

International Conference

"The future of agriculture and rural areas in an enlarging Europe: - dealing with diversity"

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Excellency, dear Minister, Ladies and Gentlemen,

I am very grateful for your invitation and the opportunity to speak at the occasion of this very important conference, which gives us the opportunity to exchange our experiences and views on the future of rural areas and agriculture especially in new member states, accession countries and neighbours of the EU.

Before I came here I have very carefully studied the so-called progress report on Albania which the European Commission published just two days ago on October 14. The progress report was in general positive about progress made concerning political and economic criteria, competition, market development and so on. But what surprised me was that not even one page was dedicated to agriculture and rural areas.

The report just mentions that rural areas and agriculture remain weak. It raises the problems of land fragmentation and limited access to loans due to missing land ownership documents. For a country in which 50% of the working force is employed in agriculture and the wider rural economy the report pays indeed very little attention to the future of Albania's agriculture and its rural economy. My experience suggests that there was either limited data available or the Commission decided not to focus on problems in agriculture and rural areas of Albania to which it is yet not able to offer solutions.

I then also studied the rural development strategy of Albania until 2013. It reminded me of strategy papers of former accession candidates. A somewhat uncomfortable truth is described as the key problem: the high percentage of small family and subsistence farms. The solution to this problem then seems to be investments in modernization in order to reach economies of scale, higher competitiveness and so on. But is the model of farms behind this strategy really the solution? Is competitiveness on EU markets or the world market really the only perspective for farmers in the future?

There is no doubt that Albania needs to invest in the improvement of farming systems so as to increase productivity and quality of agricultural products. 50% of the EU's pre-accession rural development programme in Albania is therefore dedicated to farm modernization, the so-called "axis one". Axis two, which supports less favoured areas and agro-environmental measures will receive only 10%; diversification of income and quality of rural life is supposed to receive 35%, and finally participatory development such as the bottom-up rural development which encourages rural partnerships between local authorities, small businesses and civil society, the so-called LEADER approach receives up to 5%. As I said, this distribution of funds seems to focus on competitiveness and growth of farms and infrastructure which allows access to European markets.

I remember that back in 2004, when we discussed the new rural development strategy with stakeholders and representatives from Central and Eastern European countries, the European Parliament offered some interesting conclusions, from which I would like to quote:

The growing European Union needs a balanced development between rural and urban regions. During many decades, urban areas have been privileged in income and social services, attracting people from rural regions, offering a growing number of jobs. But many cities now face increasing unemployment and crisis in public expenditure.

Rural Europe can and should become an equal partner of urban Europe in creating jobs and a socially and environmentally viable economy. More than half of the population in the 27 Member States of the European Union lives in rural areas. Many of them gain their income in agriculture, forestry and related sectors. But great disparity in farm size and income, plus tough competition on internal and external markets, have created the need to diversify and strengthen the rural economy and infrastructure in order to create new sources of employment and income.

The European Agricultural Fund for Rural Development provides a coherent basis for an integrated effort to address (simultaneously) the necessary restructuring of agriculture, the sound management of environmental resources and the diversification and strengthening of rural economies. If adequately funded and pursued with determination, it can enable the rural regions to make a full contribution to the well-being of all Europe's peoples.

***Cohesion, competitiveness and sustainability** are three inseparable goals for the future rural development policy of the European Union. This is stated in the Union's Lisbon and Goteborg agenda. Action to regenerate the rural regions can contribute decisively to all these goals.*

***Cohesion** is not an issue only of redistribution of wealth from richer to poorer regions of the Union. It is the commitment of all member states to contribute to reduce inter-regional disparities through exchange of knowledge and technologies, and by improving economic and social infrastructure. For the project of European integration, it is of utmost importance that this principle is carried on even during major budgetary difficulties in the contributing countries. In order to avoid further*

migration of rural people to urban centres without the prospect of work, it is essential to redress the social and economic weaknesses that affect millions of rural people living in peripheral and mountain regions, the Mediterranean and large parts of the new member states.

***Competitiveness** is not an issue only of the most efficient mode of production, lowest cost and price of services and goods. It is also about quality, origin and the employment effect of production and services. In the rural areas of Europe there are many millions of micro, small and medium farms and enterprises which supply local and regional markets and do not operate on the European or world level. European and national guidelines for rural development programmes and projects should therefore distinguish between those farms and enterprises which operate on a local or regional scale and those operating on a European or world scale.*

***Sustainability** is not an issue only of conservation of natural resources. It is a matter of practices in farming, forestry and land management, which include a careful use and treatment of soils, water, biodiversity and other common assets. It includes also the assurance of social continuity, and of long-term viability of local economies. In order to make the new rural development framework a success, the European Union, the national governments and civil society should work out a new social contract. Public-sector funds should be matched by the energy and resources of the private and voluntary sectors.*

A careful use of soils, water and biodiversity are also mentioned in the latest review of the EU's CAP reform, the so called "Health Check". In this review the EU-Commission has stressed that rural development programmes of member states and accession countries should also include measures to slow down or mitigate climate change and to further develop renewable energies. These are all very important goals. But the problem farmers and governments face is, how to integrate these goals into one sustainable practice on farms and in rural areas. Given the huge problems small farms already face in getting access to loans or public money, how on earth can they respond to all these challenges, especially if they are expected to get access to new markets and be more competitive?

Let me mention an example from Poland here which may give you an idea how to approach this problem and how to find solutions especially for small farms and very disadvantaged regions. I remember when a delegation of the European Parliament visited Poland, on our way from Warszawa to the South East of Poland, every time we were stopping at a Marshall or local mayor's office we had been served the usual drinks: Coke, Sprite, etc., - until suddenly in the region of Dolina Strugu, there were Polish juice and mineral water on the table.

The mayors of four communities of the region proudly told us the story. Together with a local entrepreneur and the church they had reopened a historic mineral water source. The communities wanted to create new jobs; the church wanted to promote water against vodka; and the entrepreneur wanted to access the markets of a nearby town. There were lots of small farmers in the region with very small amounts of products which they could not market without help. So the water company said: if you make sure that the source stays clean, we will gather your local products and sell it together with the water in the city. Consumers now can order via internet: water,

bread, cheese, honey, butter, herbs and so on. And the project has created more than 300 jobs in the communities, apart from sustaining many small farm families in the entire region.

Our conference today deals with diversity. What does this example show? Well, I believe it shows that we do not have to look at existing small farm structures only as a problem. We should look at the existing diversity of possibilities as a chance. If you look first at what you have and what your strengths are, such as a broadly untouched nature and clean resources and if you then look for possible alliances of local people, the farmers, the handcraft people, local tourism, nature protection, it starts from a point of view of assets and not from old and inherited problems.

To find out what your strengths are, you might need some visitors who look at your community or region with fresh eyes, not with your eyes, who are used to see it just your way, as a problem. This is why the PREPARE network, to which I belong, (which stands for Pre Accession Partnership for Rural Europe) supports since many years mainly in the accession countries and new member states the exchange of experiences between local rural initiatives and government officials. It is the combined knowledge and competence of people from the local, the regional, the national and the European level which allows us to see the chances in re-connecting the social, the economical, the environmental and the cultural dimensions in our strategies for sustainable agriculture and rural development.

You might argue that the situation in Albania is particularly difficult and cannot be compared with other countries which have already joined the European Union, and that in a region which has suffered from collectivism and a lot of severe conflicts it will not be easy to move towards new forms of cooperation and civil society involvement.

I am not so sure about that. I believe you should not be afraid of conflicts. Usually they are a sign that something is urgently demanding for change. In my home region in Germany, the regional government had the idea to impose a national park and to limit farming and fishing to protect birds. Well of course the local people refused and organized protests against these plans. But we started negotiating and we came up with a new project suggesting that we should balance the interests of farmers, fishermen and nature production through more sustainable practices, processing our local products in order to keep a greater share of added value in our region and to create new jobs.

The starting point for success in this sense is that you identify what you and your communities are good at, what your nature, resources and local people offer you, and what your government should offer you in order to help you to succeed. Do not expect that your problems will be solved from above. The government is overloaded with tasks. You should take some responsibilities from their shoulders and become the LEADERS of sustainable rural development in Albania.

The PREPARE network and certainly also people from the European Parliament and the Commission are ready to help you to learn from success stories and errors in rural development and make best use the public money which is offered to Albania so as to make rural development work in Albania. I wish you all success for that!