



The Bruges Group

Agriculture at a turning point

The Bruges Group

The Bruges Group is composed of twenty five individuals from different European countries. Created in 1995 at the suggestion of Mr. Edgard Pisani, former European commissioner, it is independent of any organization or institution.

Different approaches to agriculture and rural life are represented within the Bruges Group. Its members are united by convictions held in common: the need to enlarge the European Community, to give it more solidarity, and to give it a place in the world; the urgent necessity to make agriculture develop in ways that are more consistent with the expectations of society; the need to democratise the policy debate and to conceptualise forms of governance adapted to today's society.

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Other publications of the Bruges Group :

- Agriculture : un tournant nécessaire. Editions de l'Aube, France, 1997 (second edition: 2002)
- Por un cambio necesario en la agricultura europea. Ministerio de Agricultura. España, 1996 (second edition: 2002)
- Landbouw in Europa, over de noodzaak van een ommekeer. De Balie, Amsterdam, 1997 (second edition: 2002).
- Cultiver l'Europe. Éléments de réflexion sur l'avenir de la politique agricole en Europe. Editions Mayer, Paris, 1996.

Foreword

by Bertrand HERVIEU
President of the Bruges Group

At its birth, the European Union set out to fashion a framework favourable to agricultural production in order to shelter some of its farmers from the rigours of the market, and to guarantee its food security and autonomy. The Common Agricultural Policy (CAP) rapidly brought undeniable successes, but it also attracted strong and justified criticism. For some years now, it has been apparent that past agricultural management methods are not equal to the task of assuring agriculture a future in step with the necessities of today.

On the social level, pressures on the environment, the industrialization of production, and the abandonment of the less productive regions represent a cost which society is increasingly reluctant to accept. Agriculture, founded on the management of nature, now finds itself alienated from nature itself. Food has become an abstract reality, as methods of processing have erected a sort of screen between production and consumption. Agricultural practices have become incoherent, even aberrant, in the eyes of the layman. Agriculture, the art of feeding mankind, has lost the legitimacy which it formerly enjoyed.

On the political level, the CAP has shown itself to be incapable of responding to the new challenges which confront Europe; responses which should include contributing to the integration of territories whilst respecting their diversity, facilitating the integration of new candidate countries, regulation of globalization, and the advent of new international relationships.

Against this general background, a score of Europeans from all generations founded the Bruges Group, named after the Flemish town where they first met in 1995 at my invitation and that of Edgard Pisani, the former French Minister of Agriculture. The participants, who come from agricultural organizations, research institutes and environmental protection associations, originate from a score of different countries both members of the European Union and the countries of Central and Eastern Europe. This is not a circle of experts, but a gathering of citizens - men and women alike - who are knowledgeable about agricultural and rural matters and who represent the diverse interests and feelings of society at large. Committed Europeans, the members of the Bruges Group bring their analyses to bear upon a changing reality and attempt to formulate principles which may inform the development of a renewed Common Agricultural Policy in tune with the issues of today.

One of the major areas of reflection of this group is to call for far greater social mobilization around the agricultural question. Agriculture is not just a matter for farmers and specialized bodies. It represents a major issue for society at large, for it occupies half of our territory, manages an essential part of our water and soil resources, provides indirect employment for a considerable number of people, feeds all of our consumers and is a key element in our relations with other regions of the world. All Europeans can legitimately feel concerned with the future of agriculture and of agricultural policy. And they should be - as users of rural areas, as taxpayers, as consumers and as citizens.

The first edition of this booklet was published in 1996 in France, Spain and the Netherlands. Since then the debate has intensified and ideas have progressed. Many non-agricultural networks and associations have contributed to the debate, bringing new preoccupations to the attention of professional organizations and European bodies. The concept of multifunctionality has crystallized thought on how agriculture provides non-market services such as environmental protection to society. Contractual policies have developed, notably in France through the CTE (*Contrats Territoriaux d'Exploitation: Rural Farming Contracts*). From now on, a better distribution of public payments may occur through diverse procedures adopted by the European Union such as modulation, eco-conditionality and the subsidy ceiling.

Despite these undeniable advances, many of the observations which we made in 1996 remain valid today. In particular, the reforms set in place in the framework of Agenda 2000 have not succeeded in significantly reducing the current divide between, on the one hand, an agricultural world largely inward-looking and hostage to its short term logic, and on the other hand a European society imbued with a renewed vision of modernity and confronted with major challenges: the single currency, enlargement, institutional reform, the internationalization of trade, and changes in lifestyles and workplace relations...

Unable to reach a sufficiently solid consensus around a unifying agricultural and rural project, the European Union has become weakened by the divisions which separate its members: negotiations resemble one-off arbitration exercises instead of embracing an outlook which may bring energies into synergy. Torn between the necessity to change and the desire to preserve what has already been achieved, the EU is not succeeding in forming the alliances necessary to back up its proposals at the global level. The integration of candidate countries is constantly put off. In such a context, the *laissez-faire* option is gaining ground and is appealing to more and more European decision-makers, disillusioned by the complexity of the agricultural question.

This does not do justice to the European Union. Farmers, whose endeavours are already prey to the vagaries of nature and who are finding it hard to accommodate political uncertainty, are without doubt the first to pay the price.

It is because a number of the observations which we made in 1996 are still valid today that we have decided to reedit this book, adapting its content to the new factors which have emerged, particularly on the international level, since first publication.

The first observation concerns the progress in negotiations with candidate countries with regard to EU enlargement. The Bruges Group has opened up to new members from these countries in order to take fuller account of future issues, and held a working seminar in Poland to that end.

The second observation concerns the increasing importance of the international dimension in our reflections upon the policy issues surrounding agriculture. We have already raised the importance of this by underlining the necessity to guarantee food security, particularly for developing countries, and by highlighting the dangers inherent in an aggressive EU export policy. But since the events of Seattle, it has become abundantly clear that the rise of liberalism is going to provoke much wider mobilization which, in turn, would once more shine the spotlight upon the food question - global governance, the role of international institutions and, beyond this, a sense of the future and of the ability of people to influence the course of history. What future is there in a process of globalization orchestrated by the United States, in which the collective interest adds up to the sum of certain private interests? This question is of concern to all continents, including our own.

Then we witnessed the tragic events of September 11 2001. We should not overestimate the scope of the grand resolutions made in this context. But we should take stock of the risk of instability which characterizes the new century. We must reassert the need for global co-ordination of economic policy, for the democratization of negotiation processes, and for the respect of collective interests.

We explain below that the emergence of a multipolar world is a matter of urgency. We should encourage the development of regional groupings seen as policy integration areas within which exchanges are stimulated and regulated. Like the European Union, these groupings made up of countries of similar status will participate in the construction of stabilized markets.

As for international trade negotiations, they must be organized around one priority: the reduction of inequality between countries, between territories,

and between individuals. The fight against poverty rests upon the ability of the countries of the South to preserve markets for their farmers. The European Union must guarantee them this right which it has claimed for itself.

And that is where agricultural policy comes in again. The growing importance of concerns about the environment, rural development and food security do not excuse us from renewed reflection upon the organization of markets, mechanisms of trade and protection, and the place of farmers in the world. Managing to weigh up all of these challenges, conceiving of a future sufficiently promising to bring together the expectations and the plans of today and tomorrow... much remains to be done. Much remains to be debated. The Bruges Group hopes to contribute to this debate, and invites the other sectors of European society to play their part.

Introduction: Agriculture, Europe and the world

If European agriculture is today experiencing a period of crisis and questioning, it is because it no longer carries enough promise and is not in step with the great challenges of the age.

In the past, it contributed to the political emancipation of the continent in seeking European food self-sufficiency and setting itself the goal of providing a diverse range of foodstuffs in sufficient quantity at decreasing prices to an increasingly urban population. This objective, committed to writing in the Treaty of Rome, laid the foundations for the Common Agricultural Policy by embedding it in an explicit social contract which saw the convergence of the interests of farmers and of those of society at large.

The world has changed, and the priorities are no longer those of the 1960s. At the same time, the weaknesses of the Common Agricultural Policy have become more and more apparent: the negative impacts upon the environment and the landscape, the fact that it is ill-adapted to the diversity of situations in the European Union, inequalities in the distribution of public support payments, inadequate support for quality produce, obstacles to the integration of candidate countries, and unfair trade with the countries of the South... Of course the CAP was reformed in 1992, and again in 1999, but the series of amendments adopted do not suffice: the agricultural sector needs to be thoroughly overhauled.

To do that, before rethinking agriculture we need to understand the world. Agriculture will find its driving force in the expectations of today's society, and in the challenges which confront the twenty-first century. And in turn, by building an agriculture for the future, and by finding answers equal to the questions which arise, the actors concerned will take their place in the construction of the Community.

Urgent issues for the long term

We need to urgently understand that the world in which we live is no longer the world which gave birth to the Common Agricultural Policy in the 1960s, nor indeed the world which saw the most recent CAP reforms. Today, more and more people see no future in a process of globalization orchestrated by a single power; this is true of all continents, including our own. This simple

observation illustrates the risks of instability which await us, and imposes two urgent tasks upon us. The first task is to finally enable the development of the countries of the South, and to acknowledge them as cultural and political entities in their own right in multilateral negotiations. The second task is to accelerate the deepening of European construction, so as to afford a respectable place in this enterprise to the countries of Central and Eastern Europe, and to prevent any risk of destabilization.

The emergence of a multipolar world is a matter of urgency. Such a world will not spare us from tensions and confrontations, but if these take place in a concerted framework between regions of similar status, the prospects of reaching balanced agreements will be greatly enhanced.

The World Trade Organization must set itself a major objective: the reduction of inequality. The countries of the South can benefit from guarantees in what is a key sector in their development: the food sector. For the majority of these countries, in which farmers make up more than one half of the labour force, control over food supplies and identifying outlets for their agricultural produce are necessary conditions for their future, since poverty reduction rests upon the capacity of local farmers to ensure food sovereignty. As we sought to do in Europe, and as we afforded ourselves the means to do so, we must recognize the right of the countries of the South to regain control over their internal markets. Through a refashioning of our public policies, we must rediscover a productive dialectic between autonomy and the opening up of our economies: the issue remains one of justice and resilience of global balances.

The reform of our old Common Agricultural Policy is equally one of the issues for discussion with the candidate countries from Eastern and Central Europe. There should be no more talk of 'enlargement' with regard to these developments: this term suggests that the process may legitimately be carried out by the Fifteen, drawing upon the privilege of their seniority to allow themselves to impose their conditions upon candidates who are obliged to accept them. Rather, we should ask what sort of Europe we want, and what contribution may be made to this by these countries.

The application of the CAP in its current form is satisfactory neither to the countries of the EU nor to the candidate countries, both because of the costs of the rigidities incurred by the system of agricultural subsidies, and because of its orientation which is ill-suited to the imperative of sustainable development to which European leaders claim to subscribe. The Common Agricultural Policy, seen at its inception as an instrument of cohesion, has now become a bone of contention which is complicating the process of enlargement and obstructing its implementation. Moreover, devised in a

different age, it no longer represents an appropriate response to contemporary challenges.

What are these challenges? One of the major issues for a future greater Europe resides in the cohesion and balance of the territories. There are already marked differences between South and North, East and West, but with market unification which may create inequalities between regions the risk of fragmentation is great. We must not overlook the problem of the rural areas, thinly populated in the West but densely populated in the East. To manage this diversity and to avoid repetition of the errors made in the West, we need to reflect here and now upon an appropriate policy for the territories capable of ensuring the link between agricultural policy and a cohesive territorial policy, without which Europe cannot be envisaged. Moving from a policy of agricultural markets to a territorial policy is to acknowledge that the geographical distribution of activities, the creation of jobs in rural areas, making full use of natural resources and supporting local dynamics must be at the heart of European strategy. Rather than applying to the East the principles of a policy which we know to be outdated, why not profit from this opportunity to construct the foundations of a new policy of the territories with the active participation of the countries concerned?

Another challenge is to reconcile agriculture with European society. Once the principal aim of agricultural policy - that of feeding Europeans - was achieved, the pursuit of an orientation which aimed to increase the volume of food produced was necessarily called into question. All the more so as the effects of highly productivist agriculture on the environment, which had long been tolerated in the name of food as the first priority, have progressively become unjustifiable. Far from being the exclusive concern of environmentalists, the preservation of the environment has developed into a matter of concern for large segments of society worried about their quality of life, as well as for groups wishing to conserve their common heritage or to enhance the attractiveness of their areas - as in the case of those professionally engaged in tourism or fishing.

Another point of dissatisfaction for Europeans is the quality of their food products. At the end of the Second World War, the main objective was to produce enough food. Today, concerns about the type of food produced, its taste, food safety, and less industrialized ways of producing food are winning over more and more consumers. It is true that farmers are making great efforts to meet these concerns, but the Common Agricultural Policy is not prioritizing support for these initiatives.

Finally, "direct support payments" - taxpayer subsidies to farmers initiated by the 1992 reform - are contested on the grounds of the fairness of the distribution of public budgetary support. Some farmers are highly dependent

upon them, while others do not benefit at all. This unequal treatment, which is a reflection of power relations, is compounded by serious imbalances at the territorial level in the distribution of support, which calls into question their efforts in the social sphere and that of town and country planning.

These processes are occurring at a time when society is showing greater sensitivity toward the prevention of social breakdown and divisions, when society is seeking to preserve its collective identity and when it is showing itself to be less willing to pay the price of overabundant production which is ill-suited to its expectations. The demands from a wide range of sectors of society clearly demonstrate this: agricultural policy, far from being a concern for farmers alone, is a question for society at large. It can no longer be dealt with in isolation, without systematically taking account of the issues which surround it. The way in which agricultural policy responds to the demands which are being made of it will determine how it can justify its existence in the eyes of the taxpayer and of the citizens of Europe and, beyond this, in the eyes of its partners in the world. The contribution which it makes to the resolution of the great questions of the century will condition its place in the world of tomorrow. Agricultural policy can only have meaning once it adopts a more outward-looking posture.

For a multipolar world

The development of the market economy can no longer be called into question. The interplay of the forces of supply and demand is still the best regulator known to us, if not the only acceptable regulator. For several decades now, the expansion of economic cooperation to an ever greater extent has accompanied economic growth and rising living standards. In the long term there can be little doubt that the process of globalization will be of more benefit to humanity as a whole than a fearful return to the protectionism of the past, for such a return could lead to serious crises. But it is not enough that the market should be of benefit to mankind as a whole; it must also benefit each and every one of us. And for that, it must be guided and regulated.

Guided, because the development of trade sometimes tends to become an objective in itself, and the dysfunctional outcomes in terms of ethics, society and ecology tend to be overlooked. The market works, but it cannot regulate everything by itself.

The expansion of trading relations will not automatically result in a reduction in poverty in the developing countries. Firstly because many of these countries, particularly in Africa, remain marginalized and excluded from the new global market. Their market share is continually on the decline. They could disappear entirely from the planet without the global economy really noticing. And secondly, because the acceleration of growth in the emerging countries will not necessarily translate into a reduction in poverty for the majority of people. In a number of countries it is already apparent that the benefits of expanded trade are being appropriated by an elite of entrepreneurs and exporters of agricultural produce who care little for the purchasing power of their wage labourers.

The market in itself cannot take account of the imperatives of food security, because collective security does not form part of its logic. The control and regulation of a significant part of the production of basic foodstuffs is a political objective shared by a number of countries, and this must be acknowledged as a legitimate objective. This is of primary concern to food-deficit countries, but in historical terms the European Union should not feel that the question of its food supplies is settled once and for all. We should conserve diversity in production in the territories for both ecological and social reasons.

Nor does the development of trade guarantee respect for the environment. The market encourages the wastage of natural resources which are not fully factored into the trading calculus: water, air, soil, fauna and flora, and biodiversity would be more highly respected and valued if their destruction incurred an immediate cost to those who degrade them, which is not invariably the case. As things stand at the moment, the market is incapable of taking into account long term respect for the environment, the rhythm of biological processes, and the capacities of ecosystems for purification and reconstitution.

Governing the market

It is not possible to rely upon the market alone to shape the organization of the global economy. The market does not tend to spontaneously create equilibria, even if this impression is given whenever it upsets equilibria. It is a powerful motor which cannot do without controls. It simply translates power relationships into prices, without consideration of people, of natural processes, of the sustainability of these processes or of the long term. Its performance criteria must be tempered by the objectives which society values to guarantee the respect of their actual collective choices and of the survival of future generations. Ethical, social and ecological questions must not be regarded as of secondary importance.

The process of globalization must be regulated, because commercial logic does not always embrace the things which societies require in order to adapt. It is true that the requirements of competitiveness may stimulate innovation and improvement in the general standard of living; and the opening of markets may give rise to new opportunities. But mankind, organizations and production systems must be allowed the time to negotiate the necessary adaptations. The market is a powerful driving force for change in society. Nevertheless, it cannot function properly without brakes.

In a context seemingly dominated by economic liberalism, there is an urgent need to reflect upon the role of public policy and the mechanisms of global co-ordination.

Everything points to the necessity to embrace a path of co-ordination, and in so doing avoid the risks of unbridled international competition which could have disastrous results. The environment, for example, poses problems for humanity which can only be addressed through a co-operative attitude; global warming, the destruction of the ozone layer, the losses of animal and plant diversity, soil erosion... The challenge of sustainable development will not be met in a world dominated by free trade and global competition. This issue calls for global regulation through the establishment of procedures and instruments of co-ordination.

State intervention remains legitimate

The publicly constituted authorities represent an indispensable institution for economic co-operation. Their primary role is to define and ensure observation of a legal framework within which the market may function as efficiently as possible. Another role is to intervene to remedy market failure to take into account the ethical, social and ecological dimensions which society holds dear. They must also ensure the establishment and proper functioning of redistributive mechanisms, at both the individual and territorial levels, to preserve essential balances and to guarantee cohesion. And finally they can act to promote the participation in the market of those who wish to engage in it, and to ensure that access to it is open to all.

All of this is well recognized at the national level. But one of the effects of globalization is to reduce the room for manoeuvre of nation states. Many medium-sized states are swept away by the scale of financial fluctuations and economic change. Even among the planet's major powers, authorities struggle to adapt to the mobility of companies and to the speed of change. Public policy, long confined to the national level and unequal to the task, seems to have broken down.

Broken down in terms of strategies and instruments, perhaps, but certainly not in terms of legitimacy. Some people would have us believe that public policy intervention only obstructs the smooth operation of the market. But numerous experiences demonstrate that this has not been the case. In Korea, in Singapore or in Taiwan - the countries of Southeast Asia known as the 'tiger' economies— interventionist nation states have arisen to stimulate and support a hitherto unprecedented process of industrial expansion. By organizing market forces, redistributing the fruits of growth and protecting certain of their cultural values, they have demonstrated to international institutions and other nation states that it is possible to govern the market.

This debate about the market and public intervention is prominent in the agricultural sector. Food policies are based upon the premise that food represents a strategic commodity whose vital nature justifies special treatment. The market considers food to be a tradable good just like all other goods. Some believe that everyone will benefit from this, while others believe that the most vulnerable will suffer from the commodification of food. History has shown both the limits of self-centred strategies as well as the perverse effects of the market. Therefore we need to come up with a new approach - neither a retreat into protectionism, nor an unconditional opening up. Negotiation and international co-operation are expressions of this search for a new path. As markets have acquired a global dimension, so the actions of public authorities and collective institutions must be exercised at this level.

Regulatory processes

European agriculture is already at the heart of this debate. Its future will be shaped in part by the form taken by this process of co-ordination between the countries and the regions of the world. It must not remain passive in the face of these changes: it can play an active role in the search for new modes of articulation between the market, the nation state and society. At the upcoming negotiations of the World Trade Organization, it is in these terms that the issues must be posed.

How may we find a new relationship between the market and public intervention? Nobody yet has an answer to this question. But it is certain that society at large is already called upon to participate, not just nation states. Putting in place regulatory processes which aim to complement and enhance market forces implies a heightened sense of the collective interest, a certain degree of social consensus and self-discipline, and a long term outlook. It means a democratic vision which makes demands upon society; arbitrating between *laissez-faire* and interventionism, between respect for individual choice and seeking out the common interest.

The globalization of economies does not, however, render local strategies redundant. Setting up direct trade between producers and consumers, identifying product origin, the emergence of agricultural plans with a strong territorial component, the insertion of agricultural activities at the heart of local development processes: these dynamics and these activities borne by new social demands and by the recomposition of rural areas are unfolding along with the process of market globalization. The adoption of common rules, while stimulating initiatives by local actors, represents a major challenge for the European Union. This will take shape through a renewed vision of subsidiarity, the articulation of different levels of decision-making, and the setting in place of permanent negotiation processes. Mediation must guarantee the maintenance of the link between the global and the local, between the planet and the territories.

The European issue

Nor does the globalization of economies render regional spaces redundant, quite to the contrary. There are more than one hundred regional economic areas in the world, but most of them are simply free trade zones. The European is the first of these areas in terms of wealth produced and exchanged. And above all it is the most developed example of such a grouping. The setting up of community institutions, the drafting of common environmental standards, the institution of mechanisms of redistribution between countries and regions, the search for a certain attenuation of disparities: the combination of these efforts - even if they still lack perfection - has few equivalents outside the European continent.

Moreover, the European Union represents a major instrument for dialogue and conflict resolution between the social and economic entities. On a smaller scale than the global level, bringing together less heterogeneous conditions, it remains a place of negotiation on the human scale, where even medium-sized organizations may make their voices heard. It is within this framework, rather than at the global level, that citizens may retain a certain degree of control over their destiny in a world embarked upon a path of integration.

Through its plans for enlargement and its involvement in trade agreements with other regional groupings, the European Union will have to justify the adoption of regulatory processes which it brings to bear upon the market, and to defend and reaffirm its choices in favour of social and ecological balances. For all of these reasons, co-ordinated action at the European level is of great importance. For great changes await at Europe's doorstep. To the East, several candidate countries will shortly become integrated into the European Union: we must make sufficient room here and now for these future member countries, and take into account the specificities of their

societies and their histories. Rather than fearing competition between producers, we should fear the breakdown of their social structures under the effect of competition from our economies. In the South, the countries bordering the Mediterranean find themselves in a difficult situation, threatened by social tensions and emigration. They demand greater opening up of the European markets to their agricultural exports. The European Union should encourage their development by strengthening the links with them.

Europe has shown that the constitution of a coherent regional grouping can offer conditions favourable to the development of its members, if appropriate policies contribute to the reduction of disparities and to the fostering of synergies. Faced with the process of trade globalization, it must henceforth contribute to the emergence of a multipolar world in which it will have its place alongside other regional powers, and not a unipolar world dominated by the United States.

To that end it must enter into a dialogue with the United States, Russia, China, India, Africa and Latin America. Questions about agricultural markets, food and the environment must occupy an important place in these discussions, even if it is necessary in order to tackle them in an efficient manner to free them from a strictly agricultural and rural identity.

The regulation of markets is the political expression of a desire for peace and justice. Liberalization of trade is not an end in itself. So long as we recognize that global agricultural markets have structural deficiencies and generate risks which are not under control, we must acknowledge the legitimacy of agricultural policies. It is possible to demand that the degree of openness or closure of markets should be subject to political objectives in the interests of employment, the environment, the management of territories and the battle against disparities.

External relations: sustainability through solidarity

The trade disputes between the EU, US and 'developing' economies over agriculture and food offer little room for the search for policy options which provide genuine opportunities for global sustainable agriculture and rural development. The debate is inclined to be simplified to talk is of 'protecting' European farming, against a wave of imports 'grown anywhere, anyhow,' and against the further penetration of capitalistic relations into the countryside and rural community life. Much of this critique is thinly veiled anti-Americanism.

It is a mistake to premise rural development policy on 'protecting' European farmers from aggressive competition, whether that competition comes from

the West (the USA), the East (CEE countries) or the South ('developing' countries). Such an approach overlooks the damage which *current* European policy does at home and abroad. It also overlooks the *global* crisis in family-based farming.

Complementary policy

Ultimately, defensive tactics make it difficult to find *complementary* policies for achieving *global* rather than exclusively European sustainability. We end up putting old wine (production subsidies) into new bottles (rural development subsidies still largely directed at farmers). We end up building sustainability and 'multifunctionality' at the expense of other countries' ability to obtain (or preserve) multiple functions—employment, economic development, and natural resource management—from their own agriculture and rural areas. The 'agricultural preference' of the Treaty of Rome and the 'Freedom to Farm' legislation in the US is experienced by producers in other countries as non-preference and non-freedom. The US and EU pumped nearly US\$ 170 billion into their agricultures in 1999¹. This 'support' has contributed to a collapse in global agricultural commodity prices, a deepening crisis in farming on both sides of the Atlantic, and market distortions in developing and transitional economies which are marginalizing large swathes of small- and mid-scale producers and entrepreneurs.

Overproduction and dumping persist, even when direct payments replace production subsidies. The maintenance of export subsidies, to which the European Union clung at Doha with an energy born of desperation, has drawn justified and bitter criticism from most of the countries of the South. The EU, accused of blocking even the marginal progress made by the poorest farmers by closing its markets to them and practicing unfair trade, has also seen its proposals for the need to regulate globalization discredited. The strategy of conquest which it evinces is in flagrant contradiction with its objectives of international co-operation and with its long-term political interests. While it fights for market share—which is in daily decline and which ultimately concerns only a limited number of its producers—it finesses crucial issues for the future such as the private appropriation of genetic resources. In so doing, it deprives itself within the World Trade Organization of the support of the countries of the South in the defence of its own social choices.

Direct payments are no less a disaster for 'developing' countries than production supports, if not combined with strict anti-dumping mechanisms. It is clear that decoupled allowances *do* have an effect on the growth of supply, despite arguments to the contrary from orthodox economists. Direct

¹ *Producer Support Estimates* (value of gross transfers from domestic consumers and taxpayers to support agricultural producers) according to the OECD amounted to US\$54 billion in the US and US\$114.5 billion in the EU.

payments are used to cover investment costs, and production will continue to increase so long as product prices still cover variable production costs.

Integrity in dealing with developing countries, especially agrarian economies, is an essential ingredient of the implementation of sustainable agriculture and rural development in Europe, if nations are serious about upholding *social justice* and supporting the dignity of human life and the common good.

We have to confront damaging contradictions in a policy that tries to achieve everything. Regions or countries should not build a policy of 'multifunctionality' on a presupposition of large agricultural exports, if clear markets for those goods do not exist and/or if that status of major exporters requires large quantities of non-renewable inputs. A policy truly oriented to sustainability would not tolerate huge overproduction that could not be sold profitably on the world market, and dumping or export subsidies should be redundant under these circumstances

Beyond liberalisation

Unlike most other primary industries, farming belongs to both the socio-economic world *and* the ecological world; agricultural production is carried out under a tremendous variety of agroecological endowments and constraints. Increased trade pitches small farms on the geographic and social margins against huge mechanized operations in the agricultural heartlands.

In the Byzantine debate about WTO rules, it is easy to lose sight of more fundamental linkages between international agricultural trade and sustainability. The justification of moving of agricultural produce thousands of miles to where soils, farm size or climate limit 'competitiveness' in the name of 'comparative advantage' is itself a complex set of sustainability trade-offs, weighing impacts of transport externalities against food security and sovereignty, and production of public goods.

It is also important to consider the impact on third countries of European agricultural practices. The ecological footprint of a European intensive livestock industry, for example—built on imported feedgrains grown on fragile regions rich in biodiversity such as the Brazilian *cerrado*—must be part of our analysis of sustainability. Claiming a unique place for agriculture and food within a society should be accompanied by granting the right for others to do the same, respecting the right of countries to produce their own food, or to seek development through agricultural exports. There is clearly a place for emergency food aid in reducing the incidence of famine, but it is essential to avoid disguising surplus removals as 'aid' under a blanket justification of 'feeding the world'.

For the majority of the countries of the South, security of food supplies is an imperative. For these regions of the world, where smallholder farmers account for more than half of the work force, finding outlets for agricultural produce is a condition of development. The consolidation of their economies must necessarily take place through mechanisms of regulating agri-food trade and of protection *vis-à-vis* the rich exporting countries. All forms of dumping, which profit the most powerful, must be abolished. The least developed countries must have greater access to European markets.

In order to design *complementary* policy for Europe which delivers solidarity with small farmers abroad, we must also look at global trends which are less responsive to trade policy and which are *eroding traditional distinctions*. Globalization's new rules are creating new opportunities and new forms of exclusion.

Globalization's 'new rules'

Internationally, nationally and locally, globalization's new '*rules of the game*' have *skewed opportunities in favour of the powerful*. Consumers are *favoured at the expense of producers* by globalization's tendency to tilt market power away from primary producers. Supply management and withholding production to defend prices becomes futile in an era of globalization and global sourcing, leading to chronic oversupply. Producers maintaining a more *local* orientation face *price* competition from cheap, often dumped imports. Producers for *global* supply chains face *new rules of market participation* in the forms of standards (including requirements of 'sustainability'), codes of conduct, and traceability. Compliance with these standards has high capital requirements which means that small scale producers cannot compete, and therefore *low labour costs* now have *fewer comparative advantages*.

Participation in buyer-driven commodity chains can link small farmers to the modern economy, with lower market risk and greater new markets, to inputs, and to financing. But the control of commodity chains in agrifood by clusters of powerful downstream industries has profound impacts on agriculture, especially in *weakening the link between farm prices and food prices*. High levels of concentration in downstream processing and retailing industries mean lower levels of value-added going to local communities; 78-85% of value added in the agrifood chain in the US and UK, for example, is *not* done by farms.

All farmers who are connected to buyer-driven commodity chains are facing globalization's new rules. These rules explain why farmers are losing, even when trade policy is supposed to work in their favour. We are witnessing a divergence between and within agriculturally dependent rural economies, North and South. The simultaneous integration and exclusion of

communities with respect to agri-food systems mirrors the emergence of the dual economy across the farming world. A global division of labour separates a core from a majority of flexible and casualised smallholders, family farmers and farmworkers.

The governance issue

European agricultural and rural policy is at the front line in the struggle between the *regional* and *global* integration projects. Disputes over agricultural subsidies, food standards, tariffs and technologies are really disputes over the level at which we as a society choose to govern the agri-food system.

Orthodox economic thinking has seen *control over decision-making confiscated by a small set of actors*. 'Black box' economics ignores human realities, and gives rise to proposals in which the solution to problems is the removal of 'non-viable' producers or the separation of food production from the production of 'public goods'. The support of smallholders as a 'social' issue as is 'multifunctional agriculture' in the EU are *strategic retreats* from integrated regional rural development supported by family-based food production. A combination of landscape stewardship based on 'multifunctional' farms and food security based on imports is a nonsense.

Agricultural producers from inside and outside Europe face *common* opportunities and threats, primarily the appropriation of production gains by downstream industry. It is time for farming and rural development groupings to show real solidarity with producers in the USA, in 'developing' countries, and in Eastern and Central Europe. First, working together to remove the obscenities of overproduction and export subsidies and dumping. Then exerting *control of and influence over markets* as the key to the circulation rather than extraction of economic assets from the countryside.

Making room for the countries of the South in the organization of agricultural markets does not necessarily mean sacrificing our agriculture. Apart from the conquest of distant markets, other paths to progress - without doubt less perilous - already exist: the processing of high value-added products, the pursuit of quality and traceability, the diversification of the vocation of farmers by the remuneration of their positive actions on the environment and on landscapes, the contribution to rural dynamics... All of this exists on the ground, and lacks only political impetus to make of it the basis for a new motor for development, consistent with the expectations of European citizens. That is where European society expects a contribution from farmers, and not in terms of their capacity to wrest market share from African, Latin American or Asian producers.

Welfare, peace and improved environment: objectives for the enlargement of Europe

There are several possible ways of looking at the integration of Central and Eastern European countries to the European Union. It can be seen as a concession made to the former communist *bloc* countries who seek admission to membership of one of the most prosperous regions of the world. From this perspective, it seems legitimate to underline the differences between the two parts of Europe, and to impose conditions of entry upon the applicant countries to conform to the 'achievements of the Community' as the main principle underpinning the European project.

An alternative way of looking at the enlargement is a mutual reconciliation of the two equal parts of Europe, which have been separated for over half a century. The two parts today share the common interest for peaceful development. We would like to support this second approach for the enlargement. In this perspective the member states and applicant countries complement each other in defining new criteria (political, economic, institutional) for the functioning of the enlarged Europe.

In the process of the enlargement, regionally specific characters (geographical, economic, social, cultural) as well as development potentials and problems of different regions have to be taken into consideration. Regional cohesion, sustainable agriculture, protection of the environment and preservation of biodiversity are essential pillars for the construction of economically viable and politically stable Europe.

In the enlargement process the experiences of Ireland and the Mediterranean countries in particular can be relevant for the present applicant countries. A lesson should also be learnt from the unification of Germany in order not to repeat same mistakes - such as the lack of relevant information and active involvement of citizens of both countries.

Expected benefits and costs for both parties in the enlarged European Union

The common advantage that is expected from the enlargement has to do with strengthening peace and improving security on the continent. The enlargement will remove formal borders between the countries which will make working in and visiting different European countries less complicated.

Intensive economic, political and cultural co-operation among the countries will contribute to the increase of welfare, and narrow the present economic and cultural gap between countries. It will also offer an opportunity to build European identity, to promote solidarity principle, and to create larger and more sustainable market. New markets for agricultural products will offer better possibilities for trade, investments and founding enterprises, as well as improved resource allocation. Integration will also widen intellectual and emotional horizons all over Europe. In addition, common agricultural and environmental policies will offer good opportunity of preserve natural and cultural diversity in Europe.

For the present EU member countries the enlargement indicates an opportunity for cheaper and safer economic activities on new territories. It will also strengthen the position of the EU in the world. The associated countries can look forward to faster economic development, higher quality of goods due to increased competition, as well as to industrial and agricultural restructuring, adherence to EU criteria and growth of political and economic stability within themselves. Access to EU agricultural and regional development funds will provide the new member countries with more opportunities for support. Politically it implies for the Eastern and Central European countries a formal placement into Europe, opportunities to participate in the development of common policies and in the elaboration of decisions, and additional tools for the citizens for democratic control, such as the right to elect and to be elected to the European parliament.

The present EU countries face a change in their proportion of representatives in different EU institutions and may have the feeling of losing important positions. On the one hand there is a fear of cheap labour flow from the East, on the other hand those who have so far benefited from illegal job seekers from the associate countries, will lose. In addition, the present EU countries have problems with the decreasing share from the EU funds, and with the possibility of having to pay more to the EU budget in order to take care of larger number of lacking regions and increasing number of people.

In the associate countries people are afraid of losing their recently found sovereignty again, and of increasing bureaucracy with all its costs and potential intransparency. It may also mean that national politicians lose their interest in rebuilding national economy. EU membership is also likely to increase the price of some services and goods, as well as to increase import duties and even production costs after the introduction of stricter standards. In some associated countries there is also a fear of the free land market. The economic environment for enterprises is also expected to harden, which will cause a higher risk for bankrupts. Membership in EU poses also the threat of losing educated working force to the wealthier parts of the union.

Agriculture and land issues

The issues of enlargement and agriculture are strongly interrelated. The questions of the use of land and territory, population dynamics, and relations between rural and urban areas are essential issues for the future of Europe. Certain sectors, in particular small-scale agriculture, are especially fragile and their destiny affects the future of large areas as well as of millions of people. Countryside is at the same time a vital ingredient of European identity.

EU budget for agriculture and the conditions for receiving agricultural subsidies have dominated the discussion on the enlargement. However, they obscure one of the major issues for the enlarged Europe: the management of agricultural and rural territory which will increase by one third, and the questions associated to it - solidarity between regions, control of flows of migrants, links between urban centers and rural areas and the demand for new activities on territories experiencing dramatic effects of transition.

As with agriculture in the past, the joint management of the European land, and the setting up of a rural development policy can contribute to a genuine debate on the European project. While there are pronounced differences among Central and Eastern European countries in the level of production, some of their farming practices display desirable characteristics in terms of their limited impact upon the environment, or as a part of multifunctional farming enterprises. Diverse knowledge and practices of sustainable land use, of various functions of agriculture, of producing safe food, of functionality of rural housing and life styles which complement the development of urban areas and can prevent social problems caused by uncontrolled urbanization, should be utilized in the process of constructing integrated Europe.

Everyone knows that market unification will not provide adequate responses to the challenging issue of the land question. It must be accompanied with a far-sighted public policy that includes the issues of nature and environment as well as rural and regional development. In order to stimulate local initiatives for sustainable rural development as well as to bring about a form of technical development which enables to retain environment-friendly features of many agricultural areas in different parts of Europe, both the existing CAP and the applicant countries' agricultural policy should be reformed. As the EU is the main trading partner of the CEEC and intensive farming dominates EU agriculture, agriculture in the CEEC is under the pressure of turning as intensive in order to be competitive. This has a negative impact on agriculture and environment in the CEEC.

Suggestions for the integration process

Most of the problems and misunderstandings are due to the lack of information and the absence of face-to-face communication. Thus, the following strategies are essential in facilitating the acceptance of the new members on the side of the EU member countries' citizens and on the side of applicant countries' citizens:

- Information and communication. Citizens of EU member as well as of applicant countries are poorly informed about the benefits and the risks of the enlargement. Therefore an effort should be made to spread relevant information and to facilitate meetings, workshops, conferences and other ways of face-to-face communication of various groups from the EU member states and from applicant countries.
- Education and training. The applicant countries lack programmes for re-qualification of those who lost jobs, especially in rural areas and particularly in agriculture. Adult education and training of young adults who are out of regular schooling system need to be facilitated institutionally.
- Bottom-up approach should be utilized especially in development programs and projects in rural areas and cross-national co-operation promoted.
- Building capacities for participation and co-operation among NGOs nationally and internationally will stimulate networking and facilitate rising funds for relevant programmes and projects.

Due to the fact that the administrations of applicant countries have difficulties to respond to ever increasing EU demands, there is a feeling of inefficiency and frustration. A discussion on how to reach the enlargement as a political goal has to be based on partnership negotiations. Partners at all levels of societal organization should be identified and bottom-up as well as partnership approach should be applied in the negotiation process. Partnership projects with NGOs included should be supported not just morally but also financially. In this respect, the European Parliament can play an important role. Many decisions taken today by the EU will have a direct impact to the future member states. They would like to participate more actively in the EU decision making process through the existing and new dialogue forms during the pre-accession period.

Traditional agricultural policy thinking has been replaced by the multifunctional concept of agriculture not only in the EU member states, but also widely in the applicant countries. Thus, an effort should be made to increase the share of the second pillar in the EAGGF, but in a way which takes into consideration the different position of the CEEC countries in respect to national co-financing. In reformulating the CAP regional specific characters should be respected. Multifunctionality and subsidiarity are two most relevant principles in future reform of the EU agricultural policy. After

the EU enlargement, the CAP and other policies should be applied to all the EU member states equally.

The debate of building an integrated Europe must be conducted on an equal footing between the EU member states and the applicant countries, with the goal not only that the applicant countries unconditionally adopt the present EU way of doing things, but rather that they contribute - in the light of their recent histories and current priorities - to some original thinking about the dynamics of territory, land use, agriculture and rural development. A move from a situation of competing for a share in a limited budget to the situation of partnership in the participation in common projects represents the first step in the process of building an integrated Europe.

For new territories

An agriculture in step with the demands of society cannot fail to take account of the environmental and territorial dimensions. Respect for the environment and territorial balance are two issues of great importance which the European Union must address. They are linked and sometimes converge. But they are nevertheless distinct in their expression and call for different responses.

Diversified situations

First, the environment. Since the end of the 1960s, environmental considerations have gained in importance for society in general, not just in Europe but across the world. These considerations take three broad forms: the need to control pollution and wastage of resources, the need to manage space, and the need for quality produce.

In terms of pollution control, damage to natural equilibria takes a variety of forms; the contamination of water by chemical or biological products, the deterioration of soils, the destruction of traditional countryside, the desiccation of wetlands, the contamination of air, water and food by pesticides, the damage caused to wild fauna and to the landscape, etc. These are already widely acknowledged: a further problem will shortly arise - the use of scarce and diminishing water resources. In the Mediterranean zone of Europe, access to available water resources is becoming a major problem.

The management of our water resources will shortly revolutionize our ways of thinking. In the past we sought to maximize production per unit area: soon we will be seeking to minimize the use of water, energy, fertilizers and pesticides per unit of production and to reduce to a minimum their impact upon the environment. The rationale has been turned on its head, and farming practices will no longer be the same. For several years now, organic agriculture, biodynamic agriculture, low-input agriculture and other alternative farming systems have been opening up possibilities for progress in this direction. If they are given the means to develop, these forms of agriculture have a very promising future as they are not only environmentally friendly but are also in tune with the demands of consumers.

The environment also means the definition of new relationships with living creatures. Commercial livestock are increasingly seen only as instruments of production. Sometimes they have even become mere objects, and the relationship which the livestock producer once enjoyed with them has thus lost its humanity. Without indulging in a form of fundamentalism which would uphold the same rights for animals as for human beings, it is quite clear that growing sensitivity to animal welfare issues within public opinion - particularly in Great Britain and Denmark among others - will necessitate new standards of animal husbandry in the future.

The vast cereal farms of the northern European Union, which are not the most environmentally friendly of farming systems, nonetheless benefit the most from public support, without any major environmental effort being required of them in return. It would be reasonable to think that, in the near future, the granting of direct support payments could be contingent upon the observation of a code of good practices. If the principle of cross compliance were to be imposed by the European Union, it is important that such a code should be drawn up at a decentralized level so that it is adapted to the specificities of local situations. The environment has need of this: priorities might include, for example, the protection of water tables, the preservation of wildlife, restrictions on the use of pesticides, the control of waste products... and countless other things. And farmers themselves have need of this: the conditions in which they practice their profession are very different from one region of the continent to the other, and uniform regulation at the European level might be acceptable in one area and impracticable elsewhere. It is particularly important that, with objectives fixed at the local level by a committee composed of a range of interested parties - farmers, associations, scientists, territorial groupings - the rate of adaptation of farms remains open to negotiation. It is also important to enable national training and extension bodies to adapt to this new set of circumstances: if technical change is not made possible, the pressure exerted upon farmers might become intolerable particularly for the most vulnerable among them. It is also necessary, finally, that farmers retain a certain margin for manoeuvre which enables them to

determine how, technically speaking, they will manage to achieve the objectives set. Certainly this process is demanding. It will require renewed efforts on their part, for the demands of society change with the passage of time. But such a process will also serve to add renewed dynamism, transforming an inevitable process into a manageable constraint. And it will encourage farmers to become more active citizens rather than just follow instructions.

Management of space is a different issue. Here it is a question of avoiding the abandonment of zones prone to wild fires, of managing bush encroachment on paths, of ensuring that landscapes remain diversified and of safeguarding habitats for wild fauna and flora whose survival has for centuries depended upon the maintenance of human activity. But it is also increasingly a question of making these rural resources available to Europeans through the development of rural tourist and hospitality facilities. This is a relatively new development which farmers may grasp.

A service-oriented agriculture

The production and maintenance of a pleasing environment implies new forms of remuneration. It also implies a change of status for farmers, from being producers of goods and foodstuffs to becoming at the same time producers of services and of intangible goods. Harmonious landscapes, good quality water, vibrant and diversified nature, natural hazards under control, a preserved environment... these services to the community at large were formerly by-products of agriculture. Now they are products in their own right for a community whose demands are more and more exacting.

These products are part of what might be called the creation of collective wealth and, as such, must be paid for by public authorities. They may also be funded in part by the consumer. For example in the case of services to do with culture, health, tourism, and the teaching and schooling of children. The share of the household budget spent in these areas by Europeans is on the increase as urbanization spreads, as time at the workplace diminishes, and as people live longer. It also increases with growth in supply and improvements in quality. These demands are the expression of a pursuit of leisure as well as of a need to understand the relationship between man and nature. They bear witness to a desire on the part of many Europeans to get closer to farmers, to a vibrant and functional rural culture, to a way of life illustrated by a dynamic countryside. Europeans do not wish to see, on the one hand, the development of an agriculture remote from them, nor on the other hand of museum-farms or showcase farms designed to teach them about the agriculture of yesteryear or of today.

The demand for better quality products arises from a similar source. It implies a search for lost tastes, for health guarantees, and also for a sense of identity, of social relationship, of proximity with the land and with nature. For many farmers this is an opportunity waiting to be grasped. Already in France a quarter of farmers are involved in the sale of organic produce, of labelled products and other farm products. These products, which earn considerable additional income for farmers, come mainly from small-scale farms and from those located in mountainous regions. They are therefore clearly important to the maintenance of social and territorial balances.

Quality is also an issue which, above and beyond specific products, will increasingly inform farming practices. The 'mad cow' *imbroglio* showed that, when the market is left to its own devices and the drive to produce at ever lower cost prevails over the fundamental rules of precaution, the resulting crisis can be catastrophic. In a society which demands ever greater safety, it is not possible to go down the path of less and less regulation. We need to go in the direction of another rationale, giving priority to health considerations, adopting the rules of prudence, and lending more weight to a responsible approach and not simply to short-term profits.

It is not possible to reduce agricultural activity to the production of protein at least cost. Farmers themselves, first of all, are shocked by this. The supply of healthy, safe food is part of their job. This issue relates to market mechanisms, and also to production systems. From now on we need the latter to be technically and socially acceptable.

A debate for society

The environment is both a constraint and an opportunity. Above all, it is a vast field of activity for farmers and for all those who wish to exercise their professional activity within it. The environment is not a transitory phenomenon, and studies have shown that most farmers are fully aware of this. Nor is it a precise demand, but a place where conflicting points of view may meet.

The environment warrants first and foremost an ethical debate. There is a serious risk of excessive commodification of the relationship between man and nature, between the farmer and his territory. Should we consider the environment as a new factor of production which must be paid for, or preserve the values of freedom and free access which are associated with it?

The environment implies a debate for society. What is the precise content which lies behind the definition of concepts as all-encompassing as environment and sustainability? Not all environmental objectives are invariably compatible, and sometimes choices have to be made. Take the

case of the growing of tomatoes, for example: is it better to produce them close to where they will be consumed, in Holland or in Denmark, even if this entails expending considerable energy on heating greenhouses, or should they be produced in the sun of Southern Europe at the cost of further developing road transport infrastructure? We have to look closely at the possible alternatives, and assign priorities.

Let us take another example. Rural areas are the location for new activities, for example sport and tourism. But they are also and will remain the place where farmers and rural communities work and live. The management, occupation and aesthetics of these areas are first and foremost of concern to those who live there. The tourist who contemplates the landscape, the ecologist who appreciates its sometimes subtle beauty and richness, the resident who goes on country walks and gathers its wild fruits and the producer who knows its agronomic qualities... all have different points of view about the rural landscape informed by their history and their culture. Bringing these points of view into harmony, or at least reconciling them, is a major issue for the future of rural societies. And in this debate for society farmers have a part to play as equal citizens.

Finally, the environment implies a technical debate. There are many people who can offer a definition of what is, in their eyes, a quality environment but few who will venture to clearly define how to produce such an environment. The very idea of creating nature seems paradoxical, yet in Europe almost all of the rural landscape is the result of more or less intensive human intervention over time. The results have not always been what was desired, the relations of cause and effect are difficult to illustrate, and analysis of the process is rendered complex by taking into account long term effects. The situation becomes even more delicate when it is a question of striking an appropriate balance between ecological, economic and social considerations which bear upon the use of a particular landscape in areas which are perpetually undergoing change. Scientists themselves recognize the limits of their knowledge, and the need for a dialogue with farmers. There is urgent need to identify and to make best use of the knowledge of those responsible producers who, in Europe and elsewhere, are able to successfully solve the ecological and the agronomic equation. In the South of the European Union, in upland regions and other areas where diversified small-scale farming strongly rooted in its landscape persists, such knowledge is still alive and well. And in the countries of the South as well, there are many who could help us to rediscover this wisdom in the management of natural resources which, in the most productive zones of Europe, has too rapidly been seen as outmoded. This could hold out the promise of a particularly fruitful area of co-operation which might partly reverse the usual direction of such exchanges. It also represents a brilliant opportunity for those managers of living

creatures, of nature, who are seeking to find in their work the passion of rediscovery.

National and regional development is closely associated with the environment and with land-use planning. There can be no sustainable reduction in the pressure on the environment in intensively farmed regions, nor satisfactory management of thinly populated regions without a debate on the distribution of agricultural activities across the whole of the European territory. And for this, mechanisms must be found to enable a sufficient number of upland farmers to continue to farm in the mountainous regions which are currently most under threat.

But this question cannot be tackled within a purely agricultural framework. The maintenance of services plays a particularly important role for young people who wish to set up in farming or rural activities. That is why, in the regions under threat in the European Union, the outlook for agriculture is closely linked to the future creation of non-agricultural jobs and services.

The rural world is today experiencing serious upheavals which cannot be ignored. Population movements are changing the appearance of numerous European regions more rapidly than agriculture alone could change it. The creation of a favourable environment for enterprises, tourism, leisure pursuits and a population of active or retired residents holds out the promise of revitalizing these regions. Within this range of new activities, agriculture can discover a way to find a harmonious place for itself in new configurations of diversified actors, to produce from an attractive environment, to diversify the range of services on offer, and to contribute to the reassertion of a cultural identity brimming with dynamism. The rural landscape is no longer the backyard of farms. It is a complex *milieu* within which agriculture must find its rightful place, fostering the emergence of a wide variety of social groups and seeking out synergies with them. In doing this, it will need to rediscover the path to dialogue with those who have plans for development projects in the rural world. This is comparatively easy in countries such as Greece, Portugal and elsewhere where there is a close relationship between farmers and the rest of the rural population. It is more difficult where the links have become strained. But it is never impossible. Throughout Europe, there are many examples which demonstrate the capacity of numerous farmers to participate in the setting up of local initiatives launched by diverse social groups.

Agriculture must open itself up to the rural, and integrate itself into the local development process. We should be careful however not to rush headlong into a localized utopia. Local markets are restricted, and often very specialized. Farmers cannot dissociate themselves from the social dynamics which fashion their immediate environment, nor can they distance

themselves from integration into market openings. Between the market and society, between sectors and territories, agriculture needs both vertical and horizontal integration. Not long ago, agricultural co-operatives strove to meet these dual objectives. Today, they carry within them the seed of contemporary values.

A necessary ambition

Contributing to the creation of collective wealth, participating in the management of the territorial landscape, developing new produce, creating jobs... this is the stuff of building ambitious professional projects in touch with the realities of today. This will necessitate finding a path to a new contract between agriculture and European society.

Stimulating the debate is hard work. In the countries of northern Europe, farmers have lost the special place which they occupied in society decades ago and which ennobled their work of 'feeding people'. In a situation of abundance, the production of food no longer enjoys the strategic importance in the eyes of society which it had in the days of shortages of the past. As the share of household expenditure on food in Europe continues to decline, as products are largely standardized and undifferentiated, as a whole chain of processing and marketing comes between the producer and the consumer, food is losing its symbolic dimension, its roots and its territorial identity. It is tending to become a commodity just like any other, and those who produce it are becoming economic actors just like any other.

Even where local initiatives are dynamic, farmers have often abandoned the place which was once theirs. Forty years ago, the farming population was numerous everywhere, and structured the organization of the rural world within which it played a major social and economic role. Today the farming population has become a minority. In many regions threatened by rural depopulation, local authorities are prioritizing tourism, the location of small and medium-sized businesses, or the creation of residential areas to maintain employment and services. In most of the countries of the European Union, and particularly in the North, farmers are no longer the main driving force behind social dynamics in the rural world. In the southern European countries, where the farming population is still numerous, the question equally arises of a redefinition of its role in society.

These changes have profoundly modified the way in which society regards agriculture. But there is more. In the countries where farmers account for only a small proportion of the work force, family and neighbourly links with the non-agricultural world have become strained. The constraints of work isolate the farmer on his tractor or in his farm buildings. There are rare chances for casual exchanges. There are few town dwellers or rural folk who

understand the background to the major upheavals which have transformed the European countryside. Even if technical developments were desired in some degree by consumers, and even if their impacts have sometimes eluded farmers, the gap in understanding can only grow from this lack of dialogue which has accompanied radical change in the agricultural world.

It is true that this situation varies in intensity from country to country. In countries such as Greece, Italy, Spain and Portugal the links remain numerous and deeply rooted between farmers and the rest of society. Preserving and developing these links is of strategic importance to the farmers of these countries who must make use of their continuing dialogue with society at large to redefine their role and to guarantee a future for their territories. Entering into a social debate on the agriculture of tomorrow means mobilizing these forums for debate where they are still alive and well, and creating them where they have disappeared. The professional organizations are not enough in themselves; wider forums for debate need to be created or strengthened.

In this process, farmers are in the front line. Defining their role and their function, renewing the necessary links with the community at large will enable them to give perspective and meaning to their activities. But many other social groups actively contribute to the life of European agriculture; technicians, trainers, researchers and industrialists among them. They too must take their rightful place in this debate.

For a modern agriculture

The crisis which European agriculture is currently experiencing is not specific to the agricultural sector. It is true to say that it is the culmination of a lengthy period in which farming and farmers themselves have been sheltered from the harshest realities of the market place. It is equally the case that it is the fruit of a corporate approach which has strained the links between agriculture and the rest of society. In this sense it shows characteristics which are particular to the agricultural sector. But it is also true that this crisis is the expression of social change which is being felt by the industrialized countries at the beginning of the 21st century. Globalization and growing interdependence, the calling into question of the traditional sharing of responsibilities between public authorities and the market, the dangers of social breakdown, changes in the relationship between man and nature, the

collapse of the post-war modernization paradigm and the questioning of progress which have evolved as a result: none of these expressions of the crisis are particular to agriculture. In tackling these issues with regard to the agricultural question we are not simply seeking solutions to the problems which confront farmers, we are contributing to the search for solutions to the challenges which confront society at large.

And in so doing, we are bringing agriculture right into modernity, a modernity for European agriculture which must be reaffirmed. But we should not ascribe to the word modernity the associations which it evoked a few decades ago, when it was forged in a certain image of intensive agriculture. This image persists even now, while modernity has changed in nature.

An agriculture in step with society

We must therefore redefine what modernity means for European agriculture. Today's modernity will necessarily be in the image of today's society, just as the modernity of the 1960s reflected the society of that era.

The ecological dimensions will largely contribute to fashioning this modernity. Respect for the environment calls upon us to rekindle our relationship with the principles which made of farmers of yesteryear the responsible custodians of nature. But it also calls upon us to have faith in advances in knowledge. It invites the active participation of farmers as well as of researchers and experimenters. This synthesis represents a real challenge for modernity. Not the modernity which we knew decades ago, whose success was judged solely in terms of the quantity produced. But a renewed modernity which will have to conjugate the imperatives of economic productivity and environmental soundness. Would it be going too far to talk of ecological modernity? Such a modernity cannot justify itself in terms of a few limited performance criteria. It will imply the establishment of multiple and qualitative performance indicators. Thus redefining producer performance.

Technical advances will play their part in such a model of modernity. They will be apparent less in the sophistication of machinery than in the intelligence of processes. Already, research bodies have demonstrated that it is necessary to apply as much know-how to today's extensive livestock production systems as to intensive systems. Long ago organic agriculture shed its outdated image, incorporating technical innovations which are apparent in both the produce and in farming practices. Low input farming systems and integrated agriculture need considerable further research to become more competitive. Contributions will inevitably be needed from researchers and experimenters. They will be required more than ever before to see to it that their efforts are in step with these changes in European agriculture.

This model of modernity will require of farmers much broader technical skills, tried and tested know-how, and great professionalism. Those who in the emergence of a refashioned agriculture hope to operate in a less exacting profession will be disappointed. It will not be enough to go along with this process of change on principle alone. The management of the natural environment and the control of the impacts of production upon the environment demand precise knowledge of biological processes as well as the ability to analyze and to anticipate. The development of diversified systems of production unquestionably necessitates managerial abilities. The negotiation of new services or the setting up of sales outlets for specific products requires a knowledge of commerce. Training and advisory bodies will be called upon to play their part. The diversity of future production systems will place a particularly heavy demand upon them

Diversified models

The diversity of agricultural production models represents an essential characteristic of European agriculture. Producers in the South fear that the processes of modernization and of intensification based on the Northern models might be called into question before they are even brought to fruition. Serious efforts must be made to open a dialogue with them to point out the risks of adopting these models while their effects on the environment are not making themselves felt with the same force as in the countries of the North. Great efforts will have to be made to give training establishments the means to come up with new forms of technical change. But we will also have to be receptive and to listen to their development priorities. And great flexibility will be needed to avoid producers in Eastern and Central Europe being obliged to submit to regulations designed for their counterparts in the West. It would be regrettable if the new Common Agricultural Policy were solely to be designed to suit the needs of changes to intensive agricultural systems.

Farmers are therefore called upon to embrace a new modernity by bringing their profession into step with the realities of the moment. In the middle of the 20th century, farmers were able to adopt the necessary changes to ensure a stronger articulation between their work and the needs of society. At the cost of considerable effort, and even of many sacrifices, they achieved progress rarely equalled in other sectors. Today, with the objective of food production achieved and with the evolving needs of society, they must now embrace further changes to rediscover the links which unite them with the rest of society.

And we should not be afraid to say that these changes will sometimes be radical. What is more, today's situation is not the situation of the 1950s. There are fewer farmers. And our societies are no longer in a context of post-war reconstruction which was imbued with a spirit of convergence of

individual effort and relative consensus in pursuit of an ideal of modernization. Above all, what really must be examined this time is what it really means to be a farmer, because the objective of production can no longer suffice to define farming.

A profession for tomorrow

It is in the context of the remarks above that we must attempt to imagine what prospects are opening up for this profession. It is not a question of reinventing the peasant farmer, but of going beyond the accepted view of what being a farmer means. And as we have seen, the response to this challenge can only be the fruit of a dialogue with other groups in society: the vocation of farming must necessarily be defined in terms of the expectations of Europe and the world at large. It cannot lead to a one-dimensional definition: European agriculture in the 21st century will be thoroughly diversified. And it will inevitably be located at the interface of diverse *problématiques*.

What is expected of the job of being a farmer is that it should be a multitask vocation which stands at the cross-roads of production, of the management of nature and national and regional development. In so doing, it will open itself up to flexibility, affording to what is today called pluriactivity and to tomorrow's rural entrepreneurial class the means to expand and to develop fully. This remodelling of the profession rests upon three inseparable requirements: first, to redefine the professional status of the farmer; second, to reconsider the foundations of professional solidarity; and third, to renew the ethic of farming as a profession.

The redefinition of professional status essentially rests upon the establishment of new forms of partnership with the state, within which the mutual involvement of farmers and society may find expression. We need greater transparency in the allocation and distribution of taxpayer support to farmers by defining with them clearly stated objectives. Through the signing of explicit agreements and specifications negotiated sometimes at the local level, we need to ensure that the collective utility of this profession is acknowledged and that both services and products are properly remunerated. It is only at this price that we will avoid the controversies which arise where the authorities stand accused of treating farmers as recipients of welfare payments, and ambiguous situations in which the farmer lays claim to being an entrepreneur at the same time as seeking exemption from the laws of the market place. It is not a question of making farmers business managers like other business managers: environmental and territorial considerations imply certain contractual relations with the publicly constituted authorities. But neither is it a question of allowing all notions of economic responsibility and professional creativity to disappear.

This change in status necessarily implies a re-evaluation of the foundations of farmer organization. The unity of farmers is a basic myth of numerous European organizations, but despite efforts to turn a blind eye to divisions between farmers, such splits have emerged publicly. In the agricultural world there are considerable income differentials, sometimes wider than in any other profession, even within the same national borders. Differences of interest are becoming more and more evident as regions and farm enterprises become increasingly specialized. All of these divisions, which are already marked at the European level, will assume even greater significance with the integration into the Union of the countries of Eastern and Central Europe.

Room for innovation

Producers 'on the margin' are often victims of exclusion and scorn from professional organizations. In the current debate organic producers, pluriactive farmers and other rural entrepreneurs must lay claim to the place reserved for those who innovate.

The transformation of agriculture implies the opening up of democratic debate to all parts of the profession and beyond. In the changes currently underway, researchers, technicians, rural extension workers and trainers often assume an active role and their initiatives have sometimes helped to demonstrate that changes which were thought unrealistic were indeed possible. Their future is linked to the future of farmers: the definition of their vocation and their place in the social debate are also destined to adapt. They have a role to play in the changes to come - as sources of inspiration, catalysts or mediators.

These changes can only find their full expression if they are accompanied by a reflection on the ethical dimension. For a long time farmers have quite rightly felt that their vocation was a noble one that bore the stamp of a moral dimension: what nobler mission than to feed mankind? But the impact of our agricultural surpluses on the farmers of the developing countries, and the costs of managing these surpluses have shaken faith in the nobility of the profession. Today we must reexamine the meaning of what it is to be a farmer. What values might inform the search for a new professional ideal? Could we say for example that today's farmer is above all a 'manager of life-forms'? European society has long considered itself to be in some sense outside nature. Now it is rediscovering that it is part of nature, that its survival and development depend upon the quality of the relationship which it has with nature. If farmers rediscover, through the adoption of sustainable farming practices, a way to maintain a balanced relationship with nature, they will be in a position to propose to society at large new paths for the future.

Principles for a remodeled agriculture

As we have seen, European agriculture is no longer in step with the realities of the moment. It must recreate itself without delay to reflect the expectations of society, get involved in the dynamic upheavals which are already impacting upon the world, and play its part in the construction of the European Union. This cannot be achieved without reference to certain guiding principles. We cannot, on the pretext of seeking its salvation, uncritically submit to the major trends of tomorrow's world and fail to play an active part in confronting them.

We set out here some principles which seem to us to hold out the promise of informing a responsible approach to the construction of European agriculture. They are rooted in the tradition of the history of European agriculture, and yet are remarkably up to date. They are, in brief: solidarity, diversity, complexity, links, and meaning. This is not an exhaustive list: we could equally well talk of the need for efficiency, simplicity and stability in agricultural policy, as others have rightly pointed out.

Solidarity

In a post Cold War context, global balances are no longer guaranteed by arms. They depend upon demography, access to the means of survival, of life and of development. After thirty years of sustained growth, national balances are no longer assured by the prospects of progress in which each one may invest all of his/her hopes. They depend upon the distribution of wealth, upon the distribution of public resources and upon access for the citizenry. Whether it be on the international level or in the national context, agriculture will have to confront the major divisions of the age and to set store by solidarity.

At the international level, this translates into a question of access to markets for the smallholder farmers who have greatest need of it. At the national level, it means developing responses to the problems of rural employment and incomes, through the legitimacy of taxpayer support for agriculture and through seeking greater fairness in the attention paid to farmers.

At the European level, this means maintaining financial transfers which serve to compensate for inequalities between countries and between regions. A common Union policy is more than ever necessary to confront the centrifugal forces which threaten it. It is only through common rules and regulations that it will be possible to tackle the question of markets and of the territories, and of social links and the environment.

Diversity

In the same way that, in the ecological domain, diversity is the guarantee of a better response by natural *milieux* to changes in their context, we must take full advantage of the social, cultural and economic diversity which exists in the European rural world. Many changes are underway, and the only thing of which we may be sure today is that the future is uncertain. Diversity may be seen as a form of insurance for the future, a sort of reserve of potential, the seeds of responses which may be useful in facing up to future risks and uncertainties. We can see this today: the flexibility of farms and agricultural regions is weakened as these become more and more specialized, locked into a single model which they feel obliged to follow to the end, for want of being able to change the logic. The maintenance of particularities is, moreover, an important social demand for a European population which has weighed up the pros and cons of questions of identity.

We must therefore fight against inequalities in so far as they are negative, by building common projects without however erasing the specificities which make Europe rich, and without denying the expression of particularities. The margin for manoeuvre is slender. We must avoid responding, as too often occurred in the past, by the uniformisation of rules accompanied by a myriad of exceptions which divest them of all meaning and make matters complex at the extremes of administrative procedures. On the contrary we must design policies which, by their very nature, take account of both the oneness and the diversity, the singleness and the plurality of the European Union.

In order to preserve the uniqueness of policy, it is appropriate that guiding principles be determined at the central level which bear upon desired outcomes rather than upon procedures and which are at the same time expressions of the initiatives and aspirations of local actors. In order for diversity to be respected, the latter must enjoy a certain measure of freedom in determining the forms of their commitment.

This necessarily means a new distribution of powers between a central level - Brussels - and nation states and local and regional authorities. Territorial groupings must play a major role in the operationalization of future agricultural policy. But that will not occur without major participation by social groups who, on the ground, innovate and already contribute to shaping the

agricultural and rural world of tomorrow. This issue is also a citizens' issue. It is necessary to encourage the active participation of rural actors and to ensure articulation between the different levels of responsibility. If the implementation of the principle of subsidiarity is not accompanied by a real ability on the part of local actors to formulate territorial projects, the delegated powers are confiscated from the citizen by *élites* or local institutions. This is a difficult problem: it is not easy for rural societies to project themselves into the future and to develop new strategies: they will need help to do this.

Complexity

Respect for diversity already poses us the challenge of complexity, and challenges the imagination. But complexity is more than this. It is to be found in the desire to tackle the current agricultural crisis in a holistic way, and to find global solutions. We need to avoid the danger of dismembering agricultural policy by substituting for it on the one hand management of the markets guided by international competition, and on the other hand a system of taxes and incentives to protect the environment, and finally an incomes policy which responds to social imperatives. Production should not be conceived of independently from modes of production. Income must not be dissociated from the value of the service rendered. There needs to be strong integration between the economic, the environmental and the social.

Complexity is also to be found in the multiplicity of the anticipated effects of farming practices upon the environment, upon national and regional development, upon landscapes, upon employment, and upon the dynamics of rural development, not to mention product quality or animal welfare considerations. The technical, economic and social dimensions of the way in which a product is produced count as much as the product itself. Farming activities can no longer be evaluated according to a few simple indicators such as labour productivity or the productivity of the land. Not that these indicators are outmoded, but they have become relativised by the emergence of multiple criteria which make evaluation more complex.

The challenge is not to give birth on the one hand to a highly productive, export-oriented agriculture based on mass production with little respect for the environment, or on the other hand to an agriculture of small, diversified farming enterprises depending for their survival on niche markets and the transfer of public funds. Even if these extremes will exist tomorrow - they already exist today - we must not fashion them into a dualistic model of European agriculture. On the contrary we need to ensure that competitive and environmentally friendly medium-sized farms are both integrated into the markets and operating in the territories. We must see to it that new forms of farming and rural enterprises develop across the continent.

Complexity is also to be found in the integration which must be afforded to agricultural dynamics and to the processes of rural development. It implies the refusal of the corporatist ethic and the opening up of dialogue.

And finally it is found in the multiplicity of the modes of organization of production. Family farming was considered in the past to be an obligatory benchmark. Already today, and even more so tomorrow, European agriculture will be a pursuit for families, individuals and society.

Complexity is not to be feared. It certainly presents us with a considerable intellectual challenge, but it opens up the possibility for integrated and holistic approaches more appropriate and efficient than simplistic solutions. We must familiarize ourselves with complexity, and approach it in a spirit of adaptation, for it represents an ineluctable feature of contemporary society. The disconnection between agriculture and the soil, between livestock and crop production, has led to the specialization of land-use and to the problems that we now experience. We must set in place mechanisms which will restore strength to interrelationships and complementarities.

Links

As we have already remarked, it is a matter of urgency that agriculture should fall back into step with the demands of society. But this renewal cannot occur without multiple decentralized dialogue. Firstly because the new demands of society are not precisely formulated and need to take shape through patient interaction with the service provider. Those farmers who are already engaged in rural tourism take great care to improve the quality of what they offer, and know the importance of the informal exchanges which they have with their guests which enable them to judge customer satisfaction. Those farmers who are involved in local environmental conservation projects, who have taken part in negotiations with ecologists, tourism professionals and locally elected bodies, have taken on board more fully these new demands, come to a judgment about the scope of their freedom of action and have sometimes come up with innovative proposals. This approach is part and parcel of the normal functioning of entrepreneurialism: whether it is a question of consumers of food products, tourists or people who enjoy countryside pursuits, it is necessary to evaluate the degree of satisfaction in order to provide a satisfactory service or product. This can be achieved through direct contact, as in the cases which we have just described. Or it can be achieved through mediators who are able to translate the expectations of the interested parties into a technical outcome satisfactory to all concerned.

But there is another link in need of renewal, that of confidence. This is all the more necessary now that the public subsidies which farmers receive are increasingly transparent. Whatever the future may be of direct support payments, how long will citizens and taxpayers accept such substantial financial transfers without minimum agreement on the expectations of society with regard to farming activities? This link implies the definition of new forms of partnership with the state through which the mutual commitments of farmers and society at large may be formalized. The collective utility of farming must be recognised through the signing of explicit and sometimes locally negotiated agreements.

Sense of direction

Farmers and all those who work alongside them have need of real motivation to continue to practice their professions. They have long felt quite properly that their vocation was a noble one bearing a moral stamp: what nobler vocation than to feed mankind? There are many farmers since the appearance of surpluses, of quotas, of compulsory set-aside, and of animal health crises who have lost their sense of direction and who are wondering about their use to society. What contribution may agriculture make to the well-being of society? In the absence of a response to this question, how may it be possible to convince young people that the realization of their personal aspirations resides in the farming and rural sector?

Farmers, technicians and researchers need to renew the ethical dimension of their professions through the responses which they generate to the challenges that society poses itself: the conditions for a balanced relationship with nature, the creation of jobs and social relationships, of solidarity. By playing an active role in the development of these responses, they will discover their prospects for the future.

There also needs to be a dimension of security, of less certainty. Time scale is a determining factor in agriculture. Over the last few years, the uncertainty to which farmers have become accustomed as a result of hesitancy about agricultural policy has led some to adopt a wait-and see policy which is hampering their ability to grow their businesses, while others have adopted opportunist strategies to tap into premiums which call into question the credibility of the whole profession. It is time that future prospects were made more explicit, that the horizon clears, and that procedures are clearly defined. Those who work in the agricultural sector need a working environment which is both dynamic and stable, motivating and secure.

Conclusion

The Common Agricultural Policy, hitherto regarded as a main instrument in the construction of the European project, must now rediscover its meaning for citizens concerned about food quality, employment, environment, territory and the appropriate allocation of public funds. Agriculture must once again appear fair, legitimate, efficient and the bearer of future promise. Some of the guiding principles outlined in Agenda 2000 speak of new prospects for public intervention by underlining the necessity for better environmental conservation and support for rural development. This certainly represents a degree of progress: we must continue in this direction, bring these embryonic choices to fruition and go further still.

The agricultural policy of the European Union must remain an instrument at the service of European society, an instrument for the construction of the Community and a means of leverage in our foreign policy. The search for outlets in overseas markets is not a sufficient ambition in itself for the European Union, and no longer represents an acceptable future for farmers. For the last forty years, the goal of food sovereignty has been a fundamental objective which justified the scale of public expenditure on agriculture. But in an age where our food supplies are guaranteed, we cannot continue to dump our surpluses on weak external markets and compete unfairly with producers in the poorest countries. This policy is utterly inconsistent with our development aid policy. The ability to ensure our food independence is a right which we have claimed for ourselves since the signing of the Treaty of Rome: the same right should be accorded to others. In a domain which involves national autonomy and the survival of people, the European Union should be setting an example. By launching into competition to gain a foothold in distant albeit uncertain markets, the European Union discredits itself in the eyes of overseas partners with whom it has every reason to develop aid links. There are many who expect from Europe some promise of possible alliances in tackling together future international negotiations. In a global world, everything points to the need to engage with them on a path of cooperation. Our export policy must enable us to do this.

What would the European taxpayer think of a policy which hinders agriculture in the poorest countries and sacrifices its own territory to the conquest of a share of the global markets? Agriculture cannot turn away from European society. It must respond to the issues of the day: territory, the environment, the health of consumers, social justice, and European cohesion. To this end agriculture must be clear about two major objectives. On the one hand, market regulation to guarantee satisfaction for producers and food safety for consumers. And on the other hand, management of territories which conserves natural balances and the social dynamics of the rural world.

European markets have been, and will continue to be the main driving force for our economic development. But the satisfaction of consumers is far from being achieved in qualitative terms. The development of labeled and guaranteed quality produce, the promotion of organic agriculture and the protection of the European consumer in the food sector represent real opportunities for the future of our agriculture. The protection of the health of consumers will in the future be an important criterion in evaluating agricultural policy. The territories of Europe must be placed at the heart of the new Common Agricultural Policy. New opportunities are opening up to farmers through environmental schemes and the creation of rural activities which will help to justify the transfer of public funds from which they benefit. Farm income in the future will derive from two sources - from the market itself, and complementary income from services rendered to the general public such as landscape maintenance, the conservation of flora and fauna and the management of water resources.

Acknowledgment of the multifunctionality of farmers is essential to the development of their profession in a direction more consistent with the expectations of European citizens. In many European regions, the integration of farming into the local economic dynamics should be strongly encouraged because agricultural activities can make a great contribution to dynamism in the territories, just as agriculture itself depends upon them. By no longer considering the granting of public subsidies to agriculture as a *quid pro quo* for lower prices, and by making the allocation of taxpayer money conditional upon locally defined obligations, agricultural policy moves beyond the simple logic of compensation to a logic of paying for services provided. It is important to encourage projects and not just to reward the actors. Such a change will give issue to a new contractual policy, and will seal the foundations of a sustainable compromise between farmers and the rest of society.

Finally, agricultural policy must be open to change, and anticipate future developments. In the countries of Central and Eastern Europe which will shortly become members of the Union, we cannot accept that European agriculture as we know it today must be a model for them to follow. They must have the means to define their own agricultural and rural future consistent with the realities of their economies and societies and with reference to the unifying outlooks of a future enlarged Europe. To sum up, agricultural policy must make its contribution to the construction of the European project. By listening to the aspirations of society, by reaffirming the principle of financial solidarity between the member nations, and by showing signs to our external partners of our willingness to cooperate on the international level, agricultural policy can reinforce the stability of the Union and restore to it a place in the world.