



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search  
<http://ageconsearch.umn.edu>  
[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Acta oeconomica et informatica 1  
Nitra, Slovaca Universitas Agriculturae Nitriae, 2000, s. 20–24

## EUROPEAN UNION - CENTRAL EUROPE: AGRICULTURAL AND FOOD INTEGRATION

### EURÓPSKA ÚNIA – STREDNÁ EURÓPA: INTEGRÁCIA V OBLASTI POĽNOHOSPODÁRSTVA A POTRAVINÁRSTVA

Štefan BOJNEC<sup>1</sup>

Katholieke Universiteit Leuven and University of Ljubljana

The paper places the evolution of the Common Agricultural Policy (CAP) of the European Union (EU) in the context of relations of the EU with Central European countries (CECs), identifying possible approaches to the accession of food and agricultural commodities to the CAP. The size of economies, the level of economic development and costs of accession are the main determinants, which will likely cause the agricultural policy adjustment and integration of CECs into the CAP. Political, internal (e.g. budgetary expenditures) and external factors (e.g. the General Agreement on Tariffs and Trade/GATT multilateral rules) may likely be important as well, suggesting that a convergence of agriculture on both sides and a more global approach in an enlarged EU will likely occur.

Key words: integration, agriculture, European Union, Central Europe

JEL: F02, F14.

#### Introduction

During the 1990s an important policy discussion and political debate has developed concerning the integration of Central European Countries (CECs) into the Common Agricultural Policy (CAP) of the European Union (EU) and how this will relate to the prospects of the CAP after the MacSharry reform (e.g. Bojnec, 1996). The integration of CECs into the CAP of the EU has been considered among the biggest challenges and most controversial economic and political issues facing Europe and the EU (EU-Commission, 1995b; 1997).

The objective of this paper is to present the major issues in the evolution of the CAP in the EU, including recent developments, and agricultural policies in CECs. The paper raises questions on the prospects and implications of a further enlargement of the EU for the CAP.

The paper is organised as follows. In the next section, the history of the CAP and its evolution during the process of West European integration are presented. In the second part, EU relations with CECs are described. Particular attention is paid to the EU-CEC Association Agreements and the new EU accession criteria. In the third part, the economic factors (e.g. size of economies, level of economic development and costs of accession) are analysed with possible implications, which may likely occur during the adjustment process between the EU and

CECs. In the fourth part, the discussion related to the CAP reform and the Agenda 2000 are presented. Finally in the fifth part, main conclusions are given.

#### 1 THE HISTORY OF THE CAP

The CAP has had a primary role in the process of post-World War II West European integration, although conflicting interests have always compromised it. The initial CAP-6 was established by the six original member states (i.e. Belgium, France, Federal Republic of Germany, Italy, Luxembourg and the Netherlands) of the European Economic Community (EC) in 1958<sup>2</sup>. The CAP was based on three principles (e.g. Tracy, 1994b)<sup>3</sup>: unity of the market for agricultural and food products and common market organisations including a common basic price policy, Community preference for its own agricultural and food production supported with storage mechanisms and border protection against third countries, and financial solidarity by which expenditures on the CAP were covered by the Community budget<sup>4</sup>.

The CAP-6 implemented a price support policy with internal prices above world market levels. Major support mechanisms in the form of common market organisations have been developed for different products. Cereals were the key commodities. The regimes set target prices by determining minimum import or threshold prices, variable import levies and export refunds, and adopting an intervention and storage mechanism. Besides the common market organisations, the CAP-6 adopted a common structural policy in 1971. It also introduced "monetary compensatory amounts".

<sup>1</sup> Dr. Štefan Bojnec is Senior Research Associate at the Policy Research Group at the K.U. Leuven, Belgium, Assistant Professor at the University of Ljubljana and Director of an Independent Research Institute in Ljubljana, Slovenia. He gratefully acknowledges financial support from the ACE Programme of the Commission of the European Communities (contract number: P97-8640-F) and from K.U. Leuven. A previous version of this paper was presented in Alnarp, Sweden, and in Sacramento, California, U.S.A.

<sup>2</sup> In this article we will refer to the organisation as the European Community (EC) up to the end of 1994 and as the European Union (EU) from 1 January 1994 onwards.

<sup>3</sup> The CAP was established in accordance with the provisions of the Treaty of Rome of 1957; article 39 on the common agricultural policy, article 440 on common market organisations for the major commodities, and article 43 on the procedure for establishing the CAP.

<sup>4</sup> Financial solidarity itself may create a certain problem, when expenditures from the common budget are not spent efficiently.

Possible CAP reform featuring much greater attention to direct payments than to price support mechanisms was debated before the CAP-9 enlargement (the addition of the the United Kingdom/UK, Ireland and Denmark). However, this EC enlargement did not substantially affect the price support mechanism. The accession of Greece in 1981, and of Spain and Portugal in 1986 gradually strengthened the "two-price" CAP mechanism and much more attention was given to the market organisation for Mediterranean products and structural funds in favour of less-developed Member States (Tracy, 1994b).

The initial CAP reform with the introduction of delivery quotas on sugar and milk in 1984 and the adoption of "stabilisers" for some commodities in 1988, were implemented to reduce the surplus of these products. However, the quota system has required a huge administration for implementation.

The MacSharry reform of 1992 (e.g. Swinbank, 1993) involved some additional modifications of the CAP price support mechanism (e.g. compensation payments according to set-aside for cereals and oilseeds and premium payments for extensive beef and sheep production) with internal prices closer to world market price levels<sup>5</sup>. The role of the EU export refunds and the EU import licensing system (including preferential import quotas) is expected to decrease. However, the CAP-1992 reform did not reduce EU budgetary expenditures, although they are now more transparent.

A specific situation existed for the former German Democratic Republic (GDR) and its reunification into Germany and the incorporation into the CAP in 1991. In 1995 the EU was expanded to encompass three European Free Trade Agreement (EFTA) member countries (Austria, Finland and Sweden). Like the former GDR, those countries were immediately integrated into the CAP, all border measures have been abolished and price policies have been adjusted to the CAP levels.

In the second half of the 1990s, a discussion began about the future of the CAP. This discussion continues and is largely driven by internal budgetary pressures, eastward EU enlargement, and the new round of the World Trade Organisation (WTO) negotiations. The Agenda 2000 is a result of this discussion (Agra-Europe, 1999), which also received political verification at the Berlin Summit in March 1999.

## 2 EU RELATIONS WITH CECs

### 2.1 During the communist period

Former Yugoslavia was formed as a substantial bridge between the former clearing Council of Mutual Economic Assistance (CMEA) and the convertible EC and other Western markets during the iron curtain period in the 1970s and the 1980s. Former Yugoslavia was not a member of the CMEA but it had some barter/clearing agreements with the CMEA members and gained benefits from preferential trade access to the EC market during 1970-1990. In the 1970s, former Yugoslavia had similar benefits as Spain and Portugal. The first three-year nonpreferential trade agreement between the EC and former Yugoslavia was signed in 1970. The second five-year trade and co-operation agreement

was signed in 1973 and renewed in 1978. The third trade and co-operation agreement was signed in 1980; it remained operative until the break up of former Yugoslavia in 1991. This was a wider agreement on co-operation (i.e. trade, industrial, scientific, financial, social security, traffic and transport) with former Yugoslavia as a developing country having rights to the general scheme of preferences. The EC concessions for levy and customs reduction on former Yugoslavia's meat and livestock products, fruit, tobacco and wine were particularly important irrespective of the fact that the widening of the EC contributed to trade diversion and erosion of preference privileges in agricultural exports. Other CECs (e.g. Hungary and Poland) also had trade and economic co-operation agreements with the EC at the end of the 1980s (e.g. Tovas, 1991).

### 2.2 During the transition period

The transition from a centrally managed to a market economy started in all CECs at different times. In Poland and Hungary this process started during the 1980s. However, the most important factors for the new East-West European integration and the development of freer trade were the euphoric economic and political events in the CECs in 1989-1990, the collapse of the CMEA in mid-1991 and the CECs' transition to democracy, which was initiated in the 1990s. Agricultural package reforms in CECs started with agricultural price and trade liberalisation, reduction of subsidies, land reform and privatisation<sup>6</sup>.

#### 2.2.1 The interim agreements

The EU concluded Europe Agreements with several CECs granting wider use of trade concessions for market access, financial aid and technical assistance (e.g. Kramer, 1993, Tracy, 1994a, Smith, 1994). The Europe Agreements with the CEC-10 (Poland, the Czech Republic, Hungary, Slovakia, Romania, Bulgaria, Estonia, Latvia, Lithuania and Slovenia) granted preferential trade concessions on agricultural and food products. There are special mutual reciprocity tariff quotas for trade in wine (e.g. with Bulgaria, Romania, Hungary, Slovenia) and a mutual protection of wine trade names. However, the Association Agreements allow wider use of trade conditional and defence measures for market access as obstacles for freer trade (e.g. food safety rules and rules of origin for agricultural and food products).

The liberalisation of trade did not appear as a major shock to the EU's agricultural markets as the trade with CECs amounts to a very small proportion of the EU sectors (e.g. Rollo and Smith, 1993). In contrast, CECs became significant importers of EU food and agricultural products (e.g. Bojnec, 1996). A crucial trade feature of CECs is the similarity of their competitive structures as a result of the similarity of their economies. Problems arise with regard to competition, transition difficulties and different expectations.

CECs' story mostly concerned the EC/EU trade protectionist measures, which interfered with concessional access to the EU's agricultural markets. First, EC/EU trade protection of agricultural products was strict with quantitative barriers and imposed ad hoc

<sup>5</sup> Since December 1995 the reduction in rice prices is also included in set-aside obligations.

<sup>6</sup> For evolution of CEC agricultural policies, see Swinnen (1994, 1996); for patterns of agricultural protection see Bojnec and Swinnen (1997).

antidumping measures against cheaper CEC imports (e.g., meat, dairy, and soft fruit products) as a result of pressures from competing EU farmers lobbies. Secondly, CECs have in general become net agricultural and food importers from the EU. Export to the EU was difficult so EU food exports to CECs grew faster than CECs exports to the EU. Thirdly, the CECs started to demand further opening of trade, which resulted in the renegotiation of the Association Agreements beginning in 1995 in order to be consistent with the EU-15 enlargement and GATT Uruguay Round Agreements.

EU criticism concentrated on the bureaucratic problems in the implementation of reform packages in CECs (e.g. the case of land reform and the privatisation process). First, CECs have inherited numerous monopolies, as well as structural and market problems. At the beginning of transition, the image, quality and design of CECs products could hardly compete with the EU products. The obstacles for trade, besides quality, have been overvalued currencies and high interest rates established to manage inflation and the problem of internal price distortions due to subsidised inputs. Secondly, the EU supports technical assistance programmes and projects and assists in the development of the economic infrastructure and market institutions to boost economic transition. The CECs should develop production with a comparative advantage for the long run by abolishing bottlenecks (e.g. by means of EU technical assistance in developing knowledge and the experience for a market economy). Thirdly, internal problems in the EU of economic recession and restructuring of "sensitive" sectors also have an impact on the integration of CECs. For some EU members, exports to CECs are not very important and they expect to lose on competitive markets. So for them, eastward enlargement of the EU would mean a partial loss of the EU markets, erosion in the subsidies within the CAP and in the EU structural funds (Messerlin, 1993). This may create different interests between present EU members.

However, the initial expectations in CECs toward fast integration into the EU were mostly based on the expected benefits from EU membership, which may create additional problems within the EU. It is more likely that some CECs will join the EU on a much more individual basis, preference being given to CECs that will agree to a less costly integration.

### 2.2.2 New EU membership criteria

With its Copenhagen declaration in June 1993, the EC has invited CECs to apply for EC/EU membership under certain political and economic conditions. These conditions include the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, existence of a functioning market economy, and capacity to cope with competitive pressure and market forces within the EU. CECs have done so; Hungary on 1 April 1994, Poland on 8 April 1994, Romania on 22 June 1995, Slovakia on 27 June 1995, Latvia on

13 October 1995, Estonia on 28 November 1995, Lithuania on 11 December 1995, Bulgaria on 16 December 1995, the Czech Republic on 23 January 1995, and Slovenia on 10 June 1997<sup>7</sup>. In 1997, CEC-5 (Estonia, the Czech Republic, Hungary, Poland and Slovenia) were selected by the EU Commission and approved by the European Council to begin negotiations for EU membership. However, the EU Commission continues also talk with five other associated countries and with some other CECs (e.g. Croatia, FYR of Macedonia, and Albania).

The adjustment process to the EU enlargement depends on both the CEC and EU sides<sup>8</sup>; they should both prepare themselves for common political, economic and monetary policy. The CECs will gradually be involved in the EU internal market in order to reach a higher level of economic development and political democratisation and to meet the EU accession criteria. The CECs should develop a competitive market economy and generally make progress in their comparative advantages in exports and thus be ready to fulfil their commitments for full membership in the EU market (e.g. Nugent, 1992).

### 3 SIZE OF ECONOMIES, LEVEL OF ECONOMIC DEVELOPMENT, AND COSTS OF ACCESSION

The CECs differ in natural agricultural potential, in size and in level of economic development. They had different social and political histories even during the communist period. More specifically, two significant features are important in the trade between the EU and CECs: First, the market size of CEC economies, in terms of total gross domestic product (GDP), is small. The total GDP of CEC economies with a low GDP per capita relative to the EU is significant (e.g. Baldwin, 1994) forming an important obstacle for the trade creation effects and for more efficient use of resources. Second, the total CECs trade turnover is small and CECs are still not crucial trading partners for the EU (see Messerlin, 1993 and Table 1).

The break up of the former CMEA trade flows and payment mechanisms had an initial negative impact on CEC economies as well (e.g. Smith, 1994). Trade restrictions among the former CMEA were introduced as the problem of insolvency increased and trade breakdowns were significant. However, the trade between CECs to boost scale economies and productivity gains should be of greater importance. In this direction, the Central European Free Trade Agreement (CEFTA) among the four Visegrad countries (Hungary, Poland, the Czech and Slovak Republics) was signed and became operative on 1 March 1993. In 1996 Slovenia became a CEFTA member, while in 1997 Romania, and in 1999 Bulgaria.

The level of agricultural support between the EU and CECs differs substantially by commodity (e.g. Bojnc and Swinnen, 1997; OECD, 1997). These differences may cause integration problems for CECs in which some sectors are important due to price and production increases (e.g. Tangermann and Josling,

<sup>7</sup> There are also formal applications for EU membership from Turkey (12 April 1987), Cyprus (4 July 1990), Malta (16 July 1990), while Norway in 1994 decided to join the European Economic Area (EEA), but not the CAP and the EU. However, the EEA did not cover agriculture. Like the Czech Republic, Estonia, Hungary, Poland, and Slovenia, Cyprus began a negotiation for EU membership.

<sup>8</sup> For the individual CECs it is important to gain benefits through preferential trading agreements, technical assistance, and assistance for restructuring of certain sectors in the first phase and later to become a full EU member.

Table 1 Main social, economic and agricultural indicators for CEC-10 in comparison with EU-15

	Population (million) 1993	Territory (million ha) 1993	Agricultural area (million ha) 1993	Share of Agricultural area (%) 1993	GDP (billion ECU) 1993	GDPper capita (in ECU) 1993	Agriculture in GDP (%) 1996	Agriculture in employment (%) 1996	Share of household income spent on food, (%)1996
EU-15	369.7	323.4	138.1	43	5,905.1	15,972	2.5*	5.7*	22.0*
Total CEC-10	105.5	107.7	60.6	56	188.3	1,786	7.8*	26.7*	-
Baltic Countries	7.9	17.5	7.4	43	6.0	757	-	-	-
- Estonia	1.6	4.5	1.4	31	1.5	938	5.2	8.1	33.0
- Latvia	2.6	6.5	2.5	39	2.2	850	7.6	17.8	41.6
- Lithuania	3.8	6.5	3.5	54	2.3	627	11.8	22.5	57.3
CEFTA-5	66.4	55.4	32.3	58	151.1	2,277	5.0*	22.1*	-
- Czech Republic	10.3	7.9	4.3	54	26.7	2,586	3.0	4.3	31.5
- Slovak Republic	5.3	4.9	2.4	49	8.7	1,643	4.7	9.0	38.0
- Hungary	10.3	9.3	6.1	66	32.5	3,150	6.4	7.9	22.3
- Poland	38.5	31.3	18.6	59	73.4	1,907	6.0	25.7	33.0
- Slovenia	1.9	2.0	0.9	43	9.8	5,018	3.9	5.8	25.2
Bulgaria	8.5	11.1	6.2	55	9.4	1,110	11.1	24.2	39.0
Romania	22.7	23.8	14.7	62	21.8	961	18.7	37.3	60.0

\* 1993 data.

Sources: EU-Commission (1995a) and OECD (1997).

Tabuľka 1 Hlavné sociálne, ekonomické a poľnohospodárske ukazovatele pre CEC-10 v porovnaní s EÚ-15

1994). However, an increase of agricultural prices in some CECs will not automatically increase food prices. It is likely that under competition from EU members, CEC food prices after accession will remain unchanged because of high inefficiency in domestic food processing and marketing.

It is not surprising that the estimated costs of CEC integration with the EU vary substantially between various studies (e.g. Baldwin, 1994). It is interesting that the estimated costs of agricultural accession were decreasing during the time of studies. The costs to the EU agricultural budget for accession of the Visegrad countries in the year 2000 differ substantially due to different assumptions<sup>9</sup>. Anderson and Tyers (1993) estimate the costs of accession at 37.6 billion ECU, Tangermann and Josling (1994) at 13.3 billion ECU, while Berkum and Terluin (1995) at 7.6 billion ECU. Also, the costs of accession are sensitive to assumptions regarding the exchange rate development in CECs, which is more likely to reduce the costs of accession (Bojniec, Münch and Swinnen, 1997).

The agricultural sector is important for integration, but general economic conditions such as the level of economic development is becoming much more crucial. The economic costs of integration and redistribution of welfare will have less effect on the integration of small and more developed CECs, while in many other cases political interests may not likely prevail over the economic concerns.

#### 4 AGENDA 2000 AND THE CAP IN FUTURE

The four semi-official studies (e.g. Buckwell et al., 1994; Mahé et al., 1994; Tangermann and Josling, 1994; Tarditi et al., 1994)

started with a deeper discussion of the possible convergence of EU and CEC agricultural policies. The EU Commission proposed three possible scenarios for the CAP in future: status quo, radical reform, and development of the 1992 approach (1995b). The continuation of 1992 CAP reform means partial reforms of common market organisations for certain trade-distorted commodities (e.g. cereals). Also, the EU-Commission (1995b) argued that radical reform might imply "a number of social and environmental risks" with disruptive damage. The continuation of the 1992 CAP reform received its legitimacy in the Agenda 2000, which proposes a gradual reform of only certain sectors and postpones reforms in other sectors (such as sugar, beef and veal, and particularly the dairy sector) (Agra-Europe, 1999).

Greater specialisation based on international competitiveness and long run comparative advantages will likely occur due to external pressures (i.e. from export-oriented CECs, from developed overseas exporters, GATT commitments) and internal EU market imbalances and pressures (i.e. taxpayers and countries competitive in agriculture). Pressures on both the EU and CECs are expected from the new round of 1999 WTO talks that are likely to bring more open agricultural and food policies. Further development of the 1992 approach, "deepening it where necessary and extending it to other sectors" (EU-Commission, 1995b), and postponement of reforms for more internally sensitive sectors (such as dairy) seem to be more likely than other approaches. However, there is not a clear balance between "a reduced reliance on price support" and compensatory payments "to compensate farmers for significant price support cuts" and thus "link environmental and social considerations to the direct income

<sup>9</sup> Differing assumptions include differences in price levels between the EU and CECs; static or dynamic methodological approaches; development of production, consumption and export on price policy shaping, and on the number of products included in the analysis.

payments" for multifunctional role of agriculture in rural areas. Such a policy may likely be in conflict with budgetary constraints. It is likely that certain CAP reforms may occur for crucial distorted prices to bring them closer to world market levels, but the price cuts may not be fully compensated due to domestic taxpayer interests and external pressures (e.g. possible CAP enlargement toward the East, GATT commitments)<sup>10</sup>.

### Conclusion

The aim in agricultural policy adjustment between the EU and CECs is a convergence of agriculture, while EU integration will likely depend on both economic costs of accession and political conditions. The former depends on the level of economic development in the acceding country, size of the acceding country and its level of agricultural prices. Much fewer EU budgetary problems will likely occur with the integration of small countries (e.g. Slovenia, Estonia). The changes in the CAP and structural funds within the EU may mean that future policies may be different from current ones. It is also likely that the creation effects followed by the CEC accession in the EU will bring additional competition on the expanded EU market, especially in case of an efficient restructuring of the CECs' food-processing sectors. Increased productivity with necessary structural changes may lead to increases in competitiveness. A more global approach in an enlarged EU will likely occur due to internal EU budgetary and competition problems and external pressures brought by WTO obligations when competition between regions will likely to occur in the near future.

### Súhrn

Prezentuje sa vývoj spoločnej poľnohospodárskej politiky Európskej únie (EU) v kontexte vzťahov EU s krajinami Strednej Európy, identifikujú možnosti začlenenia poľnohospodárskych a potravinárskych komodít do spoločnej poľnohospodárskej politiky. Ekonomický potenciál, úroveň hospodárskeho rozvoja a náklady na vstup sú hlavnými determinantmi, ktoré budú pravdepodobne ovplyvňovať adaptáciu poľnohospodárskej politiky a integráciu stredoeurópskych krajín do spoločnej poľnohospodárskej politiky. Dôležité budú pravdepodobne politické, vnútorné (napr. rozpočtové výdavky) a vonkajšie faktory (napr. všeobecná dohoda o tarifách a obchode/GATT multilaterálne predpisy), pričom je pravdepodobná konvergencia poľnohospodárstva na oboch stranách a globálnejší prístup v rozšírenej EU.

Kľúčové slová: integrácia, poľnohospodárstvo, Európska únia, Stredná Európa

### References

- Agra-Europe (1999) Monthly, Various Issues.  
 ANDERSON, K. – TYERS, R. 1993. Implications of EC expansion for European agricultural policies, trade and welfare. London : Centre for Economic Policy Research, 1993.  
 BALDWIN, R. E. 1994. Towards an integrated Europe. London : Centre for Economic Policy Research, 1994.

- BERKUM, S. Van – TERLUIJN, I. 1995. Accession of the four Visegrad Countries to the EU: Costs for the agricultural budget. Hague : Agricultural Economics Research Institute, 1995.  
 BOJNEC, Š. 1996. Integration of Central Europe in the Common Agricultural Policy of the European Union. In: The World Economy, vol. 19, 1996, no. 4, p. 447-463.  
 BOJNEC, Š. - SWINNEN, J.F.M. 1997. The pattern of agricultural price distortions in Central and Eastern Europe. In: Food Policy, vol. 22, 1997, no. 4, p. 289-306.  
 BOJNEC, Š. - MÜNCH, W. - SWINNEN, J.F.M. 1998. Exchange rates and the measurement of agricultural price distortions in the CEECs and of CEEC-EU accession costs. In: Brockmeier, M., Francois, J.F., Hertel, T.W., and Schmitz, M.P.: Economic transition and the greening of policies : Modeling new challenges for agriculture and agribusiness in Europe. Kiel : Wissenschaftsverlag Vauk, 1998, p. 285-304.  
 BUCKWELL, A. - HAYNES, J. – DAVIDOVA, S. – KWIECINSKI, A. 1994. Feasibility of an agricultural strategy to prepare the countries of Central and Eastern Europe for EU accession : Study prepared for DG-I of the EU Commission. Wye, 1994.  
 EU-Commission. 1995a. Agricultural situation and prospects in the Central and Eastern European countries : Summary Report. Brussels : Directorate General for Agriculture, 1995.  
 EU-Commission. 1995b. Study on alternative strategies for the development of relations in the field of agriculture between the EU and the associated countries with a view to future accession of these countries : Agricultural Strategy Paper : Communication by Mr Fischler in agreement with Mr van den Broek.  
 EU-Commission. 1997 : Agenda 2000, vol. 1,2. Brussels, 1997.  
 KRAMER, H. 1993. The European community's response to the 'New Eastern Europe'. In: Journal of Common Market Studies, vol. 31, 1993, no. 2, p. 213-244.  
 MAHÉ, L. – CORDIER, J. – GUYOMARD, H. – ROE, T. 1994. L'agriculture et l'élargissement de l'Union Européenne aux pays d'Europe Centrale et Orientale : Transition en vue de l'intégration ou intégration pour la transition? Study prepared for DG-I of the EU Commission. Rennes, 1994.  
 MESSERLIN, P. A. 1993. The EC and Central Europe : The missed rendez-vous of 1992? In: Economics of Transition, vol. 1, 1993, no. 1, p. 89-109.  
 NUGENT, N. 1992. The deepening and widening of the European Community : Recent evolution, Maastricht, and beyond. In: Journal of Common Market Studies, vol. 30, 1992, no. 3, p. 311-328.  
 OECD. 1997. Agricultural policies in transition economies : Monitoring and evaluation 1997. Paris : Organisation for Economic Co-operation and Development, 1997.  
 ROLO, J. - SMITH, A. 1993. EC trade with Eastern Europe. In: Economic Policy, vol. 16, 1993, no. 1, p. 140-181.  
 SMITH, A. 1994. International trade and payments in the former Soviet/CMEA area : Reorientation or reintegration? London : Royal Institute of International Affairs, 1994.  
 SWINBANK, A. 1993. European Agenda : CAP reform, 1992. In: Journal of Common Market Studies, vol. 31, 1993, no. 3, p. 359-372.  
 SWINNEN, J.F.M. 1994. Policy and institutional reform in Central European agriculture. Aldershot : Avebury, 1994.  
 SWINNEN, J.F.M. 1996. Endogenous price and trade policy developments in Central European agriculture. In: European Review of Agricultural Economics, vol. 23, 1996, no. 2, p. 133-160.  
 TANGERMANN, S. - JOSLING, T. E. 1994. Pre-accession agricultural policies for Central Europe and the European Union. Study prepared for DG-I of the EU Commission. Göttingen; Stanford, 1994.  
 TARDITI, S. - SENIOR-NELLO, S. – MARSH, J. 1994. Agricultural strategies for the enlargement of the European Union to Central and Eastern European countries. Report to DG-I of the EU Commission. Oxford, 1994.  
 TOVIAS, A. 1991. EC-Eastern Europe : A case study of Hungary. In: Journal of Common Market Studies, vol. 29, 1991, no. 3, p. 291-315.  
 TRACY, M. 1994a. East-West European agricultural trade : The impact of Association Agreements (La Hutte: APS).  
 TRACY, M. 1994b. The spirit of stress. In: European Review of Agricultural Economics, vol. 21, 1994, p. 357-374.

Contact address:

Štefan BOJNEC

Ul. Metoda Mikuža 12, 1113 Ljubljana, Slovenia, tel./fax: 00 386 61 348 622, e-mail: stefan.bojnec@siol.net

or

KU Leuven, PRG, de Croylaan 42, B-3001 Leuven, Belgium, fax: 0032 16 32 19 96, e-mail: stefan.bojnec@agr.kuleuven.ac.be.

<sup>10</sup> The GATT Uruguay Round Agreement with the EU tariffed and fixed import duties with non-member states with 6% yearly reduction, while export and internal subsidies should be reduced during the six years as well.