## DIVERSIFICATION PROCESSES OF RURAL ECONOMIES FROM THE PERSPECTIVE OF SMART VILLAGE CONCEPT

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## ABSTRACT

The general concept of smart villages implies saving villages and their inhabitants, protecting cultural heritage and using local potentials to meet modern challenges. The aim of the paper was to present the challenges for implementation of smart village concept in Poland. Apart from the introduction the theoretical background of the smart village concept, we investigated this phenomenon based on the Mazowieckie region in Poland, which presents the highest population in the country and at the same time, the highest number of people engaged in agriculture. The Mazowieckie region (NUTS 2 without capital Warsaw region) can be characterized by 172,7 thousand of people employed in agriculture, forestry and fishing (2020) which makes its 5<sup>th</sup> one among European regions, after three Romanian and one Spanish. Although the scale of the involvement of labour resources in the primary sector is significant, the analysis of the employment structure allows for concluding that Mazowieckie region is the most advanced in the completion phase (the three-sector model of the economy), with the highest percentage of employees in services and relatively average values in terms of the percentage of employees in the other two sectors. Structural changes in the economy, including changes in the sectoral structure of employment, are a long-term process, they do not usually take place by leaps and bounds. The research results proves a slow but continuous decrease in the share of employment in agriculture in the Mazowieckie in favour of an increasing involvement of labour resources in industry and services. The largest outflow from agriculture took place in the areas furthest from the capital, because the starting level was also the highest there. The largest increase in the share in employment in other sectors took place relatively more often in areas located closer to Warsaw or well connected with it. To sum up the study proves diversification process of rural economies so important from the perspective of rural development trap, described in the state of the art as an important challenge for smart villages.