

## The compared analysis of the agricultural legislation from the European integration perspective. The Iberic and Northern models

Ruxandra M. Petrescu-Mag

Babeş-Bolyai University, Faculty of Environmental Sciences, Cluj-Napoca.  
E-mail: pmalina2000@yahoo.com

**Abstract.** The paper - The compared analysis of the agricultural legislation from the European integration perspective. The Iberic and Northern models - represents a short summary of the PhD thesis with the same title, defended in 2006. Nevertheless it includes short updates on CAP evolution (2006-2009) such as the simplification of this policy, the 2006 reform of sugar subsidies, CAP 'Health Check'. The paper is divided in three parts: The Pre-community stage, The Community Phase and The Enlargement - historical, evolutive process. The Common Agricultural Policy, fundamental piece of this process.

**Key words:** agriculture, CAP, Iberic and Northern models, European Agricultural Models, Reform, Legislation, enlargement, Costs, Benefits, Strategies.

**Rezumat.** Lucrarea - Analiza comparativa a legislației agriculturii din perspectiva integrării europene. Modelul iberic și nordic - reprezintă un scurt rezumat al tezei de doctorat cu același nume, susținută în anul 2006. Cu toate acestea, lucrarea de față cuprinde actualizări ale situației PAC, cum ar fi procesul de simplificare, reforma sectorului zahărului din 2006 sau Evaluarea stării de sănătate a PAC. Lucrarea este structurată în trei părți: Etapa precomunitară, Faza comunitară și ultima, Enlargement-ul - proces istoric evolutiv. Politica Agricolă Comună - componentă fundamentală a acestui proces.

**Cuvinte cheie:** agricultură, PAC, modelul iberic și nordic, modelul agricol european, reformă, legislație, extindere, costuri, beneficii, strategii.

### Introduction

**Concept.** Why Common Agricultural Policy (CAP)? There are various and numerous reasons. Let us focus on some of them: the diversity of national agricultural policies, structural disparities and low efficiency of the European agriculture, farmers' political significance, together with other socio-professional categories and the international context.

The Common Agricultural Policy is considered as one of the most important political areas from EU. This reality reflects not only upon the community budget (approximately 50% is destined to agriculture), upon the number of the persons involved in this sector (25% of the active population, at the time the subscription of the Treaty from Rome took place) or upon the territorial expansion where the CAP is applied directly, but also upon its symbolic value and the amplitude of the sovereignty attributes ceded by the member states in favor of European institutions. For Romania, a predominantly agricultural country, this sector is essential.

Why the Iberic and Northern models? Because they are the main models that served as source of inspiration for the next enlargements waves. The first one, defined by the "classical transition" concept, as regards the community *acquis* on the agricultural field, supposed the passing over transitions periods. The second model is pointed out not by the importance of the agriculture sector, but especially by the political haste that characterized the negotiations. It led to the configuration of an accelerated system of

discussions, as it was known that the integration will become a reality, being anyway easy to anticipate the result of referendum. In this second case, the importance consists in the fact that there were not transitions periods.

**Objectives.** The main objectives of the study were the following:

- Identification of some bench-marks from the economic historiography dedicated to the study of agricultural development and modernization within the context created by the interwar and after war situation, as well as within the context of the necessity for reconstruction and Western integration;

- Elaboration of conclusions regarding the CAP failures and achievements, as well as the impact of the successive accessions on this branch;

- Rendering some answers to the question: can one speak about an European agricultural model? If so, we will identify its main features;

- Highlighting CAP as an essential component of the EU expansion process and the comparative study of the Romanian agriculture: past, present and future;

- Complementary to these intercessions, there has been attempted the achievement of a real image of the agriculture's impact on the other political sectors: social and environmental politics.

**Results.** We have decided to approach aspects related to: the state of this sector during the pre-community period, in this sense referring to various markers from the economic historiography dedicated to agricultural development and modernization within the European context. A second stage is represented by the study of the communitarian phase, with all what the economic and political context of the Common Agricultural Policy appearance meant, the essential moments of CAP reform, the compared agricultural policies: the Iberic and Northern model, and last, but not least, we have analyzed the European agricultural model. The third large part of the thesis is dedicated to "Enlargement – evolutional historical moment. Common Agricultural Politics, essential component of this process". We have approached different aspects, among which: the reforms launched after 1990 and the direct consequences of reorganization, the economic and political context of the Romanian accession to EU, the legislative framework, the benefits and disadvantages of the accession process. Within the same context, we made reference to proposals related to solving the enlargement problems. I hope that the 18 chapters will offer the expected answers.

**Source of Information.** In order to comprise the tendencies appeared in the CAP and the Romanian agriculture evolution, I have consulted more than 150 publications (books, reviews, studies), tens of internet websites and last but not least, the documents existing in national Archives, those of the European Commission from Brussels or those from the information centers within the member states embassies in Bucharest.

Preceded by the master thesis entitled "*La historia y la evolución de la Política Agrícola Común desde la perspectiva de la futura ampliación de la Unión Europea*", achieved within the University of Alcalá de Henares (Madrid, Spain), the present work was elaborated during four years of study, period in which I undertook different research residencies in Spain, Belgium and Hungary.

**Present State of Research.** The studies regarding The Common Agricultural Policy are not recently. The large number of researches, studies and books published in the European Union, as well as in Romania, is the proof of the interest this field arouses. The amount of specialized publications belongs to the large field of debates regarding issues that wake up the interest at European level and not only.

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## Summary

*"Every significant historical event begins like an utopia and ends by becoming reality"*  
R. N. Coudenhove-Kalergi<sup>1</sup>

The thesis is structured on three main coordinates: the Pre-community stage, the Communitarian Phase and Enlargement-evolutional historical process. The Common Agricultural Policies, essential component of this process.

**Part I. The Pre-community stage** includes two chapters: "The interwar period: the model of industrial, agrarian Europe and reorganization of the West from the industrial perspective after the Great Crisis" and the "Agricultural problem in the West, after the Second World War, within the context of reconstruction and Westerner integration".

### **Chapter I. The interwar period: The model of industrial, agrarian Europe and reorganization of the West from the industrial perspective after the Great Crisis.**

I have analyzed the situation of economy, especially that of agriculture, within the context of after war rehabilitation. As a result of the First World War, the economy was largely affected and the traditional markets were disorganized. For the first time in history, we are confronted with the situation of assisting to a total war, as the belligerent states go from an economy of peace to one of war, involving raw materials, human resources, materials exclusively for the military production. In such circumstances, the after war crisis has become "the heart of political and intellectual debates"<sup>2</sup>, while due to M. Keynes<sup>3</sup>, the states, headed by Great Britain, have discovered that the market automatism can not retain unemployment, that state's involvement becomes indispensable.

As a result of the First World War, from 1920-1929 the economy went through several short-term crises, a crisis of reconversion (1920-1921), and on a long-term basis, it is relevant a disruption of the monetary balances and economic-political hierarchies which have dominated the 19<sup>th</sup> century. In agriculture, due to the slow rhythm of development, the gap against the progresses made in industrial production was relevant. The main reason of the slow increase was the insufficient mechanization, the modest capital investments which were not accessible to common farmers in the context of the agricultural taxes. As a remedy, the largest part of the governments set prices, adopted high taxes, adjusted the import by means of monetary quotas and controls, gave subsidies to stimulate the required type of production, promoted protective prices and established special credit lines. Generally, the crisis has exacerbated two of the negative components inherited from the First World War: the incomplete use of the production capacities and unemployment. The Crisis highlighted two major problems in the general

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<sup>1</sup> R. N. Coudenhove-Kalergi, *Pan-Europa*, Editura Pro Europa, Târgu-Mureş, 1997, p. 13.

R. N. Coudenhove-Kalergi, also named „Europe's profet", the author, at the age of 29, of the paper Paneuropa, whose merit is that of having given a clear program to the European unification.

<sup>2</sup> Alfred Gosser, *Les Occidentaux. Les pays d'Europe et les Etats Unis depuis la guerre*, Paris, 1978, p. 22-23.

<sup>3</sup> See M. Keynes, *The General Theory of Employment. Interest and Money* (1936), Reprint, New York: Harcourt, Brace & World, Harbinger Books, 1965M. Keynes (1883-1946), British economist and banker, analyzed with acuteness his time's great social crisis, being an economist of genius. Due to him, the states, headed by Great Britain, discovered that market automatism can not retain unemployment, that the state's intervention is absolutely necessary.

economic plan: that of the outlets in industrial Western Europe and that of the agricultural overproduction in the South-Eastern part of the continent.

**Chapter II. The agricultural issues of the Occidental Europe after the war in the Western reorganization and integration context.** In this chapter I approached the relationships between Europe and USA in the context of after-war economic rehabilitation and the consequences generated in the European West by the Cold War and the political-ideological cleavage and not only.

**2.1. Common agricultural projects initiatives in the West.** In Western Europe there have been numerous attempts, more or less successful, to build interstates groups or unions of economic, political or military nature. By confronting the ideas referring to the Western-European integration the notions of cooperation – integration have progressively received a clear content. Between 1947-1952, several projects have been outlined to create some custom unions: FRANCITAL, FIBENEL, UNISCAN, without being materialized.

**Part II. The Community Phase.** The second part of the paper comprises six chapters.

**Chapter III. Interstates economic integration. Stages before the development of the Common Agricultural Policies. The Mansholt, Pflimlin, Charpentier, Spaak Plans.** I have analyzed the Mansholt Plan (the Dutch government proposed in November 1950, by the voice of Mansholt, a plan to organize a common market for the agricultural products), one of the “founding parents” of what would later become CAP. At the same time, the French government presented a project with a similar purpose - the Pflimlin Plan or the Green Plan. I did not omit the Charpentier Plan Analysis. They all suggest the main preoccupations of experts, politicians but also the public opinion for the relaunching of the agricultural sector. Next, there is present the role played by agriculture within the Treaty of Rome. Article 35 of the framework treaty established the CAP guidelines. The main principles of these politics were accepted and underlain by The Six during the Stresa Conference. They are also called CAP’s golden rules<sup>4</sup>: market unity, community preference, financial solidarity.

**3.1. The Marshall Plan.** In the specialty literature, there are two significant plans in the evolution of the Western-Europe agriculture. These plans are famous both by the name of their initiators, and by their effects: the Marshall Plan and the Mansholt Plan. At the beginning of 1947, George Marshall has organized a team of experts, led by George Kennan<sup>5</sup>. Its task was to develop an ambitious strategy to economically redress Europe. In this context, there was elaborated the European Rehabilitation Plan, known especially as the Marshall Plan. Marshall expressed the support offer in the following conditions, avoiding any idea that U.S.A. would dictate the European politics: “...before the United States government continues its efforts to facilitate the situation and support the European World towards rehabilitation, there must be an agreement between European countries regarding the needs of the situation and the role that those countries will play, in their turn, to render an optimal effect to actions that will be taken by this government. It would be neither appropriate nor fair that this government assumes one-sidedly the elaboration of a program meant to economically straighten Europe. This is Europeans’ job. The role of our country should consist in a friendly help...and the support

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<sup>4</sup> See A. Ledent, Ph. Burny, *La politique agricole commune des origines au 3<sup>e</sup> millénaire*, Les presses agrobomiques de Gembloux, Gembloux, Belgia, 2002, p. 40; J. Lomo de Espinosa, *La nueva política agraria de la Unión Europea*, Editura Encuentro Ediciones, Madrid, 1998, p.26; G. Popescu, *Politici agricole. Acorduri europene*, Editura Economică, București, 1999, p. 42; Maria Vincze, *Politici agricole în lume – teorii și realități*, Editura Presa Universitară Clujeană, Cluj-Napoca, 1999, p. 140; L. Zahiu, A. Dachin, *Politici agroalimentare comparate*, Editura Economică, București, 2001, p. 199.

<sup>5</sup> The initiative of elaborating the Marshall Plan belonged exclusively to the State Department, and it was supported both by President Truman, and by de Arthur Vandenberg, the leader of the Senate majority.

subsequently offered to such a program insomuch as it would be practical for us to do that."<sup>6</sup>

By its connotations of economic rehabilitation, the American financial support helped the Western-Europe countries to shorten the reconstruction period which ended, in most specialists' opinion, in 1949, when most of the Western countries reached the production levels from 1936, thus passing to the phase of economical increase relaunch.

### **3.2. The Mansholt Plan, the Pflimlin Plan, the Charpentier Plan, the Spaak Plan.**

The Mansholt Plan which included about 300 pages stipulated the foundation of a Supranational Authority, whose proficiencies pertained to agricultural products. Some of its main objectives were the state protection control, the stabilization and price settlement. Adept of free trade, Mansholt initially wanted a market-oriented liberal CAP, which could have determine major structural changes in Western agriculture. These would have caused an increase of productivity and a decrease of unemployment.

**Chapter IV. The emergence of the Common Agricultural Policy (CAP) in the economical and political context. Achievements and failures.** CAP development, since the time of its enforcement (1958) until the '90s reflect the existence of the differences and sometimes of the conflicts resulted along the European integration process. Within this context, CAP appears as a symbol of European unity, getting the states involved in this policy to respect the objectives assigned in Rome. In Ralf Dahrendorf's opinion, former CEE commissary, as R.W Howarth recounts, "CAP is a little more than a tool of the Ministries of Agriculture to achieve in Brussels in the name of Europe, what one could not achieve for farmers, at national cabinet level"<sup>7</sup>. The same author states that "CAP was created as a kind of business between the French and the Germans. CEE had to promote industrial free exchange in order to please Germany and to adopt a common agricultural policy to please France"<sup>8</sup>.

**4.1. CAP and the Treaty of Rome, subsequent evolutions.** The main factors leading to the inclusion of agriculture within the integration process were: diversity of the national agricultural policies, structural disparities and low efficiency of the European agriculture, farmers' political significance, and the international context. Consequently, European integration could not be achieved without agriculture. CAP is a legislative framework composed of a series of norms and mechanisms which regulate production, agricultural products trade in the EU; as the rural development becomes more and more important.

**Chapter V. The impact of the successive accessions upon the Common Agricultural Policy. From The Six to The Fifteen members.** This chapter approaches the EU enlargement issue from The Six members to the integration of Austria, Finland and Sweden, while in PART III the enlargement process is completed by the accession of Central and Eastern European countries. This enlargement establishes Europe's reunification.

**5.1. The British issue.** The first CEE enlargement in 1973 has changed the situation of communitarian agriculture. The negotiations with Great Britain, Ireland and Denmark have been attained in the context of custom unions recently perfected and of assuming international obligations regarding free merchandise circulation and capital movement. The delicate problem that was to follow the first months of negotiations was Great Britain's contribution to the budget of Community. As a result of the financial

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<sup>5</sup> The initiative of elaborating the Marshall Plan belonged exclusively to the State Department, and it was supported both by President Truman, and by de Arthur Vandenberg, the leader of the Senate majority.

<sup>6</sup> [www.marshallfoundation.org/about\\_gcm/marshall\\_plan.htm](http://www.marshallfoundation.org/about_gcm/marshall_plan.htm)

<sup>7</sup> R.W Howarth, *Farming for Farmers? A Critique of Agricultural Support Policy*, In: „Hobart Paper“, nr. 20, Londra, 1990, p. 15.

<sup>8</sup> *Ibidem*, p. 15.

arrangements for CAP's finance, conceived by the French, participation of the British will have to be completely disproportional as compared to national income dimensions.

## **5.2. The Nine members become Twelve**

**5.2.1. The Iberic Model.** Spain and Portugal have asked accession to the Community in 1977, after the completion of Franco's and Salazar's political dictatorial regimes. The negotiations began in 1978, and the nine years of negotiations reflected the difficulties involved by the accession of the two poor states, with predominantly agrarian economies. The position of these countries towards Spain's accession was resumed by a declaration of French farmers' organization, published by the Young Farmers' National Council: "Spain's accession is a mistake for all of us...the conditions in which Community enlargement would be in Europe's benefit are not real ... when a boat is sinking, it is preferred not to take any others passengers on board"<sup>9</sup>. The Nine's preoccupation was so intense that a special monitoring system was installed - *The Supplementary Trade Mechanism*. This will play the role to control the trade between Spain, Portugal and The Nine, regarding the products considered "sensitive". Thus, there is no wonder that for the period 1984/1985-1988 the agricultural products exports of The Ten towards Spain have grown with more than 245%, while the exports of Spain towards The Ten have grown only with 57%.

**5.3. The Northern Model.** On the first of January 1995, the European Union experienced a new enlargement, as a result of Austria's, Finland's and Sweden's accession. This enlargement meant an increase of the community GDP with 6,9% and of the population with 6%. In conclusion, the three new entered states were richer than the community average, and the institutional and social structure corresponded to some well-developed countries.

**Chapter VI. Key moments of the CAP reform.** It approaches aspects regarding the agricultural issue within the GATT negotiations rounds, the MacSharry Reform, the 2000 Agenda and last, but not least Medium Term Review of the 2000 Agenda. CAP reform is an important step in building a more effective European Union that wins and maintains the support of its citizens.

**6.1. Agricultural issues in the framework of the GATT negotiations and the MacSharry Reform.** CAP began to take shape with the Stresa Conference and with the Mansholt Plan, becoming thus an authentic community embryo, conducted by the Council, so that the end of the transition period (January 1<sup>st</sup> 1970), the most important part of the CAP cooperation was already achieved. On the other hand, we should not ignore the fact that U.S.A. wanted to negotiate the problems raised by CAP, on their own territory, that of the GATT<sup>10</sup> negotiations.

In order to correct the differences from the international commercial system, on the 20 of September 1986, in Punta del Este (Uruguay), there was convoked a new meeting for multilateral trade negotiations, entitled "The Uruguay Round". The discussions seemed to be extremely difficult.

After years of protracted negotiations and numerous negotiations, The Twelve, in reality just eleven (Italy did not wish a Reform) have come to a global agreement on the 21<sup>st</sup> of May 1992. In 1991, the Commission, headed by Ray MacSharry, the European commissary for agriculture, presented two debate documents regarding the development and future of CAP. The MacSharry Reform brought a new approach of the public involvement in agriculture, but keeping the principles on which CAP has worked for 30 years. It was estimated that the MacSharry Reform has reached its objectives, concurring with the requirements of the European agriculture. The echoes of this reform in the specialty literature did not hesitate to show. M. Vincze adds "it is indubitable that the MacSharry

<sup>9</sup> J. Rodriguez, *Spain: The Agriculture Sector*, In: vol. J. Sampedro și J. Payno, *The Second Enlargement of the European Community: A case Study of Greece, Portugal and Spain*, Macmillan, London, 1983, p. 210-221.

<sup>10</sup> Romania is a GATT member since 1971.

reform of the Common Agricultural Policy represented a radical change, by the tendency of cutting out the prices policy from the income policy and by the proximity of the internal prices of the international ones"<sup>11</sup>.

**6.2. The CAP reform in the 2000 Agenda.** Ulterior events – international evolution, European enlargement towards the Center and East, budget restrictions induced by the preparation of monetary union, enhanced competitiveness of the products coming from tertiary states and new negotiations rounds of the Worldwide Trade Organization resulted in changing, once more, the CAP. Thus, "a reform of the reform" became shortly a necessity. The 2000 Agenda – For a More Powerful and Expanded Union, was a step in that direction. The 2000 Agenda, published in July 1997 by the European Commission, offers the answer to the 21<sup>st</sup> century challenges. The document is divided in 3 sections dedicated to: Preparing the EU enlargement<sup>12</sup>; Solution to future economic and social challenges induced by this enlargement; A new financial plan for the 2000 – 2006 period.

To EU, the CAP reform is not just a simple exercise. The CAP impact and each change that might come up, will affect the entire community agriculture. These reforms refer not only to production, but also the legitimate political objectives, like, for example, environmental protection, landscape preservation, animal welfare, rural area viability.

**6.3. Why was the CAP reform necessary at that moment?** As a result of a double political compromise (internal between France and Germany and external towards the U.S.A.) and adapted to farmers' situation in the '60's, CAP presented even from the beginning a series of generative limits and conflicts. The subchapters discuss the internal and external conditions which led to CAP reformation, without neglecting the social, political and economical aspects which set the ground of such changes.

**6.4. "Towards sustainable farming" – Presentation of the CAP mid-term review.** The next summit on the identification of achieved progresses was the mid-term Review of the 2000 Agenda. In a speech held on the 10<sup>th</sup> of July 2002, regarding the mid-term CAP assessment, Franz Fischler said: "The Commission adopted today the mid-term review, trying to bring the Common Agricultural Policy closer to farmers, consumers and tax payers...The Commission has reached the conclusion that CAP has to be changed, not only to comply with nowadays modern society, but also to better serve the needs of European farmers"<sup>13</sup>.

**6.5. The consequences of the 2003 CAP reform upon the candidate states and the perspectives of the European agriculture in the international context.** In September 2003, a new legal framework was adopted, regarding the CAP reformation. The main objective of this reform is that of ensuring a better balance in sustaining and reinforcing the rural environment by transferring some funds from the first CAP pillar – Agriculture, towards the second pillar – Rural development.

**6.6. The perspectives of the CAP reform.** It approaches the possible consequences that the reform might have in 2003 on the future EU members.

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<sup>11</sup> M. Vincze, *op.cit*, p.154.

<sup>12</sup> The 2000 Agenda opened the reflexion process on the structural changes imposed by the new realities of a more integrated union at economical, political and safety level. The European Commission's consents regarding the associate countries from Central and Eastern Europe, highlighting their level of preparedness in meeting the accession criteria, have built a realistic and objective basis for initiating the negotiations process and accession to EU.

<sup>13</sup> <http://europa.eu.int.>, *Towards sustainable farming – Presentation of the CAP mid-term review*, p.1.

**6.7. CAP today: 2006-2009. Trends.** The 2003 reform represented the basis of the future development of the CAP. Since 2003, two important events occurred in CAP evolution: a) the reform of sugar subsidies. This reform of the EU sugar regime was adopted in 2006. The guaranteed price of sugar was cut by 36%, following protests from developing countries seeking to export sugar to the EU. The European Commission wants EU sugar producers to cut their output by 6m tons by 2010<sup>14</sup>; b) 'Health check' of the CAP reform, in 2008. Among a range of measures, the agreement abolishes arable set-aside, increases milk quotas gradually leading up to their abolition in 2015, and converts market intervention into a genuine safety net. Ministers also agreed to increase modulation, whereby direct payments to farmers are reduced and the money transferred to the Rural Development Fund. This will allow a better response to the new challenges and opportunities faced by European agriculture, including climate change, the need for better water management, the protection of biodiversity, and the production of green energy. Member States will also be able to assist dairy farmers in sensitive regions adjust to the new market situation<sup>15</sup>. The EU Council of Ministers adopted on 1 December 2009, a regulation linked to the Common Agricultural Policy 'Health Check'. It mainly concerns necessary technical adaptations for the smooth implementation of the new 'health check' rules. These adaptations make it possible, for example, to guarantee a coherent approach to the implementation of rules relating to farm payments in certain vulnerable sectors (sheep, goat and bovine meat) and to take up a provision resulting from the previous regulation and omitted in the 'health check', which provided that farmers should not be able to benefit from exceptional income resulting from direct payments<sup>16</sup>.

One of the most important challenges CAP stakeholders are confronted with is the simplification of the CAP. This intercession took shape in March 2009, when Commission adopted a Communication on Simplification of the CAP<sup>17</sup>. An impressive number of CAP-related simplification projects have been completed over the last couple of years. The Communication takes stock and provides an overview of what has been accomplished since the adoption of the 2005 Communication. The communication explores paths to further simplification actions in the future. Since 2005, European Commission has been accomplished a series of targets related to a simpler CAP. These of activities can be qualified as either technical or policy simplification. As it is presented in COM(2009) 128 final<sup>18</sup> from technical point of view we mention some initiatives such as:

- Cleaning up agricultural rules: in February 2009, EC adopted a Communication removing 240 obsolete agricultural legislative acts adopted before 2007, action which is part of the Commission's drive to reduce the regulatory burden and red-tape of the Common Agricultural Policy.
- A Single CMO regulation (see for details Regulation (EC) No 1234/2007, it groups together all the sectoral common organisations of the market and replaces 45 Council Acts.)
- State aids: in 2007 the Commission adopted a Regulation increasing the de minimis threshold of support that can be given by Member States in the agricultural sector. When the measure complies with the conditions set out in the de minimis regulation, it is not considered a state aid and therefore no notification is required. These changes led to a reduction of the number of relevant legal instruments from six to three<sup>20</sup>.
- Sharing best practices.

From CAP political related action view, we think of:

- 2006 Sugar CMO reform

<sup>14</sup> <http://news.bbc.co.uk/2/hi/4407792.stm>

<sup>15</sup> <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1749&format=HTML&aged=0&language>

<sup>16</sup> <http://www.europolitics.info/council-adopts-amendments-linked-to-cap-health-check-art256409-10.html>

<sup>17</sup> Commission of the European Communities, COM(2009) 128 final, *Communication from the Commission to the European Parliament and the Council, A simplified CAP for Europe- a success for all*, Brussels, 18.3.2009 (available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2009:0128:FIN:EN:PDF>, last view 1.12.09)

<sup>18</sup> *Ibidem*, p.4,5.

<sup>20</sup> *Ibidem*, p.4.

- Single Payment Scheme which included, in 2007, landscape elements (ex. hedges and walls) into the surface eligible for direct support and several modifications following the adoption of the cross-compliance report

- Impact assessment and evaluation: since 2005, 8 impact assessments have been carried out for all significant reforms of the CAP, as for example for the wine and fruit and vegetables reform and the Health Check. The impact assessment tool allows for an ex ante assessment of administrative costs, identifying and assessing problems, formulating solutions and comparing the impact of these solutions. This renders the legislative process more transparent<sup>21</sup>.

On the basis of first results of the measurement exercise one can expect the objective of a 25% reduction of administrative burden in 2012 to be met. Available estimates suggest that the burden in the area of direct payments will be reduced by at least EUR 1 400 million<sup>22</sup>.

The CAP was a battleground in the dispute over the EU's 2007-13 budget. Voices say that CAP costs too much and benefits relatively few people. According to the European Commission, the CAP is the only policy funded totally from the EU budget. The current overall funding package for the CAP was fixed from 2007-2013. More subsidies will be transferred to rural development and conservation, further reducing the traditional EU incentives for farmers to produce. In 2009, 73.3 % of agricultural expenditure (EUR 41.1 Billion) were distributed to farmers as income support. From a total of Euro 133.8 billion, 31% went to Natural resources, that include Environment, Agricultural expenditure and direct aids, Rural development and Fisheries (see Table 1). Moves towards further modernisation and simplification are underway: removing restrictions on farmers is necessary to respond to growing global demand for food, while respecting strict environmental guidelines.

Table 1  
European Union - budget 2009 in figures

<i>Expenditure estimates for EU policies (in billion EUR)</i>	<i>Budget 2009</i>	<i>Change from 2008</i>
Natural rural resources	56.1	1.0%
- Environment	0.3	18.8 %
- Agricultural expenditure and direct aids	41.1	0.3 %
- Rural development	13.7	2.6 %
- Fisheries	0.9	0.3 %

**Source:** European Communities, EU budget 2009- Sustainable development and innovation at the core of the EU budget, 2009, Office for Official Publications of the European Communities, Luxembourg, p.3.

It is clear that the policy should be reviewed before the next period. The debate on the CAP post 2013 will mainly focus on the need to have a strong EU policy for agriculture and rural development<sup>23</sup> which will: address concerns about food security while the world's population is rapidly increasing; ensure good land management of our EU territory, 80% of which is covered by farming and forestry; help us tackle the problem of climate change: farming will have to cut its emissions as well as adapt to the effects of climate change; support balanced development in our rural areas where more than half the EU's population live.

## **6.8. The EU contribution to the international trade with agricultural products<sup>24</sup>.**

Presents the trade relationships between the U.S.A. and EU, the European –

<sup>21</sup> *Ibidem*, p.6.

<sup>22</sup> *Ibidem*, p.13.

<sup>23</sup> [http://ec.europa.eu/agriculture/cap-post-2013/index\\_en.htm](http://ec.europa.eu/agriculture/cap-post-2013/index_en.htm)

<sup>24</sup> See Eugène Leguen de Lacroix (coord.), *Política Agricolă Comună pe înțelesul tuturor*, Comisia Europeană, Direcția Generală pentru Agricultură, Octombrie 2004, Bruxelles, p. 26-27.

Mediterranean Partnership, Association agreements with CAP etc. and, on the whole, the EU contribution to the global agricultural products trade. In international trade negotiations, the EU has offered to cut all export subsidies from 2013, as long as other countries reciprocate by lowering tariffs on industrial goods. Big cuts in import tariffs were discussed in the latest trade round, but no breakthrough was achieved<sup>25</sup>.

**Chapter VII. CAP present state. The CAP support mechanisms. How much do we pay for the CAP?** The Common Agricultural Policy has the scope to develop a modern agricultural system that ensures a fair existence level to rural population, markets' stabilization and ensuring the supply at reasonable prices for consumers.

**7.1. Present state.** I have followed which are the two pillars of this political sector: the first, that of the Common Market Organizations (CMO), refers to common regulatory measures of integrated agricultural products market operation. The second, that of rural development comprises structural measures, regarding harmonious development of rural areas, from the point of view of social aspects, of activities' diversity, of products' quality and of environmental protection.

**7.2. How much do we pay for the CAP? The funding of the CAP measures.** To the question "How much do we pay for the CAP?" we began with the main financing sources of the agricultural sector, focusing also on the budgetary implications of the latest EU enlargement, as well as Romania's and Bulgaria's accession in 2007. We have also considered the analysis of the budgetary control on the CAP cost from the EU multi-annually budget perspective.

**7.3. The CAP institutional "actors".** The institutions involved in CAP's operation are: the Ministers' Council and the European Commission, the entire legislation of the European Commission related to CAP – but not all the legislation regarding agriculture, food industry, environment – was elaborated based on the stipulations of the 43(2) Article of the Treaty of Rome, which states: "The Council, based on the Commission's proposal and after consulting the European Parliament...with qualified majority...will be able to emit regulations, directives, decisions...". Thus, the role of the Council and of the Commission in elaborating the CAP legislation is essential, while the European Parliament plays only a formal role.

**Chapter VIII. The European Agricultural Model.** In this chapter, we have identified the features of the Common Agricultural Policy.

**8.1. The CAP characteristics.** The special importance of CAP within the community reconstruction is reflected by some distinct elements, highlighted and debated in the specialty literature: it is an integrationist policy by excellence; a consumer of large financial resources; manifests a high degree of vulnerability to lobbying pressures etc. For example, Calvo Francés<sup>26</sup> considers that the negative elements which accompany the CAP profile refer to the following aspects: it is unproductive, unjust, anti-ecological, anachronous<sup>27</sup>, antisocial and antirural, representing a source of conflict among states.

**8.2. Issues, trends and challenges.** We witness a dynamic process, of reassessments at community level, in which agriculture asks, as before, for financial support and help from the public authorities, if, of course, one wants to follow such a direction. The European farmer wants to be not only a producer of agricultural products, but also a keeper of the collective values accumulated along the years. CAP had to be redefined in order to generate citizens' food long and mid-term safety. From this perspective, there was accepted by all the stakeholders involved that it is very urgent to establish the

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<sup>25</sup> <http://news.bbc.co.uk/2/hi/4407792.stm>

<sup>26</sup> Cf. Calvo Francés, *La PAC: Política Agrícola Comunitaria. Agricultura y Soberanía Agroalimentaria*, lucrare prezentată cu ocazia Seminarului Internațional FEMTAA, Madrid, 2001.

<sup>27</sup>M. Luțaș. S. Călea, *Economie Europeană*, Editura Imprimeria Ardealului, Cluj-Napoca, 2005, p.78.

guidelines on which the future could be shaped, not only for the farmers, but also for the entire EU rural world.

**PART III: Enlargement - historical, evolutive process. The Common Agricultural Policy, fundamental piece of this process.**

**Chapter IX. Evolution of the Romanian agriculture in the first and second decade after the national unification.** The Romanian economy evolution during the first two decades (1919 - 1938), from the unification of our country, took place in different circumstances, determined both by the external situation and by the political and economical internal context. Therefore, in the context of an unstable property regime, there could not be achieved a real progress in agriculture. Nevertheless, it was considered that the first essential cause of the retarded state of agriculture is the price-interest balance which prevailed during this period. The second cause of the agricultural regress was the usury.

**Chapter X. Romania and the Agrarian Reforms: 1921 and 1945. Similarities and differences.** "In the development of the Romanian agriculture, the turning periods were represented by the periodic agricultural reforms. They were induced by internal policy situations, by conjuncture factors, as well as by the evolution of the international situation"<sup>28</sup>.

**10.1. The 1921 Agrarian Reform.** In proclaiming the reform in 1921, all the political forces expressed their consent, including the conservators, who initially rejected the idea; at the end they adopted a flexible attitude, as a result of the increasing social unrest. Instead of producing the expected effect, that of the state development and modernization, the expropriation and land reforms have contributed to a slow evolution of the agriculture. The agrarian reform from 1921 was often disputed, based on the reason that it did not create a category of farmers with a real economical potential. One of the greatest deficiencies of the reform was the spreading into too small properties, "dwarfs", as they were called in the historiography of that time, of up to 5 hectares, economically not viable. By land reform, the old policy of past short-sightedness was continued, consisting in giving some small pieces of land to peasants, without taking into account whether they were sufficient or not for a reasonable agriculture and for an independent peasant."<sup>29</sup>.

**10.2. The 1945 Agrarian Reform.** The problem of agriculture was discussed again in the fourth decade. The argument was that expropriation and land reform had not proved yet their efficiency within the reform in 1921 and because of the great crisis effects. The agrarian reform in 1945 has completed in a much shorter period of time, of only four years, as compared to that of 1921. Both laws of agrarian reform enabled the creation of state and public interest deposits, model farm, on some part of the expropriated lands, etc.

**Chapter XI. The forty years of collectivism. The Sovietic model and the national directions.** Regarding the 40 years of collectivism, we should not forget that, from the historical point of view, the agricultural structure of the Central and Eastern Europe belonged to "the Europe of great domains". For this reason, the agrarian reforms put into practice beginning with the interwar period had as purpose the partition of the great agricultural exploitations and their distribution to the peasants not owning any land, as well as the restart on capitalist principles based on individualism, initiative, market, etc. The collectivization policy, apart from the huge step back as compared to the interwar

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<sup>28</sup>M. Vincze, *Politici agricole în lume. Teorii și realități*, Editura Presa Universitară Clujeană, 1999, p.209 apud Șt. Costea și col., *Agricultura românească. O perspectivă istorico-sociologică*, seria Sociologie, Editura Ararat, 1996.

<sup>29</sup>Dumitru Șandru, *Reforma agrară din 1945 în România*, Editura Institutului Național pentru Studiul Totalitarismului, București, 2000, p. 19.

period, has experienced two stages: the first is a classical agrarian reform, and it is the stage dedicated to redistribution of land. The second refers to the collectivism itself. There were developed two new types of production, that of the agricultural cooperatives and state farms. In Romania, in the years before 1989, there were three types of agricultural production entities: the state farms, agricultural cooperatives and small producers, especially in the hill and mountains regions.

The agrarian situation of the Central and East Europe in 1945 until 1985, when the essential changes have begun, leads us to one conclusion, that is, that the collectivist system represented an macro-economical and macro-social experiment unprecedented in the history of mankind, which proved that bankruptcy was powerless, as well as material, professional and moral degradation of peasantry and the transformation of agriculture from an economical market system into a subsistence subsystem at national level. In this context, the process of redefining the agriculture in the Central and Eastern European countries proves to be very complex and long lasting<sup>20</sup>.

**Chapter XII. Historical, political and economical context of the enlargement process and its consequences for the CEECS' agriculture (CEECS - Central-East European Candidate States). Pre-accession strategy and instruments.** Central and Eastern Europe was scene where the accession theme was debated, especially after 1989. In this geographic-political space, during that period, we witness the disintegration of the communist system. The political European landscape changed dramatically during the last 50 years, from the beginning period, when Europe, the former center of entire worldwide policy was divided along the Iron Curtain between the East forced to enter in the soviet block and the West still under the American protection<sup>31</sup>.

**12.1. Pre-accession strategy and instruments.** We have analyzed the implications that the signing of the EU Association Agreement<sup>32</sup>, for the subsequent evolution of relationships between our country and the European Union. The purviews of the Association Agreement are completed by the White Carta (1995)<sup>33</sup>, which is by excellence a pre-accession instrument. On the 29<sup>th</sup> of May 1997, Romania has ratified the Agreement which decided the accession to the Central European Free Trade Agreement – CEFTA<sup>34</sup>, signed in Bucharest on the 12 of April 1997. Another essential aspect in the process towards the EU integration was represented by Romania's National Economical Development Strategy<sup>35</sup> and the Operational Measures Plan<sup>36</sup>.

**Chapter XIII. The agrarian reforms after the `90s. Direct consequences of the reforms' implementation.** The year 1989 marked the end of historical stage. The agriculture, an essential part of economy and society, was one of the sectors subjected to reorganization, lacking the strategical vision.

**13.1. The direct consequences of the reforms' implementation.** The immediate consequence of reorganization, otherwise present in most of the Central-Eastern countries, was the low level of agricultural production. Some authors<sup>37</sup> consider that the

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<sup>30</sup> See Elena Sima, *Noile structuri agrare și afirmarea potențialului productiv*, In: "Tribuna Economică", nr. 26/2001, p. 22.

<sup>31</sup> See N. Păun, A. C. Păun, G. Ciceo, *Europa unită, Europa noastră*, Editura Presa Universitară Clujeană, Cluj-Napoca, 2003, p. 285.

<sup>32</sup> Romania has ratified the Agreement by the Law no. 20 of April, the 6<sup>th</sup> 1993, Agreement approved and submitted for ratification to the Parliament by the Decree No. of 23 February 1993.

<sup>33</sup> Also called the "Preparedness of the associated countries in the Central and Eastern Europe, with a view to integrate to the European Union's Unique Market".

<sup>34</sup> Law no. 90 of 29 May 1997 for the ratification of the agreement by which it was decided Romania's accession to the CEFTA, published in the Official Gazette No. 108 of 30 May 1997. The parties of the Agreement were: Romania, on the one hand, and the Czech Republic, Hungary, Poland, Slovakia, Slovenia, on the other hand.

<sup>35</sup> The strategy was presented to the European Commission in Brussels in March 20, 2000.

<sup>36</sup> Action Plan of the governmental programme in the year 2000 and during the period 2001-2004, approved in the meeting of Government on the 2<sup>nd</sup> of June 2000.

<sup>37</sup> "Reorganization means the creation of the legislative framework of private society on land, on the other hand, the establishment of the clear means of developing the privatization process, that is the prescription: who

main elements of reorganization in the states with transition economy are: the territorial fund reform; decollectivization; privatization and reorganization to different aspects: collapse of the agricultural production; decrease of the number of jobs in the agriculture. From the social point of view, the farmers were affected by the dirigist system; they preferred to remain employed within the state cooperatives or farms.

**13.2. The economical and political context of the Romanian attempts for the integration to the EU.** This subchapter is dedicated to the economical and political context of the Romanian actions to accede to EU, with reference especially to Law no. 18/1991, Law No. 36/1991 regarding the agricultural society and other entities of association for exploitation and valuation of private agricultural capital, Law No. 58/1991 regarding the state agricultural entities privatization, Law No. 54/1998 regarding the juridical circulation of terrains.

**13.3. The Romanian agricultural policy during the transition phase to the market economy.** The agricultural policy measures adopted during this period have varied as an inclusion and intensity sphere. The reform process is enriched and enhanced especially during the last years. Obviously, this evolution is also supported by the pressure exerted by Romania's proposed accession to EU in 2007.

**13.3.1. The beginning of the reorganization process.** The central point of the measures adopted during this period of time consists of the territorial reform. Another course of action of the agricultural policy in Romania referred to prices. Between 1990-1992, under the political and social pressure, began the process of decollectivization and legal privatization initiation of land belonging to former production cooperatives.

**13.3.2. Improvements and radical changes.** The 1997-2000 period was marked by a series of reviews on the measures adopted in the previous period, as well as by radical interventions of the state in the agricultural sector. The most important changes from previous period were also in the territorial field.

**13.3.3. The acceleration of the reform process and the Romanian approach to the European structures.** Between 2001 - 2003, Romanian agricultural policy has quickly tried to get closer to the CAP coordinates. The focus was on the compliance with the communitary acquis, as well as on the preparation of the institutional structures necessary for implementing the European policy. This time, there have not been major changes in the territorial domain. The land restitution process continued, as the government set the priority to complete it until the end of the year 2004.

**13.3.4. The importance of the active Eastern European agrarian population: a challenge for economical and political reorganization.** Generally, the proportion of agriculture and population working in this sector to GDP is superior to that in the EU-15. This proportion varies from one country to another (between 37 and 4%). Reorganization of the Eastern European agriculture will most certainly involve a dramatic involvement of the agricultural active population. In the subchapter we presented and discussed statistical tables illustrating this situation.

**Chapter XIV. Romania and the agricultural negotiations framework.** Agriculture, in natural and social conditions specific to Romania, was, is and will be, undoubtedly, the essential branch of national economy.

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gets the land and by which criteria...Decollectivization is another element of the agricultural reorganization " M. Vincze, *op.cit.*, p. 284-287.

**14.1. The Country Reports and the 2005 Monitoring Report<sup>38</sup> 2005, 2006.** In this subchapter we approached both the positive aspects, and the weak points highlighted in each report, and last but not least, the progresses made by our country from one report to another. Of course we have not omitted any Monitoring Report since 2005.

Despite all the critiques expressed in mass-media or in the academic and political environments<sup>39</sup>, we consider that the positive aspects should not be ignored. Jonathan Scheele, head of the European Commission Delegation in Romania, declared in the evening of October 25: "... Progress was made often in very difficult circumstances, but it must continue during the following months. The existence of some problems signaled by the Report is not unexpected or unprecedented. But there is no time to waste by pointing finger and by entering political games of passing the blame from one to another. I continue to believe that Romania can still solve all these problems so that it is ready for accession in January the 1<sup>st</sup> 2007. The European Commission - and its Delegation in Romania - is ready to support Romania and its government in the efforts to achieve this objective"<sup>40</sup>.

**14.2. Issues and adjustments needed in Romanian agriculture in the perspective of the future integration to the EU structures.** We will bring into discussion now, just a few ideas. The context of the Romanian accession to EU is one completely special: Romania has a supra-dimensional rural area, a too low productivity, a high-cost agriculture, a precarious mechanization, and last but not least, EU is put in the position of assuming the costs of the Enlargement, very shortly after the precedent one.

**Chapter XV. The specificity of the Central and Eastern European States integration to the EU. Advantages and disadvantages of the mentioned process. The balance of costs and benefits.** In this section, I approached very important aspects for Romania's future, from the integration to EU perspective. Considered to have an increased interest, the issue of benefits and costs related to this process, as well as that of the direct and indirect consequences of integration were approached inside this chapter.

**15.1. The specificity of Central and Eastern European States integration to the EU.** The integration of the countries belonging to this area presents a specific character from the other EU enlargements. This peculiarity is determined by several factors: the large number of states integrated at the same time, as well as the low level of economical development and of the incomes per person compared to the European average. We should not ignore the fact that that the new member states already hold the highest unemployment rate, but also the highest birth rate, which will influence the situation of the European labor market. The integration of the 10+2 states will determine a relative migratory flow due to income discrepancies and life conditions between the two Europes.

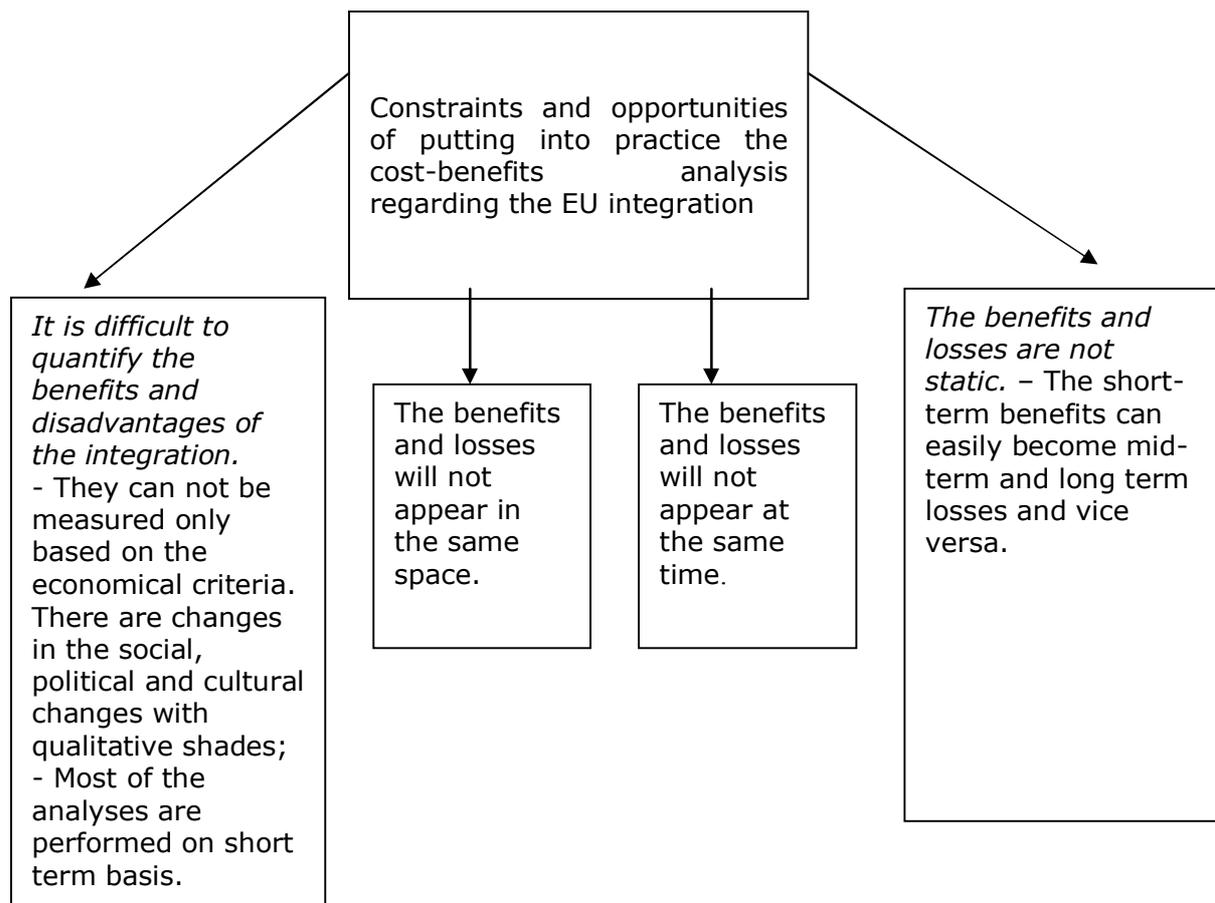
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<sup>38</sup> The monitoring report launched on the 25<sup>th</sup> of October 2005, replaces the Country Report elaborated yearly, during the period when the accession negotiations developed. The monitoring Report politically and economically assesses the progresses made by a country in course of accession (according to the Copenhagen criteria), as the capacity of assuming its obligations as an EU member state (according to the communitary *acquis*), the degree of transposing the communitary *acquis* into the Romanian legislation.

<sup>39</sup> See Ionuț Bălan, *Agricultura e varză, cum o facem de Bruxelles?* In: "Săptămâna Financiară", nr. 48 din 13 februarie 2006; F. Luengo, *La economía de los países del Este: Autarquía, desintegración e inserción en el mercado mundial*, Madrid, 1999, p. 203; G. Mergos, *Agricultural issues in the integration of the CEEC in the EU*, în Baltas, N.C. Demopoulos, G. Hassid : *Interdependence and cooperation in Europe*, New York, 1998, p. 195. Petre Prisecaru, *Politici comune ale Uniunii Europene*, Editura Economică, București, 2004, p.70 ; M. Vincze, *op.cit.*, p. 234, takes into consideration the main internal and external risk factors, of economical and political nature, which can generate incertitude in the development of the Romanian agriculture. We remind here some of them: a) from the national environment: policy domination upon agriculture; the weak development of the human capital; underdeveloped infrastructure; the environmental alteration process, etc. b) from the international environment: the economic evolution of the EU; the stipulations of the Uruguay Round and the future continuity of the agricultural trade liberalization; the policy of the international financial institutions (the FMI restrictions, the crediting conditions of the World Bank), etc.

<sup>40</sup> <http://stiri.rol.ro/detalieri.php?id=253759>

**15.2. Consequences of the accession process for the EU and CEECS.** EU enlargement generates also other consequences. It will be the first world agricultural power. In reality, it already occupies the first place as importer of agricultural food products, and it will become the first exporter and will increase its proportion to international exchanges. Nevertheless, the agricultural dowry of the new EU members and the life level difference, on the one hand, and the agricultural potential, on the other hand, represents some of the EU concerns. Agriculture plays a much more important part in the CEECS than in EU, both in the regard of GDP, and in that of the labor force working in agriculture.



Source: after D. Marin, C. Socol, M. Marinaş, *Economie Europeană*, Editura Economică, Bucureşti, 2004, p.64.

**15.3. Advantages and disadvantages of the above mentioned process. The balance of costs and benefits.** In conclusion, "the benefits and opportunities offered by the enlargement exceed the potential obstacles, costs and risks involved by this process. The enlargement is the external policy most successful act developed by the EU. A delay of this process or its abandonment as a consequence of its non-ratification by any of the EU members, would constitute a major political failure for Europe". In addition, this fact would presume significant costs both for EU, and for the candidate countries. An inadequately managed enlargement process would also be undesirable. Unless EU continues the reforms and changes imposed by that enlargement, it will lose – definitively, perhaps – the chance to make Europe more powerful and more secure, in the interest of its citizens, its neighbors and the world"<sup>41</sup>.

<sup>41</sup> Wim Kok, *Extinderea Uniunii Europene, realizări și provocări*, report presented to the European Commission, [http://europa.eu.int/comm/enlargement/communication/pdf/kok\\_introduction\\_ro.pdf](http://europa.eu.int/comm/enlargement/communication/pdf/kok_introduction_ro.pdf), p.6.

**15.4. Proposals for solving the issues related to the enlargement.** These aspects are discussed and studied by M. Baun<sup>42</sup>, who states that enlargement towards the East generated a multitude of approaches and opinions pro and against the enlargement, varying from arguments of political and economical nature until punctual arguments related to achieving a certain number of well-defined accession criteria. The objectives of the agrarian sector integration process of CEECS into CAP pursue: an unique agricultural sector, high competitiveness and profitability, minimal interventions from governments in the marketing and production problems.

**Chapter XVI. The impact of the CAP upon other political fields: environment and social policy.** We discussed the significant implications of this sector on other political areas.

**16.1. The Common Agriculture Policy – supporting the sustainable agriculture in a global environment.** It is clear now that environment is a field in which the enlargement process generates substantial benefits. The EU accession perspective enhanced the significance of the environmental policies from the future member states and helped them clean the polluted industrial areas, improve the health state of the population, reduce the deterioration degree of forests, fields and farms, protect the natural habitats and safely manage wastes. The investments in the environmental protection and the modern technologies will enhance the economical efficiency and productivity in this field. The EU environmental legislation imposes creation of the environmental institutions, elaboration of the solutions specific to each country and mobilization of the funds necessary to their implementation. All future member states have become of the European Environmental Agency. The updated and improved industries, as well as pollution mitigation will be in the benefit of both the above mentioned countries and of those from the EU.

CAP has to deal with new challenges generated by the new realities directly affecting agriculture. The CEECS integration into the EU, introduction of the "sustainable development" concept, which is among the EU priorities, as it is one of the principles which should set the basis for every community action<sup>43</sup>.

**16.2. Implications of the agriculture in the social transformations.** Evolutions produced within the CAP were due not only to the changes in agriculture, but they represented also a feed-back to the needs of society. Among these, there is the increasing concern regarding food hygiene and safety and animal protection. In these fields, CAP and other EU policies were considerably enhanced since 1990 until now. An important step was made in 2008, when the green paper on agricultural product quality was launched. This green paper initiates a broad public consultation on quality policy and addresses the issue of simplification and reduction of administrative burden, in particular with regard to marketing standards, certification schemes and geographical indication systems.

## Conclusions

Along the 50 years that passed ever since its beginning, the evolution and the contents of the integration process have experienced remarkable changes. The political integration process followed its own course along the history, often marked by ups and downs. "The problem of regional integration, situated in the interwar period somewhere at the periphery of political debates, has become one of the central themes of debate. Despite

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<sup>42</sup> M. Baun, *Enlargement*, In: vol. L. Cram, D. Dinan, and N. Nugent, *Developments in the European Union*, London, Macmillan, 1999, p. 269-289.

<sup>43</sup> This concept began to be used at the beginning of the '80s, but since 1983, the World Commission regarding the Environment defines it as a the development capable of satisfying the present generation needs, without compromising the chance of the future generation to satisfy, in their turn, their own needs.

the political vicissitudes, it remained ever since the center of the European political agenda<sup>44</sup>.

Agriculture<sup>45</sup> was traditionally one of the priorities of the European policy representatives, especially during the negotiation of the Treaty of Rome, when the memory of the after war food shortage was still alive. The Western Europe had not succeeded in outrunning – despite the support offered by the Marshall Plan and the efforts to coordinate the development policies within the OECD – the economical regress and the disequilibrium caused by the war years. The European agricultures, even the modern ones (Great Britain, Holland, Denmark) were less mechanized, they used small amounts of fertilizers, and the part of the phytosanitary products was ignored. The economic arguments regarding the establishment of a common agricultural policy refer to at least four aspects:

1. The equity argument: refers to fighting against poverty in the rural environment, the decrease of long term agricultural products, high rate of labor force exits from the agricultural sector – the decrease of the agricultural income – social problems;
2. The efficiency argument: refers to the need of increasing work productivity, stabilization of agricultural markets;
3. The external trade argument: “the need for the European trade fluidity with agricultural products, the wish of the exporter countries to ensure the certitude of the product supply of the world market”<sup>46</sup>.
4. The market failure argument refers to low mobility of the production factors in the agriculture, the cyclical nature of the incomes resulting from agriculture, agricultural products prices instability.

Other authors<sup>47</sup>, consider that among the argument at the basis of CAP establishment were also: the importance of the agricultural sectors compared to other economical activities, the large number of less favored regions and the need to implement the necessary measures in order to diminish the structural deficiencies with a view to maintain the production level, the difficulties met in the attempts to balance the agricultural production, combined with constant food demand, etc.

The Common Agricultural Policy is the first policy which becomes communitary<sup>48</sup>, the first which could be called integrationist in the real sense of the word. There must be mentioned, from the very beginning, that the “common policy” term truthfully reflects one of the CAP’s defining features, as, in the case of almost 90% of the agricultural products, the decision no longer belongs to the member states, but to the European Union and because the national agricultural policies were replaced by common regulations for the operation of the markets and by products trading.

CAP is also a legislative framework, as it is composed of a series of norms and mechanisms which regulate production, agricultural products trade in the EU; every day rural development gains a greater importance. Other sources of information<sup>49</sup> see the Common Agricultural Policy as a sector oriented towards the development of a modern agriculture, capable of ensuring a reasonable level of life to rural population, stabilization of markets and ensuring the supply of consumers at reasonable prices. Except the fact that it sets the basic objective, the agricultural directive defines the principles sustaining the CAP.

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<sup>44</sup> N. Păun, A. C. Păun, G. Ciceo, *op.cit.*, p. 283.

<sup>45</sup> The term agriculture is used restrictively for the vegetal and animal production activity, while the general sens is the entire agroalimentary system” in M. Vincze, *op. cit.*, p. 9.

<sup>46</sup> D. Marin, C. Socol, M. Marinaș, *Economie Europeană*, Editura Economică, București, 2004, p. 260.

<sup>47</sup> M. Profiroiu, I. Popescu, *Politici europene*, Editura Economică, București, 2003, p. 61.

<sup>48</sup> Regarding the concept of agricultural policy, there are numerous definitions in the specialty literature, M. Vincze, *op.cit.*, p. 36, offers us some of these: „Definition 1: the agricultural policy represents the ensemble of the juridical, executory and administration measures, which, directly or indirectly, influence the development and valuation of agricultural policy, with the purpose to improve the production and the level of life for the agricultural producers. Definition 2: the agricultural production is the ensemble of state implications in influencing the food and agricultural products demand and supply factors. Definition 3: the agricultural production is the ensemble of public activities oriented mainly towards the agricultural exploitation and agribusiness sectors, influencing the individual producers and companies in their decisions on: what and how much they produce? how to produce? For whom to produce?”.

<sup>49</sup> <http://www.gov.ro/presa/documente/200403/040301-anexa3.pdf>.

Nowadays agricultural policy no longer resembles the one initially designed. First because CAP was very much simplified by combining, in a unique payment, of the different direct payment diagrams, granted to the farms. On the other hand, it transformed into a more efficient mechanism, which achieves several objectives at a lower cost. A policy which swallowed in the past two thirds of the total budget of the EU, it absorbs now less than a half of it, and the figure will decrease to a third in ten years. While the costs are decreasing, the inclusion area is constantly expanding as a consequence of the introduction of a comprehensive rural development policy, which supports the diversity, reorganization and evolution of the areas and sectors of rural economy in the entire European Union.

EU enlargement will transform it into world's first agricultural power. There are two ideas supporting this enlargement phenomenon: one of political inspiration, which estimates that the candidates have no natural right to join the EU, and the other one is of economic nature, and it rejects the idea of some indisputable rights existence, imposing a detailed examination of aspirant condition to the EU member status, refusing the negotiate with those countries that have not met the pre-established requirements. According to the Treaty of Rome, there are no geographical limits or other restrictions which forbid a state to participate in EU, the main condition to become an EU member is that the country should share the European values<sup>50</sup>. The factors influencing the European Union geopolitics in 2000 are different of those in the early '90s. EU attempts by institutional reforms to make the actions flexible in order to comply with the new trend of globalization<sup>51</sup>. "The way to Europe is not easy. It asks for sacrifices, economical, political and social costs. Beyond these sacrifices, there is a dream waiting for us, postponed until now, that of building the Magna Europe, based on peaceful principles, by political-economic cooperation and democracy protective measure"<sup>52</sup>. The main difficulties that CAP will have to answer will result from the emphasis of structural and regional disparities, both as an enlargement consequence, and as an effect of the present policy and external pressures made within the World Trade Organization (WTO).

During the last decade we have experienced if not a green revolution – from the ecological perspective – at least a green evolution in the agricultural policy<sup>53</sup>. Nowadays, consumers have other expectations that when the CAP was initiated. 91% of the EU citizens believe that one of the essential activities of the Common Agricultural Policy is to guarantee food safety. 89% consider environmental protection to be another basic function. The new agricultural policy has taken the responsibility of these consumers' new expectations, setting up a solid basis for our rural patrimony preservation, in order to produce the required agricultural merchandise, at the same time ensuring the position on the world market.

As it was proclaimed in - Common Agricultural Policy for European Public Goods- Declaration of a Group of Leading Agricultural Economists<sup>54</sup>: the future role of the CAP should be to give farmers appropriate incentives to deliver European public goods demanded by society, particularly in the environmental realm. This includes the fight against climate change, the protection of biodiversity, and water management (avoiding pollution, scarcity and floods). By contrast, maintaining a diverse, traditional, well-kept landscape is primarily a national, not European, public good: most benefits will be reaped

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<sup>50</sup> The enlargement notion set the basis of the original idea of Europe. Article 237 of the Treaty of Rome stipulates that "all the European states can submit their candidature in view of integration into the Community". The Union enlargement is a real challenge both to the East, and for the West. The economical and political proportion of the European Union on the world scene will depend on the quality of reforms, communitary intervention mechanisms, structural funds, common agricultural policy, the institutional reforms indispensable to guarantying the viability of the new Union and its future operation rules. The integration to the EU is by itself a central element of the above mentioned reforms' process.

<sup>51</sup> N. Păun, A. C. Păun, G. Ciceo, *op.cit.*, p.165.

<sup>52</sup> *Ibidem*, p.173.

<sup>53</sup> Cf Eugène Leguen de Lacroix, *op.cit.*, p.1.

<sup>54</sup> <http://www.reformthecap.eu/Declaration-on-CAP-reform/Declaration-on-CAP-reform-summary>  
(A Common Agricultural Policy for European Public Goods: Declaration by a Group of Leading Agricultural Economists)

within the country – by direct enjoyment, as an advantage to attract qualified human resources or through tourism.

The evolution perspective of the EU depend on the way in which the interests, sometimes controversial, will be dealt with and solved, in the context of such a large internal variety and taking into account the relationships with the countries wanting to gain a place in a general welfare territory.

Paradoxically a victim of its own success, CAP represented and still represents one of the most controversial communitary policies. CAP represented an important success in the integration process of the European Community. The success of the common policy in the field of agriculture and the example of solidarity it offered, stimulated the European integration on all fields – economical, political, social and institutional. As a pathfinder in the integrationist process, we state that the Common Agricultural Policy is one of the foundations on which the present European Union was built.

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Author:

Ruxandra Mălina Petrescu-Mag, "Babeş-Bolyai" University, Faculty of Environmental Science, 30 Fântânele street, Cluj-Napoca 400294, Cluj County, Romania, EU, e-mail: pmalina2000@yahoo.com

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