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POLAND'S AGRICULTURAL POLICY IN THE CONTEXT OF TRANSITION FROM CAP TO CARP IN THE EUROPEAN UNION

A starting thesis of the paper is the statement that the transformation of agricultural policy currently observed in the European Union mostly relies on the transition from a traditional policy oriented at a direct supporting of agricultural production and farmers towards a policy aimed at the integrated development of rural areas and agriculture. In the context of the above mentioned transformation, the paper introduces the notion of ecological innovativeness of agricultural policy. Subsequently, through reviewing most important policy documents related to this policy, the author analyses whether or to what extent one can speak of such a transition in Poland, also referring it to the challenges the Polish agriculture faces in the context of the integration with the European Union, and to those resulting from the Common Agricultural Policy (CAP) in particular. Specific issues linked with the ecological innovativeness of Polish agricultural policy have been investigated separately for the following three areas: support for the development of ecological agriculture, ecologization of conventional agriculture, protection of the natural environment from harmful outcomes of agricultural and food production. For each of these areas, the question of harmonization with respective EU regulations has also been discussed. The paper concludes with some remarks on the nature of agricultural policy as a policy of integrated development of countryside and agriculture.

Keywords: agricultural policy, Common Agricultural Policy of European Union, integrated development of countryside and agriculture, sustainable development, ecological innovativeness, ecological agriculture, ecologization of conventional agriculture, good agricultural practices, natural environment, pollution and protection of the natural environment CAP – Common Agricultural Policy; CARP – Common Agricultural and Rural Policy

1. ASSUMPTIONS AND CRITERIA

A starting thesis of the paper is the statement that the transformation of agricultural policy currently observed in the European Union mostly relies on the transition from a traditional policy oriented at direct supporting of agricultural production and farmers (still prevailing in most

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highly developed countries) towards a policy aimed at the integrated development of rural areas and agriculture. Within the former, the agriculture related ecological objectives were considered, to a large extent, separately from production or social targets of the development of agriculture. The latter of distinguished types of agricultural policies is, in turn, regarded as an attempt at integrating economic, environmental and social goals of development in accordance with the principles and nature of sustainable development concept. Note: In the paper, I disregard the appraisal to what extent the above mentioned transformation has already come into existence in the actual performance of agricultural policy of the Community (see: *Głos organizacji pozarządowych...* 2002).

In the context of the above mentioned transformation, the paper introduces the notion of ecological innovativeness (to be called eco-innovativeness from now on). It is considered from the point of view of the following criterion: whether or to what extent the agricultural policy contributes to achieving goals and principles of a sustainable and ecologically balanced development. Eco-innovativeness of agricultural policy, also understood as a quantifiable positive bearing of this policy upon coming into existence of "ecological deal" (order) that cannot be analysed in isolation from other deals (orders) the sustainable development consists of. These are the economic, social and spatial orders. One should be aware that (in the short run in particular) there may appear more or less acute contradictions between the objectives which are linked to those deals. For instance, a need to ensure the improvement in the quality of specific ecosystems belonging to a given national park, protection zone may require the extensification of agricultural production through fallowing arable land or even long term ceasing of agricultural production through, for example, the forestation of marginal grounds. This may result in declining revenues of farmers or even the whole rural population living in the zone under consideration which, apparently, contradicts the economic goals of sustainable development.

Another example of the contradiction we mean is related to the necessity of preserving traditional values of the rural culture, customs and morals. Undoubtedly, this is a component of the social deal within the concept of sustainable development of agriculture and the countryside. However, preserving these values may be in practice subject to different dangers brought about by ongoing industrialization and commercialization since the latter inevitably implies the transfer to rural

and small town populations of cultural norms, value systems and ethical patterns which are connected with the ethos of competitive struggle, post-modernistic culture and general behaviour rules of big urban agglomerations. On the other hand, it is just these industrialization and commercialization processes which heavily contribute to the increase in efficiency of agricultural production and to the ability of agricultural producers to be up to economic survival under the conditions of growing competition on domestic and foreign markets. It is obvious as well that keeping this process going is an important condition for farm incomes to constantly increase.

Two notions should be clearly distinguished: eco-innovativeness of agricultural policy and eco-innovativeness of agriculture itself. The latter is understood as a dynamic process leading to the dissemination of ecologically friendly production technologies (*good agricultural practices* in EU terminology), changes in the structure of agricultural production which are advantageous from the point of view of environment and public health (e.g. through excluding neglected lands from food production and allocating them to the production of industrial plants, including those for bio-fuels manufacturing), reducing direct harmful influences of agriculture on the environment (e.g. due to the abatement of sewage discharge by breeding establishments or a decrease in fertilizer consumption). In the long run, the eco-innovativeness of agricultural policy should be evaluated mostly on the base of the criterion whether and to what extent the programmes, instruments (legal and economic) and financial arrangements being set up and used within this policy contribute to the eco-innovativeness of agriculture as such.

In the paper, I thoroughly disregard the above mentioned notion of eco-innovativeness of agriculture. The subject of the paper is merely and exclusively the eco-innovativeness of agricultural policy of the European Union and Poland. Therefore, the analysis refers to various policy documents concerning both the development of agriculture and the overall process of socio-economic development. These are in particular:

- Mid-term Strategy of the Development of Agriculture and Rural Areas (Ministry of Rural Development and Agriculture, 1998)
- Comprehensive Structural Policy of the Development of Rural Areas and Agriculture (Ministry of Rural Development and Agriculture, 1999)
- Pact for Agriculture and Rural Areas (2000, Council of Ministries)

- Long-term Strategy of Sustainable and Balanced Development (Council of Ministries, in collaboration with the Governmental Centre for Strategic Studies and Ministry of Environment, 2000)
- Second Ecological Policy of the State (the official name of Poland's current ecological policy is *Second Ecological Policy of the State*) (Ministry of Environment and Council of Ministries, 2000)
- National Programme of Preparation for Membership in the European Union (Council of Ministries, 1998); elaborated as a response to the EU White paper of 1995 and Agenda 2000 (the latter document was a systematic appraisal of the Commission on the progress made by the candidate countries in the accession process).

Based on the analysis of the above mentioned documents, an attempt at answering the following question will be undertaken: is Polish agricultural policy in any way or to what extent evolving towards a policy of integrated and sustainable development of countryside (rural areas) and agriculture as is currently comprehended within EU common agricultural policy.

2. ECO-INNOVATIVENESS OF AGRICULTURAL POLICY IN THE CONTEXT OF POLAND'S INTEGRATION WITH THE EUROPEAN UNION

2.1. Integration and the development of Polish agriculture – introductory remarks

Along with the process of liberalization and globalization of international trade, integration is becoming a very important factor which forces and accelerates a general modernization of Polish agriculture. However, this modernization, and restructuring as well, evokes a need to work out a long-term programme of agriculture and rural area development in order to secure long lasting and sustained, and not merely resulting from the protectionist policy of the state, competitiveness in the domestic market and abroad. This is the only approach towards the problems of development of rural areas and agriculture which is capable of creating the premises for a systematic improvement in the rural population's standard of living and sustainable development of rural areas. Against this background, there appears a need to precisely define (redefine) the objectives of agricultural policy. This is of key significance

with respect to the process of transition from traditional agricultural policy, mostly focused on the use of price instruments for securing the competitiveness of plant and animal production, towards a policy of sustainable rural and agriculture development.

Generally, the transition from CAP to CARP in the European Union is advantageous for Polish agriculture. However, a situation cannot be *a priori* rejected that the reform of Community's agricultural policy and a potential increase in home market prices of domestic agricultural products will result in diminishing the competitive advantage of Polish agricultural and food products.

As in the EU countries, the share of agrarian population in the total rural population will be constantly shrinking. It is worth noticing here that the share of rural population in Poland's population (ca 38%) is similar to that of many EU countries: Sweden, Denmark, Austria, Greece and France. This proportion is even higher for some countries in the Community: Finland (ca 57%) and Ireland (ca 45%). The share of rural population is smaller than 30% only in Italy, Germany, Great Britain and the Benelux countries. However, Poland has a considerably bigger share of agrarian population (ca 20%) whereas this share in EU countries ranges from 2.3% for Belgium to ca 20% for Greece, with 12 countries whose agricultural employment is below the 10 per cent and 5 countries below the 5 per cent threshold. However, it will not have to result in the pauperization of rural population being pushed out of agriculture and remaining in the countryside. This depends on whether social issues related to this process will be precisely recognized and addressed within the integrated policy of agriculture and rural development and social policy. This requires, among other things, state financial and institutional support for the development of technical and economic infrastructure in rural areas, because this activity is of crucial significance for creating new and permanently competitive jobs in rural areas. Under specific Polish circumstances, this is quite a strategic social and political challenge in the context of a large hidden agrarian unemployment (ca 1,1 million at the end of 2003), further reduction of employment in the sector concerned due to the necessity of its technical restructuring and changes in the agrarian structure, and a large increase in the labor force population until the year 2006.

The problem of eco-innovativeness of Polish agricultural policy in the context of Poland's integration with the European Union will be analysed taking into account the following issues:

- support for the development of ecological agriculture
- ecologization of conventional agriculture
- protection of the natural environment from harmful outcomes of agricultural and food production.

2.2. Ecological agriculture

According to the 2092/91 Ordinance of the EEC Council of 24 June 1991 (effective since 1 January 1993 in all member states) on ecological agriculture and labeling its products and foodstuffs, for a given agricultural activity the following conditions have to be fulfilled for including this activity into ecological agriculture:

- exclusion of chemical means of production from foodstuff production and processing
- introduction of monitoring of farms for investigating their conformity with the ecological production criteria
- strict observation of conditions for eco-labeling agricultural and food products being introduced into the market activities.

The ordinance under examination requires non-member states to create relevant legal regulations and organizational structures if they are interested in exporting ecological products to the European Union. Detailed rules are included in 2092/91 Regulations of EEC Council. This document refers to the organization of agricultural production, foodstuff labeling, food processing, system of inspection of agricultural production and sanctions for violating these regulations.

As far as the development of ecological agriculture in Poland is concerned, of key importance is the Law on Ecological Agriculture which was passed on 16 March 2001. This controls three domains:

- conditions for conducting agricultural production and foodstuff processing by means of ecological methods
- system of controlling and monitoring agricultural production and foodstuff processing
- commercial turnover of products stemming from agricultural production and their labeling.

Generally, the law in question is the transposition of the above indicated Ordinance 2092/91 into the Polish legal system. It should be

also evaluated positively that this law specifies a list of certifying institutions. On the other hand, there appears an urgent necessity to speed up the works on the actual implementation of rules for eco-labeling the foodstuffs in accordance with respective EU regulations.

Also a programme of financial support for ecological farms or farms being in the "transition phase" (from traditional to ecological agriculture) established by the Ministry of Agriculture and Rural Development (MARD) deserves a generally positive appraisal. However, the subsidies (or other forms of support; e.g. soft loans and credits) granted within this programme should be steadily increased, irrespective of the state budget situation, and not reduced or kept constant as was the case in the year 2001. The reason is that both the transition period and the first period of thoroughly ecological agricultural production (5–7 years) are characterized by lower productivity and profitability compared to conventional farms (especially in crops production). Therefore, public support is necessary for spreading ecological agriculture and food processing. This is simply because the ecological restructuring of agriculture cannot proceed at the cost of lowering the standard of living of farmers, since the latter contradicts the very notion and objectives of sustainable development.

Ecological agriculture is an important factor contributing to the protection of rural landscape, natural resources (both renewable and exhaustible), protection of the natural environment in the countryside and the preservation of rural cultural heritage. This is one of the main goals of the Comprehensive Structural Policy of the Development of Rural Areas and Agriculture. Therefore, Poland should intensify efforts to increase support of ecological agriculture by means of a pre-accession structural assistance for rural areas and agriculture within the SAPARD Programme.

2.3. Ecologization of conventional agriculture

With respect to the limited scope of ecological agriculture, even in the long-term perspective, of utmost significance for reducing the ecological arduousness of this sector is the ecologization of conventional agriculture. Generally, this means such an improvement and change in agricultural production which leads to the protection of agricultural products and foodstuffs from contamination and to the maintenance of environmental assimilation capacities of ecosystems being subject to the

harmful impacts of this production. Hence, the ecologization concerned means the protection of both environment and public health (and specifically the protection of the health of food consumers) (compare: Wojtaszek 1995; Kozłowski 1997 pp.113–116). In a broader approach, this notion also comprises the shaping of rural landscapes, water retention, creating facilities for rest, tourism and medical treatment in the countryside (Górny 1995, pp. 42–47).

The notion of the ecologization of conventional agriculture has been normatively expressed in EU legislation, and in the 2078/92/EEC Ordinance in particular. From the ecological standpoint, this is the most important legal regulation accompanying the implementation of CARP. The Ordinance introduces the following activities which are to lessen the ecological harm of agriculture:

- support for the implementation of principles and goals of good agricultural practices
- supporting and legal strengthening of ecological agriculture
- payments for farmers as compensation for revenues lost due to the use of ecological methods of production and activities aimed at the preservation of rural landscapes
- payments for farmers to compensate costs borne for environmental protection (the so called *Green Box*).

The regulation discussed is binding for the member countries. It focuses on protecting the environment and landscape and offers a variety of actions to be financed from the EAGGF. It obliges the member countries to work out and implement *Programmes of Environmental Protection in Agriculture*. The multi-year and yearly programmes are to include one or more from the following bundle of goals (Górny 1995, p.49):

- a) Use of agricultural practices which reduce the pollution-intensity of agriculture, along with the fall of agricultural production; the latter may also contribute to mitigating problems connected with the over-production of many agricultural products in the Community;
- b) Ecologically friendly extensification of crops, cattle-breeding and sheep farming through the conversion of arable lands into grassland;

- c) Spreading such uses of agricultural areas which conform with the protection of the environment, rural landscapes, natural resources, soils and genetic diversity;
- d) Conservation of non-cultivated agricultural grounds and forests with respect to ecological considerations or due to the necessity of prevention from depopulation of rural areas;
- e) Long- term ceasing of land cultivation for ecological reasons;
- f) Education and training of farmers on the manners of agricultural production which are consistent with the requirements of protection of the environment in rural areas.

The programmes foresee financial assistance for farmers who contribute to achieving the above listed goals through, among other things:

- a) Reduced use of fertilizers and plant protection means or keeping the reduction already achieved, as well as the introduction or continuation of organic agriculture methods
- b) Other (as specified above) kinds of extensification of production (newly introduced or kept), including the conversion from arable grounds into grasslands
- c) Reduction of cattle and sheep population in relation to the grazing area (prevention of over-grazing)
- d) Application of other agricultural practices which are compatible with the requirements of natural protection and resources protection; e.g. measures to preserve the rural landscape or breeding of species being threatened with extinction
- e) Ceasing agricultural production for at least 20 years in order to use rural areas for environmental goals; e.g. water retention.

In almost all the above mentioned policy documents, and the Long-term Strategy of Sustainable and Balanced Development (2000) and Second Ecological Policy of the State (2000) in particular, one can find a general support for activities which may contribute to the actual switch of the development path of Polish agriculture and rural areas towards a sustainable and ecologically friendly development. If, however, we want to make our appraisal more specific and relate it to the issue of eco-innovativeness of agricultural policy, there appears then the necessity of applying more operational criteria. Of crucial significance here seems to be the notion of good agricultural practices. Generally, they are

understood in this paper as a set of economically efficient and, simultaneously, ecologically friendly methods (technologies) of plant and animal production, as well as agricultural and food-stuff processing. In the agricultural policy, the set concerned may have a double character. On the one hand, it is a kind of information and recommendation whose aim is to make agricultural and food producers aware of the possibility of ecologically friendly changes in technologies, the structure of crops and harvested crops, how to utilize agricultural land etc. On the other hand, it can take the shape of a code which implies that good agricultural practices become a command-and-control instrument in protecting the environment from harmful agricultural influences. For instance, this is the case of 2078/92/EEC Ordinance with reference to "sensitive areas"; e.g. areas which are threatened with surface water eutrophication, or particularly valuable for its biodiversity resources and landscape values, (see: Zdanowicz 1998).

In a broader context, the implementation of good economic practices and systems of environmental management may be considered as an attempt at ecologization of agricultural policy as a specific kind of sectoral policy. By analogy, it also pertains to other sectoral policies: energetic, industrial, transport etc. In the Second Ecological Policy of the State, such practices are given a priority in the process of implementing the ecologization of sectoral policies (*II Polityka Ekologiczna Państwa* 2000, p. 15). With respect to the agriculture, the document discussed points to the following objectives of good agricultural practices:

1. Better utilization of biological potential of soils, along with a simultaneous reduction of negative impact of fertilizers and plant protection substances upon the environment;
2. Preservation and growth of biodiversity, especially through the development of ecological agriculture on environmentally valuable areas;
3. Land reclamation and utilization of highly contaminated soils for non-food purposes and their forestation (*II Polityka Ekologiczna Państwa* 2000, p. 15).

In 1999, the Institute of Crops, Fertilization and Soil-science in Puławy elaborated (in co-operation and with financial support of the Danish Environmental Protection Agency as a twinned institution) the Polish Code of Good Agricultural Practices. Unfortunately, there are still

no binding regulations, as it is the case within the EU Common Agricultural Policy, with respect to ecologically sensitive areas.

As far as broader programmes of ecologization of Polish agriculture are concerned, some of them have been launched by the Ministry of Agriculture and Food Economy (the former name of the Ministry of Rural Development and Agriculture). Their final versions were and will be consulted by other central administration bodies, representatives of local and regional governments, and ecological NGOs. The programs concerned are to be fully implemented after Poland's accession to the EU and with their substantial financial assistance. Before this accession, there have been commenced a few pilot projects (mainly within the ISPA fund) which are co-financed by the Community. They take advantage of staff and research potential of Agricultural Consultancy Centers, management boards of national parks and other institutions and organizations dealing with agricultural and environmental matters.

A positive appraisal deserves the fact that in the Pact for Agriculture and Rural Areas, which is a most comprehensive policy document dealing with the issues of rural and agricultural development, there has been carried out the monetary calculus of domestic (state budget, agricultural agencies, ecological funds) and foreign support for particular "pillars" of this development (This is included in Supplement 3 of the Pact – financial aspects). In practically all of these pillars:

- Supporting agriculture and its environment (Pillar I)
 - Development of infrastructure and entrepreneurship, and creating new non-agricultural jobs (Pillar II)
 - Comprehensive social policy with relation to the countryside and agriculture, along with the civilization progress of rural areas (Pillar III)
 - Institutional capacity building for partnership and social dialogue
- the activities which are essential to the eco-innovative reorientation of agricultural policy can be found. This comprises, among other things:
- biological progress in agriculture
 - plant protection
 - water protection and management
 - earth surface protection
 - nature protection
 - specific ecological threats in agriculture
 - ecological education of agricultural producers
 - abatement of non-point pollution in the countryside.

Public support should take the shape of both loans and subsidies, with the National Fund of Environmental Protection and Water Economy and the EcoFund as the main granting institutions. The latter of those funds was set up in 1991 by the Minister of Finance as the debt-for-environment swap fund in conjunction with the decision taken by Poland's creditor countries grouped in the so called Paris Club to convert up to 10 per cent of country's debt (ca 30 billion USD) into environmental protection investments. With respect to the limited size of this paper, it is hard to evaluate whether the forecasted financial means are sufficient in comparison to the needs. It is, however, worth noticing here that relatively small subsidies are allocated for the abatement of non-point pollution (ca 15 million PLN in the years 2000-2003) while the discharge of biogenic compounds (mostly nitrogen ones) related to the use of fertilizers in agricultural production is one of the main factors bringing about the eutrophication of Polish rivers and lakes, also contributing to the pollution of the Baltic Sea with these compounds. It deserves a critical appraisal as well as that in the above mentioned policy document there is no information about the public (domestic or foreign) financial assistance for the development of ecological agriculture and spreading good agricultural practices in order to reduce the ecological arduousness of conventional agricultural farms.

In the National Programme of Preparation to the Membership in European Union (1998), there can be, in turn, distinguished the following activities which are linked to the goals and tasks from the 2092/92/EEC Ordinance:

- promoting activities aimed at environmental protection
- promoting forestation (reforestation) activities, particularly through voluntary forestation of agricultural grounds
- introduction and enforcement of legal regulations, including the EU ones, which force the farmers to protect the environment from ecologically harmful outcomes of agricultural production and processing, as well as food processing.

In turn, in the Poland 2025 Strategy (this is the abbreviated name for the policy document: Long-term Strategy of Sustainable and Balanced Development, 2000) the following sustainable development related tasks are foreseen in the process of the modernization of Polish countryside and agriculture:

- assisting agriculture to fulfil the tasks resulting from EU membership
- multi-functional development of rural areas
- implementation of principles of sustainable agriculture
- environmental protection in agriculture
- optimal utilization of biological potential of soils through adjusting the kinds of agricultural production to the quality of agricultural productive space (*Long-term Strategy of Sustainable and Balanced Development --Poland 2025 2000*, p. 87).

Irrespective of the above discussed policy documents, the environmental protection task force in the Ministry of Rural Development and Agriculture has been working for a few years on the following programmes:

- programme of protecting the biodiversity of areas being characterized with high natural values (National Parks, Landscape Parks and other valuable areas)
- country-wide programme of protecting the genetic stocks of cultivable plants and farming animals (for species endangered with the extinction)
- programme of promoting ecological agriculture
- programme of supporting integrated fruit production
- education, training and demonstration projects (in conjunction with one of the clauses of 2078/92/EEC Ordinance.

Generally, these are the agro-environmental programmes. Their full implementation (except the pilot and demonstration projects) is forecasted in the post-accession period which simply means the availability of financial support from the FEOGA or other structural funds for this implementation. However, Poland should intensify efforts to obtain substantial financial assistance for pilot and demonstration projects from the SAPARD and Phare 2 funds.

2.4. Protection of environment from harmful impacts of agricultural production

The issue of eco-innovativeness of the agricultural policy in the context of integration with the EU, can and should be also discussed from the standpoint of the implementation of this part of ecological *acquis* which pertains to a narrowly understood environmental protection in

agriculture and food processing. Besides the EU secondary law regulations which have been already referred to in the paper:

- 2092/92/EEC Ordinance on ecological agriculture
- 2078/92/EEC Ordinance on agricultural production methods compatible with the requirements of environmental protection (the following acts belong to the most important secondary legal acts in this domain):

- 86/278/EEC Directive on utilizing the sewage sludge in agriculture
- 91/676/EEC Directive on the protection of water from nitrates discharged by agricultural sources
- 91/414/EEC Directive on plant protection means (see: *Dostosowanie polskiego prawa i regulacji ekologicznych do rozwiązań Unii Europejskiej...* 2000, pp. 132–135).

Extensive discussion of the course of the harmonization process with respect to those regulations would go beyond the scope of this paper. Therefore I will confine myself to the following brief remarks:

1. Of particular importance for the Polish agriculture is the “nitrates directive”. By and large, the Polish Law on Fertilizers passed by the Parliament in 2001 is consistent with that directive. Its full implementation will take place through passing respective executive acts, including those to the new Law on Environmental Protection and Water Law (effective since 1 January 2002). The eight years respite period can be considered justified with respect to the very high implementation costs of 91/676/EEC Directive. These may exceed 3 billion euro, mostly due to the necessity of construction of liquid manure tanks. Additionally, the preparation and implementation of programmes for monitoring the nitrogen fertilizers use and runoff is logistically difficult and time-consuming (see *Stanowisko negocjacyjne Polski w obszarze “Środowisko”* 1999). This also pertains to the designation of sensitive areas in the meaning of the directive under examination.

2. The course of harmonizing activities for the directive of plant protection means should be evaluated thoroughly positively. The Polish law of 12 July 1995 on plant protection means is a satisfactory incorporation of that directive into the Polish legal system. Such an appraisal was also expressed in the EU negotiation standpoint.

3. There appear no major difficulties in adjusting the Polish law to the requirements of the directive on sewage sludge. The first implementation act was the executive enactment of Minister of

Environment to the Waste Law (1997). Full transposition of that directive, into the Polish legal system and its implementation took place owing to passing respective executive acts to the new Waste Law (passed by the Parliament in 2001)

3. FINAL REMARKS – AGRICULTURAL POLICY AS A POLICY OF INTEGRATED DEVELOPMENT OF COUNTRYSIDE AND AGRICULTURE

Integrated development of rural areas and agriculture is a category whose subject scope is greater than even a broadly understood ecologization of agriculture (e.g. in 2078/92/EEC Ordinance). This is so because the former is based on the principle of intergenerational equity and constancy of capital stock (natural, physical, human and social) as they are interpreted in the theory of sustainable development. In a normative approach, this category found its expression in 1257/99/EC Ordinance on the development of rural areas. As far as the Polish policy documents which have been referred to in this paper are concerned, an idea of such development is included in: Comprehensive Structural Policy of the Development of Rural Areas and Agriculture, Pact for Agriculture and Rural Areas, Long-term Strategy of Sustainable and Balanced Development – Poland 2025.

Processes taking place in rural areas can be described as sustainable development if the improvement in the economic performance of agriculture and standard of living of rural population, and that of the agrarian one in particular, does not bring about outcomes which constrain or impair the welfare of future generations of both rural and urban populations. This implies, among other things, a necessity to constantly take care of and to preserve a high quality and diversity of natural environment in rural areas and rural cultural heritage, as well as natural agrarian landscapes. However, on the other hand, it also requires to preserve and develop the technical and educational infrastructures in rural areas, create new and competitive jobs in the countryside, ensure the availability of contemporary civilization and cultural achievements to, rural population.

Interpreted this way the integrated development of agriculture and rural areas is an axis of EU new agricultural policy (CARP). It seems that allocating more public support for the development of rural areas within

the agriculture related programs and structural funds evokes, both in old and new EU member countries, including Poland, less controversy and social resistance than direct agricultural subsidies relying on ensuring the minimal price level, purchases of agricultural and food products by state agencies etc. Furthermore, an integrated approach towards the development of agriculture and rural areas is implicitly based on the assumption that the separation of two kinds of public support takes place: (1) designed for maintenance of production level and prices, (2) aimed at securing an increase in living standards and cultural and civilization development of the agrarian population.

Under specific Polish circumstances, where we deal with a massive hidden agrarian unemployment (at least one million people by current agrarian structure and prevailing production technologies), an integrated approach towards the development of countryside and agriculture creates premises for both a substantial reduction of ecological harmfulness of agricultural production and creating new, not only ecological, and competitive jobs in rural areas. The latter is a fundamental condition for changing Poland's obsolete agrarian structure and the achievement of long-term ability to effectively compete on the domestic and single European market by the Polish agriculture and food industry. On the other hand, the reorientation of the country's agricultural policy towards a policy of development of rural areas and agriculture will facilitate access to EU structural and cohesion funds. It must be, however, firmly and clearly said that both in the pre- and post-accession period a majority of financial means serving for the achievement of goals and tasks of rural and agricultural sustainable development will have to be spent from domestic sources, both public and private. This relates, in particular, to the process of gradual ecologization of Polish agriculture.

Sustainable development of agriculture, and of any other sector, implies that social progress and cohesion, better economic performance and improved environmental quality become more and more mutually supportive and reinforced. In other words, it means a broadly understood equilibrium between social, economic and ecological pillars of the development process. Though a survey which has been carried out in this paper seems to prove that the Polish agricultural policy has been evolving towards the policy of sustainable development of agriculture and rural areas, which also means its growing eco-innovativeness (as has been defined in chapter 1 of the paper), there appear or may appear some

major obstacles or impediments for such an evolution of this policy. These are:

- Weaknesses and shortcomings of institutional mechanisms for better integration and cohesion of agricultural policy and environmental protection and/or sustainable development policy. Though such integration or coordination is undoubtedly better for this particular sectoral policy as for other major sectoral policies in Poland, it is still far from being satisfactory. Substantial progress from this point of view could be achieved through the improved performance of the State Council on Sustainable Development (established only in the year 2003), as well as a broader and effective use of a very important policy instrument of horizontal character which is the strategic environmental impact assessment, i.e. the obligatory procedure of evaluation of all the policies, programmes etc. from the point of view of anticipated ecological outcomes related to future performance of such policies or programmes. The principle of integration of all the sectoral policies and ecological policy is binding for all the EU member countries since it has been introduced by the Treaty of Amsterdam, at both the Community level and national levels. The Treaty also introduces the duty of carrying out strategic environmental impact assessment (its implementation at the secondary law level is 2001/42/EC Directive). Hence, one may expect that Poland's membership of the EU will result in the improved coordination and consistency of agricultural and ecological policy (by analogy, the same conclusion refers to other sectoral policies).

- Serious obstacles for the actual evolution of Poland's agricultural policy towards a policy of sustainable development of agriculture and rural areas may be related to the preferences of Polish farmers, and strictly speaking, to their expectations concerning the increase in revenues through direct payments from the state budget and EU agricultural budget, and even through the reduction of both EU (within the CAP financial mechanisms) and domestic expenses on the "ecological pillar" of agricultural policy at the cost of increasing direct payments to agricultural production. Though this highly probable attitude of Polish farmers contradicts the very idea of sustainable agriculture, it is understandable if we take into consideration two important facts: 1) the substantially lower scope of public support to agricultural production as compared to that support in EU countries on average. (In the years 1999-2000, this support, measured in terms of the percentage share of public

financial support in the gross agricultural revenues, amounted to 36% in EU and only to 12% in Poland – data from OECD www databases; and 2) the considerably smaller than the EU (by ca 7 times) average level of income of family farms.

- One of strategic conditions for the actual implementation of the concept of sustainable development is the social communication between all the parties which expectedly may be both “winners” and “losers” (e.g. in terms of costs to be borne for the achievement of specific sustainable development objectives) due to the implementation of that concept. This is of special significance in the case of development of agriculture and countryside because if such a communication is lacking then it may turn out to be extremely difficult (and sometimes even quite impossible) to find solutions to overcome or soften potential or actual contradictions between economic, social and ecological dimensions, and goals of sustainable development. Though the Polish Environmental Protection Law of 2001 (within the so called Title 1: General regulations) clearly defines the society’s access to ecological information and its participation in environment related decision making process, as well as introduces the duty of dissemination of ecological information in accordance with a respective EU regulation, 90/313/EC Directive, and the Aarhus Convention), the social communication in environmental matters is very far from being satisfactory. As far as the agricultural sector is concerned, it refers to practically all the goals of *Programmes of Environmental Protection in Agriculture* (referred to in paragraph 2.3. of the paper). Achieving these goals will be conditioned not only by financial public support to Polish peasants for their activities aimed at the ecologization of agricultural production, but also by a broad social dialogue and communication between them and agricultural and ecological policy makers (at different levels: national, regional and local), and, first of all, through actual and effective involvement of farmers and their organizations, local and regional civic movements, including the green NGOs acting in rural areas, etc. into the process of setting up objectives of those policies and priority activities to implement them. This way, social communication for the sustainable development of agriculture and rural areas could also contribute to creating foundations of civic society in the countryside which, undoubtedly, is strictly related to the social pillar of sustainable development.

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