

ENGAGEMENT OF AGRICULTURAL NONGOVERNMENTAL ORGANISATIONS IN MAKING THE COMMON AGRICULTURAL POLICY

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Abstract. The Common Agricultural Policy (CAP) is one of the oldest, competent and complicated policies in the European Union (EU). As the number of the Member States increased, making identical government policies became more complicated. With the number of the Member States and the number of individuals engaged in governmental decision-making increasing, an increasing role is played by various nongovernmental organisations that advocate the interests of farmers and the rest of society. The purpose of nongovernmental organisations is to advocate the interests of farmers at national and international institutions as well as not to allow organisations unrelated to agriculture make decisions instead of them. The EU nongovernmental organisations, of course, most actively advocate producer interests in the agricultural industry, which also includes fisheries and forestry. This is also evidenced by the large number of agricultural organisations involved in cooperation with national institutions in the EU compared with other industries. The research aim is to analyse the historical development of the CAP and the engagement of agricultural nongovernmental organisations (NGOs) in making the CAP. Methods used in the research: the monographic and descriptive methods, analysis and synthesis, the logical and constructive methods. The paper concludes that is important to encourage farmers of all types to engage in NGOs, which would actualise the problems of not only large industrial farmers and result in making a common not a similar agricultural policy.

Key words: Common Agricultural Policy, nongovernmental organisations, COPA-COGECA, farmers' organisations.

JEL code: N50, O10, O13

Introduction

At the early stages of economic development in countries, agriculture played the leading role in national economies. Agricultural products had the dominant position in exchange of goods and in the subsequent exchange of goods and money (Upite I., Pilvere I., 2013). The agricultural industry becomes especially important after wars or economic crises. It is understandable that agriculture provides people with food; agricultural goods may be sold,

thus, earning revenue for investment in economic development. Yet, agriculture is also very complicated, which according to Balaceanu C. (2013) is affected by the special economic and social problems which normally do not affect the other sectors. The most significant factor affecting agricultural production is climatic conditions, the unpredictability of which makes impossible to forecast the quantity, quality and production cost of agricultural products to be produced; this finally affects farmers' revenues. Upite I. and Pilvere I. (2013) in their research indicate that other affecting factors are as follows: price fluctuations, market inelasticity, high capital intensity, slow turnover of capital, irreplaceability and immobility of land as the main resource in agricultural production, low labour mobility etc. Agricultural professionals are aware of the fact that this industry is not able to exist and develop without government support owing to its specifics. The purpose of this support is to equalise farms' revenues under the changeable market and climatic conditions. Balaceanu C. (2013) states that in agriculture, absence of an official support, the prices of the agricultural products tend to decrease, while the prices of the raw materials and other industrial products, tend to increase. It is important that farmers' incomes and living standard are not lower than of those being employed in cities, as only then the industry's development can be sustainable. In this context, Matthevs A. (2012) points out that agriculture is an integral part of the European economy and society. In terms of indirect effects, any significant cut back in European farming activity would in turn generate losses in GDP and jobs in linked economic sectors – notably within the agri-food supply chain, which relies on the EU primary agricultural sector for high quality, competitive and reliable raw material inputs as well as in non-food sectors. Rural activities, from tourism, transport, to local and public services will also be affected. Depopulation in rural areas would probably accelerate. There would, thus, be important environmental and social consequences.

The research aim is to analyse the historical development of the CAP and the engagement of agricultural NGOs in making the CAP.

The following research tasks were set to achieve the aim:

- 1) to analyse the historical development of the EU CAP and the engagement of the Member States;
- 2) to assess the performance of the largest nongovernmental organisations in advocating the interests of EU farmers;
- 3) to examine the performance of Latvia's agricultural NGOs in the EU farming organisations and in other institutions;

In order to carry out the present research, the authors have used research papers related to the topic, and the information published by the European Commission (EC), the National Rural network and the information available on the websites of agricultural NGOs.

Research methods: the monographic and descriptive methods, analysis and synthesis, the logical and constructive methods.

Research results and discussion

Historical development of the Common Agricultural Policy

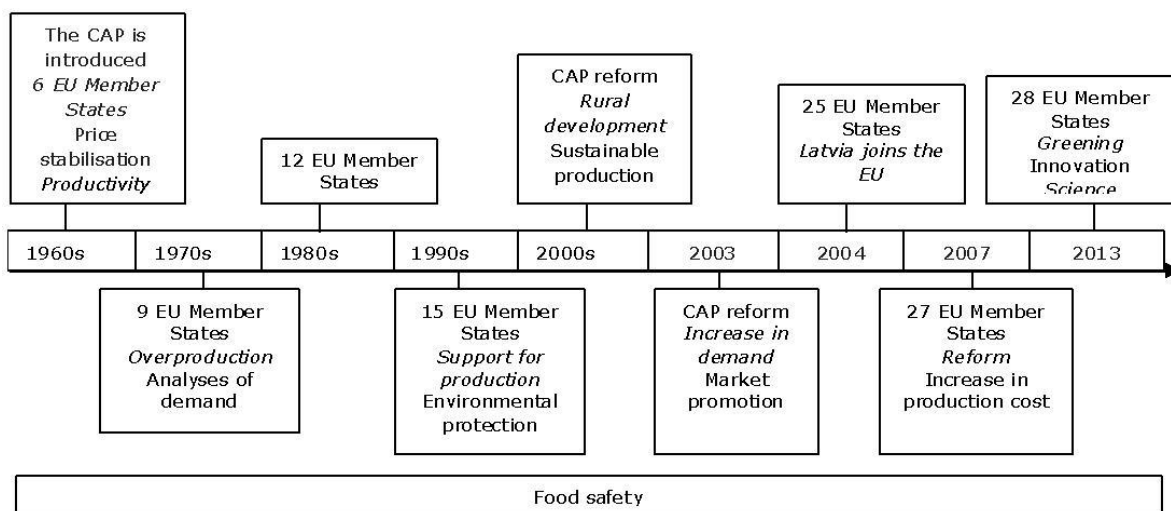
In 1957 in Rome, six European countries – Belgium, France, Germany, Italy, Luxembourg and the Netherlands – decided to establish a union of countries – the European Economic Community. According to Balaceanu C. (2013) in order to establish a common market, they were using various customs taxes, variable taxes, subventions for production and market intervening methods, so that they could protect their markets from “the negative effects of importations” and sustain the prices of their farmers.

After establishing the union of countries, common policies had to be made as well. Undergone changes, a few of the common policies are still functioning. One of them is the CAP, which has been in force since 1962. Initially, the CAP was mainly used for price support, while today the CAP is a complex system for price support, import tariffs, export subsidies, quotas and reserves and direct payments (Oxford Economic Forecasting, 2005). During the course of time, this policy has changed and undergone many reforms to adjust to the changes in climatic conditions, markets and other processes in the world, which affected agricultural production and consumer purchasing power.

Initially, the CAP had to ensure stable prices on agricultural products, increases in the output of food and availability of food. The output of agricultural products increased, and problems with surpluses of food emerged in the 1970s. Changes were made to adjust production to market needs. A substantial CAP reform was implemented in the beginning of the 1990s when the CAP was oriented towards support for production, reducing assistance for price stabilisation. The next considerable changes or reforms in the CAP took place in the 2000s, when according to Lucian P. (2014) the reform policy was reorganized into two complementary pillars, funded through entirely different funds. Thus, the rural development policy becomes separate and specific, rather than common. Within the new system of pillars, the CAP does not focus only on support for agricultural production; it retains the existing market and direct support system (Pillar 1) complemented with a rural development system (Pillar 2) whose purpose is to ensure long-term investment in rural development through other support instruments that do not directly focus on production (European Commission, s.a.). In 2003, the reform’s purpose was to motivate farmers to produce products based on market demand, reducing direct support for production, yet, retaining compensations if market prices were volatile in export markets. Stricter standards on environmental protection, animal welfare and food quality were set for farmers. The goal of these standards was to foster organic farming. Lucian P. (2014) indicates that the purpose of reform since 2013 is to bring new several new challenges: maintaining competitiveness of European agriculture within global markets and the promotion of organic farming and creating new jobs (Figure 1).

Making policies is affected by the large number of the Member States, the strong positions of the old Member States and the inability/reluctance of young entrepreneurs to engage in

agriculture in order to provide a similar standard of living for their families as in cities. In the result, to ensure prices on agricultural products are adequate to consumers' purchasing power, it is required to contribute to science and innovation in agriculture, use new technologies and regulate agricultural activity through reducing food waste (Milestones of the CAP, 2013).



Source: authors' construction based on Milestones of the CAP, 2013

Figure 1. **Historical development of the Common Agricultural Policy in the period 1960-2013**

With the accession of every new Member State to the EU, the CAP and other policies become more complicated. The EU Member States feature diverse climatic and geographic conditions; accordingly, support payments under Pillar 1 and rural policies under each Member State's Rural Development Plan (Programme) are different. The CAP is no longer the same, only similar, across all the Member States. However, the CAP's historical principles concerning food quality and providing people with food are still effective.

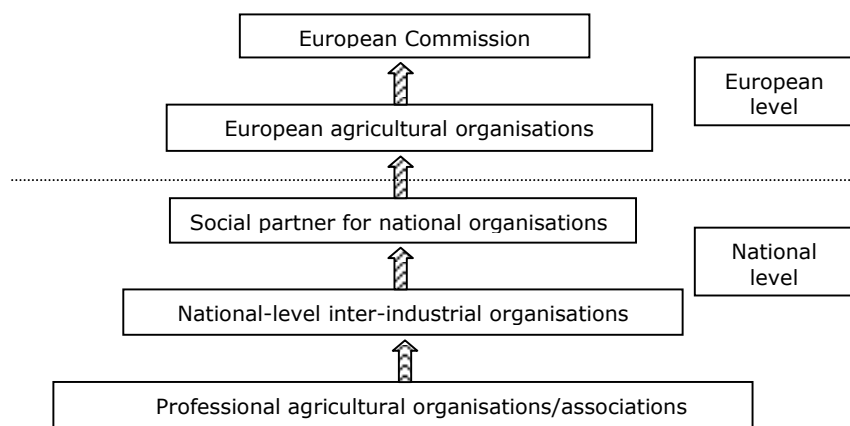
In the authors' opinion, educated individuals are the most necessary resource for rural areas and agricultural production. Problems with the rapid migration of people to cities emerged in the world already in the 1950s. Cities grow faster than rural areas develop, and rural territories close to large cities are especially endangered, as they decline at the expense of the expansion of urban territories. In this context, Keller W.J. (2000) stresses that the key factor of urbanisation is the low standard of living in rural areas and the limited availability of services; individuals prefer territories with developed infrastructures, public safety, communal, medical and education services available etc. Even though in the 1970-80s agricultural professionals understood that urbanisation had increased too fast and it was necessary to stimulate the return of people to rural areas, in the authors' opinion, until today nothing had changed regarding reducing migration. The year 2014 was declared the International Year of Family Farming; during this year, various activities aimed at popularising agriculture and educating the population about the role of agriculture in food security and the need for a new generation working innovatively and efficiently in rural areas were carried out.

Rivza B. with co-authors (2013) highlights that a great example of economic growth and use of the EU funds is Ireland in which, after signing the union's agreement in 1992, the priorities of the state were defined: education, idea sharing, training, youth issues, health care, culture and human rights.

The part of society that represents farmers has to actively engage in shaping agricultural policies. Pertev R. (1994) reveals that if there is one principal lesson farmers can draw from history, it is the following: that, when farmers are not strong, many sections and sectors of the society are ready not only to tell the farmers what they should do but even worse, to speak on their behalf. He also points out that in the world, there are millions of farmers. To engage in any sensible dialogue with the rest of society, farmers need their representative organizations, the farmers' organizations, structured from grassroots to the international level, as their legitimate voice.

The leading agricultural nongovernmental organisations in the European Union

Historically, the public has made its contribution to shaping any government policy through NGOs. An analysis of industries shows that the greatest number of NGOs is reported in advocating the interests of farmers and environmentalists. Sources of information define these agricultural organisations as farmer organisations and nongovernmental farmer organisations. In agriculture, NGOs are classified into various levels, and their cooperation with the EC is important at the EU level (Figure 2).



Source: authors' construction

Figure 2. **Desired hierarchy of farmer organisations in the EU**

The smallest organisations are farmer associations or professional organisations that contribute to the professional growth of a particular industry. The next level is national-level inter-industrial organisations (horizontal organisations) whose members are farmer associations and individuals. At national level, the key organisation is the social partner for national institutions; its activity is regulated by a law and the heads of inter-industrial organisations participate in making its decisions on rural development. This social partner is responsible for information exchange with the national government and European-level farmer organisations, the EC and other institutions. Given the specifics of agriculture, the models of farmer organisations are similar across the Member States.

The key European-level farmer organisation in communication with the EC – the agricultural policy maker – is the Committee of Professional Agricultural Organisations and Agricultural Cooperatives (COPA-COGECA). When establishing the European Community in 1957, the Treaty of Rome envisaged that the formation and further development of the CAP would take place in close cooperation with farmers, and in 1958 farmers were invited to participate in the Stresa Conference as observers. Stresa is a city in Italy where many historic meetings on designing or approving policies have taken place. The farmers were convinced they had to participate in shaping the policy, and the Committee of Professional Agricultural Organisations (COPA) was founded on 6 March 1958; the General Confederation of Agricultural Cooperatives (COGECA) was established a year later. However, the unification of both organisations took place in 1962 (COPA History, s.a.). Initially, COPA included 13 member organisations from the then six Member States. Its membership rose, as new countries joined the EU, and in 2015 COPA was represented by 60 agricultural NGOs from the EU Member States and 36 partner organisations from such European countries as Island, Norway and Switzerland. COPA has 50 various working groups – horizontal and those on crops and livestock – for tackling agricultural problems. In decision-making and in everyday work, COPA and COGECA closely cooperate, while in cooperation with agricultural organisations they used to work individually, based on the specifics of problems tackled. However, COGECA represents 38 agricultural nongovernmental cooperative organisations from the EU Member States (COGECA History, s.a.). Farmers from each EU Member State are represented in COPA-COGECA, including those engaged in forestry and fisheries.

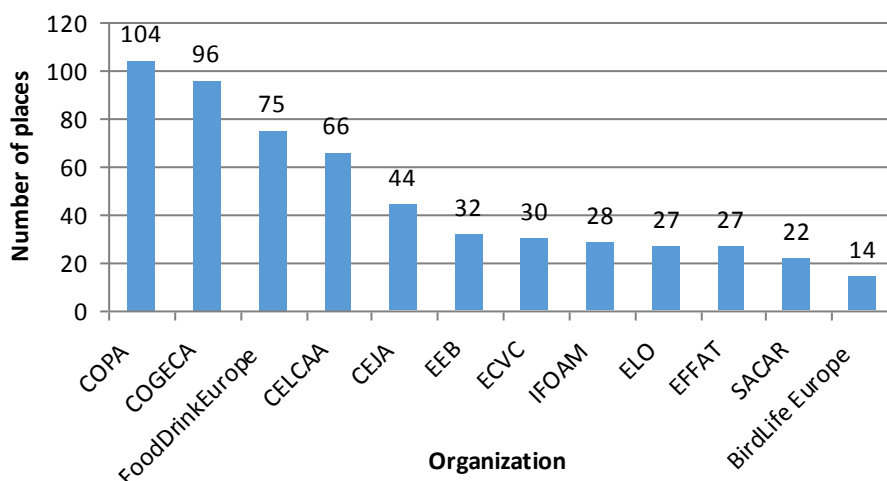
The organisations having the right to participate in the EC civil dialogue groups (CDG) may be regarded as the most important advocates of interests of agricultural NGOs. An organisation's influence in any particular CDG is determined by how many participants from the organisation are allowed by the EC to participate. In the EC civil dialogue groups, COPA-COGECA has the largest number of representatives, including farmers of the Member States and employees of the Secretariat. Before changes in the EC CDGs were adopted in July 2014, any representative of each Member State had a possibility to participate in person; yet, due to spending cuts, the number of representatives in the civil dialogue groups was reduced and, as a result, the civil dialogue groups were attended by the representatives of those Member States whose agricultural problems were the most essential in their country. Expenses on trips to meetings of these CDGs were covered by the EC, and a significant amount of funding was saved by reducing the number of participants.

The decisions made by the EC affect a broad spectrum of the public; accordingly, environmental and food producer organisations are also invited to the civil dialogue groups. After a unification of the civil dialogue groups, thirteen ones have remained, and the authors will examine those organisations that have places for representatives in all the civil dialogue groups; the organisations with a few places for their experts have specialised in a certain agricultural sector and attend only one or two civil dialogue groups.

The total number of places for experts in the EC CDGs is equal to 773 but Figure 3 shows only 12 largest organisations that occupy only 565 places or 73% of their total number, although, there are 68 organisations having the right to participate in the civil dialogue groups, which, of course, confirm the decisive role of the largest organisations in making political decisions (Civil Dialogue Groups, s.a.).

The organisations may be classified into four categories:

- nongovernmental farmer organisations:
 - COPA – the Committee of Professional Agricultural Organisations;
 - COGECA – the General Confederation of Agricultural Cooperatives;
 - CEJA – the European Council of Young Farmers;
 - ECVC – the European Coordination Via Campesinal;
 - ELO – the European Landowners’ Organisation;
 - IFOAM – the International Federation of Organic Agriculture Movements.
- organisations of environmentalists:
 - BirdLife Europe;
 - EEB – the European Environmental Bureau.
- organisations of food marketers and producers:
 - CELCAA – the European Liaison Committee for Agricultural and Agri-Food Trade;
 - SACAR – the Joint Secretariat of Agricultural Trade Associations;
 - Food Drinks Europe.
- organisations for employment and social issues – EFFAT – the European Federation of Food, Agriculture and Tourism Trade Unions.



Source: authors’ construction based on Civil Dialogue Groups, s.a.

Figure 3. Number of places for the experts of the largest EU farmer organisations in the EC CDGs from July 2014

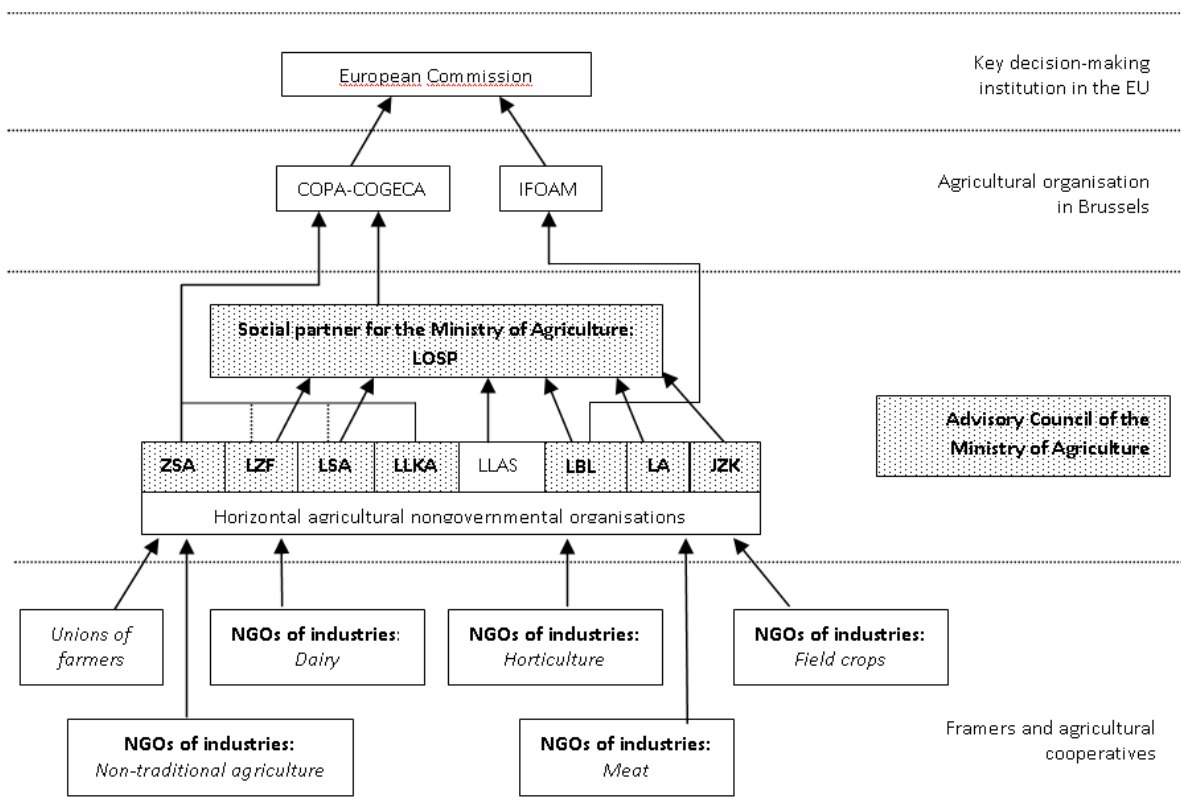
The largest number of places, 329, belongs to farmer organisations, and food seller and producer organisations have 163 places. The third group is environmental organisations with 46 places, which, perhaps, is not many, given the number of large farmer organisations; yet, the opinions of these organisations have the decisive role, as the CAP objectives involve

environmental protection. The environmental organisations actively struggle for environmentally-friendly management practices, demanding to ban many chemicals used in conventional farming. EFFAT, however, has 27 places, and this organisation advocates employee safety at workplace and fair international employment (Civil Dialogue Groups, s.a.).

Nongovernmental farmer organisations in Latvia

Just like in the other EU Member States, in Latvia farmers have to defend their interests in order that no restrictive and unfavourable conditions are adopted by the EC. Cooperation between farmers and legislative institutions has to take place through agricultural NGOs.

In Latvia, the smallest agricultural NGOs are producer associations or professional organisations that may be classified by the kind of products they produce, such as meat, milk, vegetables etc. (Figure 4). However, the horizontal level organisations unite small organisations and provide support for cooperation with the Ministry of Agriculture (MoA) and European-level farmer organisations. The producer associations or professional organisations play a significant role in shaping agricultural policies, providing information and statistical data to the MoA on the real situation in agriculture. In terms of influence on decision-making and cooperation with the MoA, the horizontal level organisations are the most influential. The agricultural NGOs are partially funded from the national government's budget in order that they regularly provide reports to the MoA regarding the situation in Latvia's rural areas. Those agricultural NGOs that participate in the Advisory Council of the MoA are also funded from the national government's budget; they are: the Farmers Parliament (ZSA), the Latvian Farmers Federation (LZF), the Latvian Agricultural Cooperatives Association (LLKA), the Latvian Agricultural Organisation Cooperation Council (LOSP), the Latvian Young Farmers Club (JZK), the Farmers Association (LA) and the Latvian Organic Farmers Association (LBLA) (Regulations regarding National..., 2013).



Source: authors' construction

Figure 4. **Hierarchy of farmer organisations in Latvia in 2014**

After joining the EU, Latvia has to coordinate any amendments in its legislation with the European Commission. A position on agriculture is shaped from two sides, the first one is the MoA and the second one is agricultural NGOs. The MoA as a government institution immediately defends its position at the European Commission, whereas agricultural NGOs have no such an opportunity; thus, they need to use some of the above-mentioned agricultural NGOs, recognised by the EC, in Brussels. Latvia's agricultural NGOs defend their interest through COPA-COGECA. There are some agricultural NGOs in Latvia, such as LBLA and the Forest Owners Association that believe COPA-COGECA is too weak to defend their interests and, hence, use other agricultural organisations in Brussels, such as IFOAM (International Foundation for Organic Agriculture) and CEPF (European forest owners organization). It is understandable that COPA-COGECA cannot equally defend all agricultural sectors just as specialised producer organisations do it. According to LBLA and the Forest Owners Association, COPA-COGECA mainly focuses on large agricultural industries and fields such as grain, oil crops, meat livestock, dairy, rural development, the CAP, international trade etc.

LZF is the only NGO from Latvia that has joined some European-level organisation focusing on employment and social issues. This organisation is the Employers' Group of Professional Agricultural Organisations (GEOPA-COPA). GEOPA-COPA actively cooperates with EFFAT, and this cooperation gives an opportunity for GEOPA-COPA members to participate in the EC civil dialogue groups. In recent years, there have been discussions on potential gains if both organisations unite, as presently meetings of their members are jointly held and their decisions are made jointly.

The experience of Latvia's farmers and their NGOs in being members of European-level organisations is still small compared with the NGOs of the EU Member States that have functioned since the foundation of COPA-COGECA. Latvia's farmer organisations joined COPA-COGECA in 2006. Initially, a lot of efforts were made to introduce and explain why such a small country should be taken into consideration. Latvia's farmers gained the greatest recognition in 2011 when intensive work started on equal direct payments. It became clear very soon that in order to attract attention, the farmer organisations of the Baltic States and Finland had to act together, thus, stressing problems of a considerably larger region, which increased the probability to achieve the necessary outcome. In 2015, Latvia's recognition increased, and its NGO representatives held three important positions in the organisations (head of the COPA-COGECA Working Group for Rural Development, a member of the COPA Executive Board and head of the EC CDG for Direct Payments and Greening). As the presiding Member State of the Council of the European Union in the first half of 2015, Latvia has opportunities to positively prove itself and to stress essential agricultural and rural development problems in order that the EC solves them as soon as possible.

Conclusions and recommendations

1. Since the origin of the CAP, many changes have taken place adapting to the production and market conditions, while the largest reforms were implemented in the year 2000, introducing a two pillar support system; the purpose of Pillar 2 is to ensure sustainable and targeted economic, social and cultural development in rural areas.
2. The key European-level farming organisation for cooperation with the European Commission is COPA-COGECA, which represents farmers from all the EU Member States.
3. One agricultural nongovernmental organisation, which is the social partner for national institutions, is needed, whereas in Latvia this function is performed both by NGOs and LOSP.
4. Latvia's agricultural NGOs actively participate in European-level farming organisations; it is confirmed by some leading job positions in the COPA-COGECA Working Group for Rural Development, in the COPA Executive Board and in the EC CDG for Direct Payments and Greening.
5. The NGOs and educational institutions have to continue perfecting cooperation in order to engage youths in agriculture and in making agricultural policies both at the national and European levels.

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