general context of rural development. Research contents of K. de Rose scientific foundations about town and country interaction [7]. The increase of urbanization level impacts the accession of town to country.

Interaction between town and country directly connected with region’s urbanization level. According W. Cristailler, town, as centre, has more or less attraction power, which positively or negatively impacts the processes in rural areas. The increase of urbanization level, the impact to country of town as centre increases. Identification urbanization level of regions inducts the methodological problems connected with grouping the regions conforming the urbanization level. The research was produced in the frame of determination methodology of Organization of Economical Cooperation and Development (OECD) [3]. The number of country inhabitants, comparing with the general regional number of inhabitants in Lithuania, are selected to: urbanized, balanced and rural regions. Preparatory analysis constructs the fundamental decisions, that by Lithuanian conditions urbanized regions could make the network of districts, where inhabitants of rural areas compound ca. 28 per cent of all district inhabitants, balanced regions compound 28-40 per cent country inhabitants, and country regions more than 40 per cent. It’s very hard to group regions according the urbanization stages. G. Maier and F. Todtling [6] propose the situation, that urbanization stage estimation can’t be determined by quantitative criteria. These researchers select the urbanization process to the stages: hard urbanization, deurbanization and suburbanization, according the qualitative criteria.

Strong urbanization stage depends on rapid development of town. Mobile country’s human resources (labour force) move intensively to town areas as attraction centres. Deurbanization is reverse stage to strong urbanization stage. In the case of economic crisis after decline the economic potential of towns, more intensively become efferent forces which determine the movement of mobile resources to periphery direction and formation of small attraction centres in periphery.
In our days staring deurbanization indicator — the migration of inhabitants from towns to country indices. Afferent and efferent forces are important for suburbanization stage, which effect together. Afferent forces always treat more intensively.

Spatial structure of town and country in regions could be estimated according the complex of qualitative and quantitative criteria. The main criteria are: density of settlements and their average size, the number of large and small towns in region, average distance till the biggest or average sized town etc. The spatial structure of town and country lets to epitomize the regions with the metropolis centre (large town with rural areas around small towns), policentral regions (high density similar sized towns network with high population density in rural areas) and peripheral regions (1-2 average sized towns with rural areas inside the small towns around).

The results of regions identification according the townscape factors are presented using GIS computing programme and graphical depiction means.

The appraisal of macroeconomical and social conditions of different urbanization rank regions was produced according the secondary data of information sources of State Department of Statistics of Lithuania in the period of 1999-2001 [5]. Statistic grouping methods are used for appraisal. The main index — the part of country inhabitants in general regional amount — reflects the urbanization level. The interest-bearing deviation of these indices reflects the factors and results of measurement.

Research results:

The interaction between town and country could be estimated by the peculiarities of historical urbanization of Lithuania. Four urbanization stages could be mentioned in the historical period of 20th Century:

1. Low urbanization lap started from the outset of Century till Soviet times. At that period towns did not make the intensive impact to state economy and social life. The principal facts, influencing the changes in periphery at that time were extramural Vilnius and Klaipeda (in some laps) and was absence of attraction centres. The growth of State capital Kaunas was rapid. Small towns and settlements of spatial structure dominated at that period. Lithuania was the most rustic and agrarian country.

2. Strong urbanization lap started from the outset of Sovietization till the 8th Decade of 20th Century. The development of industry in large towns and new regional towns. This increment fact was important for Lithuanian rural areas, because was high migration of rural inhabitants from rural areas to towns. The ration between town and country changed rapidly, and the first contrasts appeared between town and country by various economic and social aspects. Country became unattractive as the living and existing place. Labour force lack appeared in agriculture. Important social problems vented in growing towns because of non-adequate flows of migration, development of building industry and social infrastructure.

3. Attempt of balanced town and country development lap prolonged till reinstatement of Independence. This stage had some features of suburbanized stage. Intensification of agriculture and lack of labour force in rural areas, attempt to improve the living conditions and infrastructure in countryside. Moderation of employable inhabitants migration flows from country impacted the formation of kolchoz settlements' not destroying boweries, formation of social and industrial infrastructure objects net. These changes were implemented using planned administrative decisions, grounded by political ideas and theories of voluntarism, but not using positive opportunities of interaction between town and country.

4. The spontaneous evolution between town and country lap began after reinstatement of Independence and till our days. The main feature of this lap — the absence of inducement and regulation of
interaction between town and country. The development of towns and rural areas is planning and implementing separately in governmental and regional levels, without coordinating these processes, prognostication of the sequences of town evolution to rural areas and vice versa.

Fig. 1 Regional distribution by the level of urbanization in Lithuania

Currently, regions of Lithuania have different urbanization level (Fig. 1). Only three from ten regions are urbanized, 4 balanced and 3 rural regions. This fact shows, that economic and social importance of regions is not the same. The most economic importance of countryside is in rural regions, and less in urbanized regions. The absence of economical activity variation in countryside, the rural economic importance consists of economical importance of agriculture.

Fig. 2
The dependence of Gross Domestic Product per inhabitant on level of regional urbanization
Urbanization level impacts the regional macroeconomical and social conditions. Gross Domestic Product (GDP) per inhabitant in rural regions is 24 per cent lower than country average and in urbanized regions 12 per cent higher of country average (Fig. 2). The higher level of urbanization impacts better GDP comparative rates. The differences of urbanization level stipulate the dislay of interregional macroeconomical differences. The most important economic problems are in rural regions, because of agrarian economic base (dominant economic activity ranges in region) (Fig. 3).

![Graph showing the dependence of employment and the unemployment rate on level of regional urbanization](image)

The employment level of employed inhabitants in rural regions compounds 76 per cent higher in agriculture and hunting, forestry and pisciculture, 29 per cent lower in urbanized regions than average rate of

![Graph showing the dependence of investment on level of regional urbanization](image)
State. The peculiarities of agriculture impacts, that this branch of economy objectively is less effective than industry or service sector. The employment of inhabitants in region prevail in less effective economic activity and this fact shows the macroeconomic lag of region. Industry and service sector is more developed in urbanized regions, that’s why the macroeconomic state of regions positively impacts the development of it.

For improvement of rural regions’ macroeconomical state required stepped-up deagrarization of these regions economical base, reduction of employment and economic dependence on agriculture. These changes could be reached, infusing foreign and national investments, accelerating development of industry and service sector. Unfortunately, the analysis of investments dependence on regions’ urbanization level shows, that different kind of investments, especially direct foreign investments, are intensive only in urbanized regions (Fig. 4). Direct foreign investments in urbanized regions are 46 per cent higher, and in rural regions 9 times lower than country average rate. The distribution of investment impacts higher differentiation of urbanization level and macroeconomic state of region. Rural regions properly are not attractive for investment and without special conditioning reprehended for death-throes.

Low urbanization level, agrarian economic base, low investment determines deep social problems in rural regions: high unemployment, low income, low standard and quality of living. Unemployment level in rural regions is the highest of all regions and 19 per cent exceed country average rate (Fig. 3).

The other townscape factor is spatial structure of town and country. Policentral spatial structure of town and country is desirable as the development of rural regions. Then rural inhabitants are close to town, dominates small-scaled distance between town and outlying rural settlements, markets of agricultural products and the suppliers of appliance and social service are near. The rural inhabitants of these regions have more possibilities to have a profit using labour places and other facilities of town.

![Regional distribution by the dimensional structure between town and country in Lithuania](image)

Unfortunately, only 2 regions in Lithuania are policentral (Fig. 5). Kaunas district is compounded of one large town and two average-sized towns, and the net of high density settlements. Telsiai district is compounded of three one-sized towns. Policentral spatial structure impacts depopulation processes, which are the least according residential of rural inhabitants, the highest of these regions. Lithuanian regions are compounded with larger or smaller metropolities centres. The main famous metropolis — Vilnius district. Such spatial structure is contrastive: active economic, social and cultural life in metropolis, partly in suburb settlements and eery in distantly far parts of metropoly.
Less contrast is in the peripheral regions. Four districts are compounded of such regions (Alytus, Marijampole, Taurage and Utena). Absence of large towns, dominates the net of small towns, rural areas, unexpanded physical and social infrastructure. The less attraction have these regional rural areas (except recreation areas) than regions with metropolities centres. Bad living conditions and low self expression impacts intensive migration of rural inhabitants and youth from countryside. The towns of these regions do not effect the function of centre attraction, that’s why rural inhabitants migrate to other regions’ towns or go abroad. The objective interaction of town and country could be estimated by the analysis of urbanization stages tendencies. The results are presented in Fig. 6.

Fig. 6
Regional distribution by stages of urbanization in Lithuania

Strong urbanization stage has Vilnius (Capital of Lithuania) district, partly strong Klaipeda district. Other districts could be attributed to deurbanization stage. No one region in Lithuania has the suburbanization features. Urbanization tendencies in Lithuania are different than in EU countries, where dominate the tendencies of suburbanization.

Strong urbanization and deurbanization stages are not favourable considering the economic and social development. Strong urbanization lets to concentrate the labour force and capital in one centre of region (Vilnius district or Capital of Lithuania), other parts of districts (except recreation areas and suburbs), and amount of areas become eery. The interaction between town and country is forming in deurbanization stage. Then the economic importance of centre becomes less, peripheral regions higher. The main reason of deurbanization of state regions: the reduce of regional industry during privatization and restructuring.

Main features of deurbanization are:

1. Transformation of regional economic base to agrarian. Transformation of agricultural structure did not succeed, changes were more vital than industry oriented to East markets. The processing industry of agricultural production was less active. Low efficiency of agricultural sector, the role of agricultural production and processing increases and impacts the decrement of regional and economical state, towns death-throes, accession of regional periphery economical importance.

2. Hard social problems of town inhabitants, reduction of industry during restructuring, intensive migration to rural areas. The main motive of migration: gentle and minimal living conditions ans less wants. This migration impacted, that in regions, existing at deurbanization stage, displays the accession of rural inhabitants in 1994. This fact is discriminating feature of regional deurbanization. Migration damps the social problems of town and sharps such problems of rural areas.
Migration of inhabitants between town and country changes the structure of human resources at rural areas, their qualitative frame and skills. These changes depend on regional urbanization stage (Fig. 7).

The most active migration is in suburbanized regions, that's why the changes of human resources are the highest. Similar changes are running in part organized regions. Deurbanization stage impacts the migration level in regions of Lithuania, which aspires 14 outgoing (to town) ca. per 1.000 of rural inhabitants. Main flows of outgoing people consist of young people, who are going to large towns of strong or part urbanized staged regions. The constitution of such quality migration flows and singleness impacts the rapid decline of content of human resources and situation in rural areas and towns.

Deurbanized and partly urbanized regions stage impacts higher migration level of inhabitants to rural areas than migration of inhabitants flows from country. The most part of incoming to rural areas makes people from the same region, and from other regions' towns (including Vilnius), who lost their jobs or have serious social problems.

The incoming is major that the outcoming, but this proportion doesn't improve the structure of human resources in rural areas at deurbanized and low urbanized regions stage, because the qualitative structure of human resources cardinally worsens. People in rural areas, incoming from towns, can't change outcoming youth. The potential of human resources in these regions rapidly worsens.

The other kind of impact to migration of rural inhabitants is in Vilnius district, which is at strong urbanization stage. New urbanization tendencies are observable in this region. Disappearance of boundary between town and country, formation of settlements of town people in suburbs, adjustment of rural constructing objects for town population etc. The migration flow of town people to rural areas is high, but the main part of population are immigrants living in suburbs, modern fitted settlements and recreation areas. These tendencies form the new interaction spheres and types between town and country are changing the character of countryside. New settlements and living standards are high, without any differences comparing with towns living features, and conversely in such places appear modern formations opposite to traditional living style in countryside. Formation of high intelligence and business potential of human resources serve for town social and economic development.
Strong region urbanization (shown in Fig. 7), the migration flow of inhabitants from country is not high. But this fact can’t be evaluated homologous. Strong urbanization differently impacts the flows of rural people migration to town. Outcoming from suburbs is low. The main migration flows are from rural areas, which are distantly far, not attractive to life and work. In such way increases the qualitative and quantitative difference of human resources in suburbs and distantly far places. Formation of contrast between town and country, and between rural suburbs and distantly far places.

Modern suburb settlements appear near the biggest towns of Lithuania. The abundance and size of such settlements depends on town development speed. Least such settlements are in rural regions, which are at deurbanization stage. Distantly far rural places are nearer in rural regions, than in regions at strong or part urbanization stage. The main problems of interaction between town and country are in these regions, where domination of rustic is tangible according urbanization factors. According the level of urbanization, rural regions — according town and country spatial structure, peripheral and existing at deurbanization stage — are three in Lithuanian regions: Marijampole, Tauragė, Utena. Economical base is agrarian, development potential with small towns, large migration flows of socially promoted town people to rural areas and rural young people migration flows to town impact the worse situation in Lithuania according the regions’ social and economical state. Better economical situation is in South of Lithuania (Marijampole region), because the nature for agrarian order economical base is better.

Conclusions

1. Lithuanian regions are in different urbanization level and interaction between town and country. Small regions differ according modern urbanization tendencies, because 8 of 10 regions are at deurbanization stage, comparing in Western Europe regions are at more attractive suburbanization stage.

2. Present unbalanced interaction between town and country in regions have one trend features. Countryside is important for social (integration, occupation, implementation of social promoted people and families by service of social infrastructure), economical (agrarianization of regional economical base) and ecological problems solution.

3. Contrasts of regional urbanization have expansion in Lithuania. Higher urbanization potential have Lithuanian regions with high urbanization level. Deurbanization tendencies are important in rural regions.

4. The most important economical and social problems are in rural regions. The economical base of rural regions has agrarian fundamental, without enough development potential and with low efficiency. The highest unemployment is in these regions, GDP the lowest per inhabitant.

5. Moving some town social problems, migration of young people from rural regions, critically decline the human resources, which are so important for regional endogenous and local development. Increase of economical and social differences between rural and urbanized regions. Deurbanization tendencies are dominant, negative processes can become more important and significant. These facts can’t be adopted to the principals of Regional Policy; local regional policy not effective, policy of interaction between town and country is absence.

6. Lithuanian regions are at different urbanization stages comparing with the regions of EU members, that’s why it’s hard to implement directly the developing interaction models between town and country. Simulation of perspective interaction between Lithuanian towns and rural areas, it’s necessary to make regional adaptation according urbanization differences.
Literature


