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The Common Agricultural Policy's Challenges after EU Enlargement

The first Polish-French Summer University took place at the Agro-Economic Faculty of Warsaw Agricultural University from 24 to 26 September 2004. The meeting was devoted to the CAP's challenges after EU enlargement. The meeting was initiated and organised by the Association France-Pologne pour l'Europe, whose aim is to reinforce and stimulate balanced cooperation between our countries, as well as creating and realising European projects.

The first Summer University took place under the patronage of the presidents of both republics and was opened by the Rector of Warsaw Agricultural University, Professor T. Borecki, France's Ambassador to Poland, Mr. P. Ménat and the Chairman of the Association France-Pologne pour l'Europe, Mr. C. Sardais. On behalf of the Minister of Agriculture and Rural Development, Wojciech Olejniczak, the guests were welcomed by Under-Secretary of State, Professor S. Kowalczyk.

The guests pondered on the meaning of the common agricultural policy in the integration and building of solidarity in Europe. Professor G. Rencki presented a history of the CAP, its reforms and current situation after enlargement. He recalled that during the process of agreeing resolutions of the Treaty of Rome, the EU only satisfied 84% of its nutritional requirements and its main tasks included modernising the production system, guaranteeing incomes for producers and establishing prices which would be acceptable for consumers. Nowadays, under entirely new external conditions it is essential to face new problems, the most important of which seem to be production surplus and a lack of support by public opinion regarding currently implemented reforms. The CAP's current priorities are above all the improvement of food quality, environmental protection and the preser-

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vation of the rural environment which is to be a guarantee of preserving the European model of agriculture, chiefly relying on family agriculture. Professor Rencki underlined the differences appearing in the level of agriculture of the 'old' member countries and of the new ten member countries. Raising the question about how these fundamentally diverse ways of farming can be reconciled within the framework of one coherent agricultural policy he expressed the hope that precisely those changes initiated by commissioner Fischler would allow for a gentle levelling of standards between the countries and departure from both the intensive over-production, resulting in intensive cultivation, as well as extensive cultivation which dominates in the new member countries and finding a happy medium which will allow European agriculture to not only get rid of internal tensions but also acquire a strong position on the international arena.

Round-table talks chaired by Janusz Wojciechowski, the deputy chairman of the Agricultural Committee at the European Parliament, were devoted to the current situation of farmers in the former fifteen countries, taking into consideration the differences between the rural areas and agriculture. In the discussion points were raised by the following representatives of agricultural organisations in France: J.-P. Carlier, a representative of the Association of Dairy Processing in European institutions, H. Beyler, a representative of the Confederation of Sugar beet Planters, G. Grosmaire, representing the National Centre of Young Farmers and also J.-C. Sabin, the chairman of AGROPOL. Guests representing agricultural circles in France exchanged ideas about their experiences in the EU agricultural market and also the often critical opinion about changes introduced in 2003. It is worth noting that all the guests representing agricultural practitioners underlined that they see a common future in cooperation with farmers in Poland – a large agricultural country with the potential of acquiring considerable influence – in relations with the EU they are concerned about the current opinion both in Poland and abroad that Polish and French farmers are competitors on a mutual market.

New CAP guidelines in the enlarged EU were presented by D. Ahner, the deputy of the Director General of the Department of Agriculture at the European Commission. He emphasised the great significance of *découplage* i.e. the principles of separating financial subsidies allocated to farmers and those for the development of rural areas. Changes proposed by the CAP also concern the suggestion of moving away from the system of subsidies to production towards direct subsidies, aimed at each farmer. Such a system of help will require farmers to satisfy conditions concerning production, product safety, environmental protection, the health of plants and animals which will also inevitably influence rural quality of life. D. Ahner also stressed that the currently formulated CAP will no doubt influence the financial stability of the EU between 2007 and 2013, which after a period of many

changes and uncertainty will be very useful and important for the enlarged EU, which has to face challenges such as negotiations of the members of Mercosur or partnership with the countries of Africa, the Caribbean and the Pacific.

The agricultural situation in the new member countries was presented by A. Pouliquen, the director of research at the INRA (The National Institute of Agronomic Research) in Montpellier. He mainly concentrated on the situation of relatively self-sufficient farms, despite widespread concern expressing the hope that their broad functionality and factors such as high unemployment, stopping the flight from those farms and a low share of income from farming in their general family budget, despite excluding them from the market in favour of specialised agriculture allows one to hope for their survival albeit under CAP conditions. A. Pouliquen also pointed out the dominant trends in large, privatised and modernised farms with a growth in seed production at the expense of animal husbandry and the number of those employed.

The panel discussion chaired by Professor K. Duczkowska-Małysz became an opportunity to present the Polish position. The following representatives of the academic world and of Polish rural circles took part: K. Ardanowski, the chairman of the National Board of the Council of Agricultural Chambers, W. Guba, director of the department of Agricultural Markets at the Ministry of Agriculture, Professor M. Halamska and Professor J. Wilkin, both from the Institute of Rural and Agricultural Development at the Polish Academy of Sciences, Professor W. Józwiak from IERiGŻ, J. Plewa, the former deputy minister of Agriculture and Rural Development. The panel presented the current situation and condition of Polish farms. Both the social aspect of changes taking place in the Polish countryside was discussed and the fact that a growing number of issues will depend not only on internal Polish decisions but also on the situation on world markets, the presence on the international arena which the CAP will have an influence on. The short presentations made by the panellists showed us the pros and cons influencing the development of the Polish countryside, whereas the dominant issue in the discussion turned out to be that of informing farmers about planned and implemented changes.

The next issue raised during the Summer University was the promotion of European space of permanent agriculture and the development of rural areas. Professor M.-C. Maurel presented the idea of the role which European society would currently like to entrust agriculture with. Presenting the principles of multifunctional agriculture she pointed to the complex issues we have to face if we wish the countryside to fulfil its tasks both in the sphere of nutrition but also for it to perform its social and territorial function. Professor Maurel proposed three possible scenarios which could be realised in the countryside: the model of industrialising the countryside, the

protectionist model as well as the model stemming from lasting and balanced agricultural development. She noticed that in practice it will be necessary to link these three models and their proportion in the realised agricultural policy would be the subject of political decisions.

In Professor H. Delorme's speech concerning the prospects which CAP reforms are opening for the European agrarian economy, a topic emerged about the progressive dualism which we are witnessing due to growing differences between large industrial farms and small family plots. This is a reflection of a peculiar paradox between liberalism and the distribution of direct subsidies. Mrs Delorme pointed out that the new CAP carries the risk of deepening social, economic and environmental protection inequalities.

The panel discussion, devoted to the new CAP and its reception by public opinion, was chaired by Mr R. Dass, director of the Centre of European Studies in Strasbourg. This meeting became an opportunity for the confrontation between the following standpoints: how the CAP is seen by public opinion on the one hand and by agricultural producers on the other. The data of the Eurobarometer presented by the chair show that consumers have many concerns as far as real CAP benefits are concerned. The debate considered the points of view of three sides: that of taxpayer, consumer and producer. This was a reminder that the debate about the model of a common agricultural policy is essentially about moral and ethic issues since it is linked with the process of the choice of a model of society which we shall function in.

The next topic on the agenda was Mr L. Bourgeois's presentation. He is responsible for the state of economic research in the permanent collection of Agricultural Chambers in France. He spoke about the future of European agriculture in the context of the new CAP and concentrated on the predictions concerning the development of French agriculture in 2015. He noticed that although the goals which the new CAP has set itself are essentially legitimate, in its activities the EU still lacks coordination of resources, adapted to the real situation on the job market. The new CAP must look for a happy medium between the good of the farmers and the principles of cooperation with entities outside the EU.

Lectures and discussions between the guests were complemented by workshops. Three working groups were conducted by Professor M. Halamska from the Institute of Rural and Agricultural Development, Polish Academy of Sciences, W. Wojtyra, the director of the Department of Food Safety at the Ministry of Agriculture of Poland and Mrs A. Richard, representing the French Dairy Union.

The workshop conducted by Professor Halamska concerned the following dependencies: the farmer – environment – development of rural areas. There was a discussion about whether there is a conflict of interests between tasks in environmental protection and economic activities in agri-

culture. An attempt was made to find an answer to the question of how to reconcile rural development with the assurance for farmers of a dignified and adequate social standard. The significance of sympathy programmes and behaviour was underlined while calming modernisation processes which were often acute for the rural inhabitants.

The workshop conducted by Mr Wojtyra raised the dependence farmer – food safety. In the face of the recent, very serious food threats, the most extreme example of which being the BSE problem, common rules have been devised, according to the EU requirements. The role of the system of identification was underlined for ensuring food safety and attention was given to consumer rights: access to information and the right to expect food safety. During the proceedings emphasis was placed on the harmonisation of controlling activities at European level as well as on the necessity and usefulness of sharing experiences by representatives of Polish and French food producers.

The workshop run by Professor A. Richard "The Farmer and quality of food: label, A.O.C. system" (*Appellation d'origine contrôlée*) raised the problem of legal regulations as well as the social aspect concerning the quality of goods. All those present underlined the advantages of the production of high quality goods and the introduction of a clear labelling system, however, the discussion also revealed certain dark sides of such solutions: difficulties connected with acquiring a part of European funds and requirements which are often difficult to fulfil, facing small entities, which would like to adapt their production to EU quality requirements.

The next issue raised during the Summer University was an analysis of challenges and evaluation of European potential in order to participate in the construction of a new organisation of the world. Some thought was given to the place and role which the CAP will play in contacts with organisations and entities not belonging to the EU. It seems that this rare point of view in our country which concentrates on internal or EU issues, was of particular interest for the Polish side and it augmented our knowledge on the functioning of European structures in a wider context. The addresses of four speakers, presented the essence of functioning of the CAP from various points of view in the international context. K. F. Falkenberg, from DG Trade, European Commission, spoke about the strength of leading the EU and its proposals extended within the framework of the WTO. He recalled that before entering negotiations the EU carried out several internal reforms and now expects other great players, the United States in particular to take similar steps.

M. Mollard, the director of development in FERT (The Association for Internal Cooperations) presented the question of cooperation with the southern countries, the Mediterranean in particular, from the practical point of view, once again recalling the idea of solidarity and help. A very inter-

esting and unique presentation representing this point of view was made by Mrs B. Harmelin, who pondered on why alterglobalists are opposed to implementing the new CAP guidelines. She drew attention to the fact that solutions which artificially assist cost-effectiveness and low prices in Europe are ruining the agriculture of Third World countries which cannot cope with competition with EU subsidised products. This voice sounded particularly loud in the context of earlier presentations which repeated the importance of social solidarity and aid for the less privileged.

Mr J.-M. Debrat was devoted to diversity, product quality and the issue of honest trade; discussions about whether a reconciliation is possible between the CAP and economic development.

The last section of the Summer University was devoted to a discussion about whether the new CAP in the enlarged 25 member EU can be a tool for promoting durable agriculture and a new world order. The discussion was chaired by Professor A. Kowalski, the deputy minister of Agriculture and Rural Development in Poland. Representatives of Polish academic science, administration and also of agricultural organisations in both countries took part in the discussion. An important element in the discussion was the extension of the perspective beyond national and European interests, a global perspective which was introduced into the discussion by the guests from France.

Professor Jan Kułakowski, the vice chairman of the Association France-Pologne pour l'Europe presented a summary and conclusions from the first Summer University. He underlined the novelty of the meeting and also reminded the significance and complexity of CAP among various EU policies. The success of the Summer University, the vitality and significance of topics which were raised, the possibility of making contact between theoreticians and practitioners as well as organisations functioning in both countries and finally the opportunity for students to meet many outstanding academics and experts on the topic. All of this points to the legitimacy of an organisation such as FPE and allows us to hope for further interesting meetings in the future.

The University became an opportunity for almost 200 participants to become familiar with the subtleties and complexities of the CAP and notice how many interests it has to satisfy, many issues and views its creators have to deal with. It was possible to weave some more general topics into the technical issues of EU policy, such as building a new society and new order, which would allow for the tempering of social inequalities. An interesting topical theme and excellent organisation of the Summer University gave the possibility over a short time to acquire a lot of information and a wide view on subjects connected with the Common Agricultural Policy of the enlarged European Union.