

Synthesis and assessment of the public debate on the reform of the CAP after 2013

Country experts' report:
Greece

Authors

George Vlahos
Stathis Klonaris

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Goethe-University
Prof. Dr. Rainer Klump
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&

Institute for Rural Development Studies (IfLS)
at the Johann Wolfgang Goethe-University Frankfurt/Main
Jörg Schramek (Managing Director)
Zeppelinallee 31
60325 Frankfurt a.M.

Tel. 069-775001, Fax. 069-777784

Website: www.ifls.de

Email: schramek@ifls.de

List of abbreviations

CAP = Common Agricultural Policy

CMO = Common Market Organisation

EEC = European Economic Community

ESU= European Size Unit

EU= European Union

GDP = Gross Domestic Product

GMO = Genetically Modified Organism

KKE = Communist Party of Greece

LFA = Less Favoured Area

LU = Livestock Unit

MEP= Member of the European Parliament

MRDF= Ministry for Rural Development and Food

MS = Member State

NGO= Non Governmental Organisation

OECD= Organisation of Economic Co-operation and Development

OPEKEPE = the Greek Payment Authority for both CAP Pillars

PASEGES =Panhellenic Confederation of Unions of Agricultural Co-operatives

PASOK = Panhellenic Socialist Movement, member of the Party of European Socialists

PENA= Panhellenic Union of **Young farmers**

RD = Rural Development

SFP = Single Farm Payment

SYRIZA = Coalition of Radical Left, member of the party of the European Left

1. Introduction	5
1.1. Methodological notes	5
1.2. Structure of the report	5
1.3. Contextual information for Greece	6
Table 1 Main land use categories in Greece.....	7
Table 4 Agricultural land use types as a % of the total (1990-2000).....	10
Table 5 Average farm size	10
Table 6 Evolution of irrigated land 1990-2000	11
Table 7 Average irrigated area 1990-2000	11
Table 8 Evolution of crop areas 2004-2008	12
Table 9 Evolution of irrigated crops 2004-2007	12
Table 10 Livestock farming 1990-2000	13
Table 11 Average herd size	13
2. The initial debate (From the ‘Health Check’ to November 2010)	15
2.1. Direct Payments	16
2.2. Rural Development (Pillar II)	18
2.3. Market Measures	19
3. The post November 2010 debate	20
3.1. Farmers’ organisations position	21
3.2. The standpoint of the Ministry of Rural Development and Food.	22
4. The actual debate (after the 12th of October 2011)	23
4.1. Presentation by the press and internet media	23
4.1.1. <i>Pre-presentation</i>	24
4.1.2. <i>Analytical presentation</i>	24
4.1.3. <i>Presentation by the generic/economic press and internet media</i>	27
4.2. Reaction of the Ministry for Rural Development and Food	28
4.3. Opinions expressed by the Agricultural co-operatives	30
4.4. Reactions of other agricultural interest groups	32
4.5. The views of political parties	33
4.5.1. <i>The view of PASOK, member of the Party of European Socialists</i>	33
4.5.2. <i>The view of Nea Dimokratia, member of the European Peoples’ Party</i>	34
4.5.3. <i>The view of the Communist Party of Greece (KKE)</i>	36
5. Concluding remarks.	40
5.1. Principles – Challenges - General issues	40
5.2. Rural Development measures	40
5.3. Specific issues of concern	41
5.3.1. <i>Demarcation of the regions</i>	41
5.3.2. <i>Definition of active farmer</i>	42
5.4. Greening the CAP	42
5.5. Similarities - discrepancies	43
6. References	44

1. Introduction

1.1. Methodological notes

The debate on the post 2013 CAP in Greece has been rather superseded by the far more pressing discussions on the critical financial situation of the country.

In the following report the views of the following has been included:

- the ministry of Rural Development and Food;
- some of the political parties;
- the Panhellenic Confederation of Unions of Agricultural Co-operatives (PASEGES);
- representatives of **young farmers'** associations;
- specialised press and internet sites and
- generic/economic press and internet sites.

As mentioned above, few discussions and even less public debate has been taken place in Greece due to the financial crisis. Academics participated in the internal debate of the Ministry of Rural Development and Food (See Ch. 1). Furthermore, the answer to our enquiries of certain professional organisations, as is the Geotechnical Chambers of Greece was that there is no comment whatsoever. Finally, environmental NGOs have responded only to the 2017-2013 Rural Development Programme documents. Since then there has been no involvement in the whole debate, although some of them participating in the monitoring committee of the 2007-2013 RDP.

A thorough desk research of documents, presentations and specialised press as well as browsing of internet sources was employed for the current study. The main themes and issues have been defined by the terms of reference

1.2. Structure of the report

In the rest of the introduction some contextual information for Greece is going to be presented.

The first part of the report is going to be dedicated to the initial deliberations, that is the discussions which took place in Greece before the Commission's communication in November 2010. It is focusing mainly on presenting the debate initiated around the various thoughts expressed by Commission officials as well as the various proposals made by NGOs, experts, research and policy analysis institutes, working groups etc.

The second part of the report is going to deal with the impact the Commissions' communication had on the debate. The reaction of Greek stakeholders towards the communication of November 2010, is going to be described.

In the third part an attempt is going to be made to grasp the debate started after the official launching of the proposals on October the 12th. The reactions to the announcement of the proposals are the initial ones, since the internal consultation process has not finished yet. However a lot of useful information can be drawn since the outline of the proposals was somewhat clearer after the Commissions budget proposals for the next programming period have been revealed on June 2011.

Finally, some concluding remarks are going to be attempted concerning the main issues raised by the terms of reference.

1.3. Contextual information for Greece

According to OECD criteria, 97.1% of the Greek territory is characterised as rural (73.9% as mainly rural and 23.2% as intermediary rural areas), where almost 65% of the population lives. The disparities between regions are quite pronounced, with only one region, that of Sterea Hellas, presenting a GDP per capita over the EU-25 average (105.3%) while 3 of the 12 regions (subtracting the Attica region, where the capital Athens is situated) were well below 60%.

The contribution to the Gross Value Added by the primary sector diminished from 9.9% in 1995 to 5.2% in 2005. Employment in agriculture has been reduced from 30.3 % of total employment in 1980 (before Greece's entrance in EEC, to

12.6%. Finally, this picture of contraction is completed with the reduction of farming income, as expressed by the Agricultural Income Indicator A of Eurostat¹. Compared to the year 2000 the reduction of agricultural income in 2006 was 14.6%, in 2007 it was 13%, 19.8% in 2008 and an impressive 22.5% during 2009 (Ministry of Rural Development and Food, 2010).

The total Utilised Agricultural Area was 3,819,201 Ha in 2009 (66% of which is in Less Favoured Areas). Furthermore data from Eurostat suggest that in 2007 around 860,000 farm holdings existed. The average farm size in 2007 was 4.7 ha but the average parcel size was 0.7 ha. In 2003, a significant part (37.5 %) of the holdings had an economic size of below 2 European Size Units while a classification of the Farm Accountancy Data Network, farms according to economic size (which include holdings of more than 2 ESUs) reveals a rather skewed distribution since around 60% were smaller than 8 ESUs and only 2.5-3% have been found over 40 ESUs (Data for 2007-2008)

It is also considered useful to give some information on prevailing land use patterns in the Greek territory.

A description of the situation based exclusively on latest available data (Table 1) could lead to erroneous conclusions. It could look like there has been a radical 'green' change in Greece, since forest areas seem to have expanded in 2000 to double their 1990 size, while urban uses look like having shrunk to less than half. Of course none of the two things happened. It is just that in the 1991 census, existing statistical information was used, while in the 2001 census, air and satellite images have been analysed and used. Hence, no comparison can be attempted using the official statistics.

Table 1 Main land use categories in Greece

	1990	2000
Total territory	13,195,740	13,198,220

¹ Indicator A of the income from agricultural activity corresponds to the deflated (real) net value added at factor cost of agriculture, per total annual work unit; the implicit price index of GDP is used as deflator. (http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Glossary:Indicator_A)

Area under cultivation and fallow land	29.89%	38.40%
Pastures	39.55%	10.95%
Forests	22.26%	43.92%
Area under water	2.27%	1.36%
Areas under urban uses	4.02%	1.75%
Other areas	2.01%	3.62%

Source: NSSG, 1995a and 2005a

Another, more appropriate data set could serve for comparison purposes, although it refers to land cover and not land use. It is based on a, not yet published, work (WWF- Greece, forthcoming) presented in Table 2)²

² The authors would like to thank WWF-Greece for the permission to use the data.

Table 2 Land cover types in Greece

Land cover type	1987	2007	Changes	Changes %
Conifer forest	912,298	831,344	-80,953	-8.90
Broadleaved woodland	1,310,579	1,266,817	-43,762	-3.34
Scrub	773,797	770,726	-3,071	-0.40
Brushwood	1,411,803	1,294,487	-117,316	-8.32
Pastures	3,230,183	2,831,097	-399,086	-12.36
Arable	4,958,063	5,546,200	+588,137	+11.86
Barren/artificial	391,378	424,962	+33,584	+8.58
Burned	6,196	28,772	+22,576	
Water	172,977	172,930	-47	
Forest (grouped)	2,222,876	2,098,161	-124,715	-5.61
Shrub land (grouped)	2,185,600	2,065,213	-120,386	-5.51

Source: WWF-Greece and Laboratory of Forest Management and Remote Sensing, of the School of Forestry and Natural Environment, Aristotelian University of Thessaloniki (forthcoming)

Going into more detail as far as the agro-ecosystems are concerned one can see that during the 1990s permanent crops have expanded, except vines that faced a serious contraction, while farms with annual crops have been significantly reduced (following the general pattern) while the area covered with annual crops has not decreased proportionally (Tables 3 and 4). The main result of these changes was an increase of the average farm size except in the case of the permanent crops, including vines (Table5).

Table 3 Agricultural land use evolution (1990-2000)

		1990	2000	1990-2000
		(ha)	(ha)	
Annual crops	Farms	495,864	405,034	-18%
	Area	1,903,734	1,871,607	-2%
Permanent crops	Farms	535,405	564,882	+6%
	Area	864,493	903,085	+4%
Vines	Farms	200,760	171,271	-15%
	Area	117,243	97,571	-17%
Set aside/ gardens/ other	Farms	311,305	353,246	+13%
	Area	465,936	710,922	+53%
Total arable land	Farms	861,623	817,059	-5%
	Cultivated land	3,351,407	3,583,185	+7%

Source: NSSG, 1995b and 2005b

Table 4 Agricultural land use types as a % of the total (1990-2000)

	1990	2000
Annual crops	57%	52%
Permanent crops	26%	25%
Vines	3%	3%
Set aside/ gardens/ other	14%	20%
	100%	100%

Source: NSSG, 1995b and 2005b

Table 5 Average farm size

	1990	2000	1990-2000
	(Ha)	(ha)	
Overall	3.89	4.39	+13%
Annual	3.84	4.62	+20%
Permanent	1.61	1.60	-1%
Vines	0.58	0.57	-2%
Set aside/ gardens/ other	1.50	2.01	+34%

Source: NSSG, 1995b and 2005b

During the same decade one could see that although the number of farms that irrigated a part or all their land, was decreased, the area irrigated was increased (Table 6). Moreover, farmers actually exploited further the irrigation potential

available (Table7). Irrigated area in Greece has been increased from 33.6% of the arable land in 1990, to 37.3 % in 2000.

Table 6 Evolution of irrigated land 1990-2000

	1990	2000	1990-2000
Farms with irrigated land	565,493	545,718	-3.5%
Potentially irrigated area (ha)	1,125,617	1,335,151	+18.6%
Actually irrigated area (ha)	938,362	1174,876	+25.2%

Source: NSSG, 1995b and 2005b

Table 7 Average irrigated area 1990-2000

	Average potentially irrigated area (ha)	Average actually irrigated area (ha)	% of exploitation of potential
1990	2.0	1.7	83
2000	2.4	2.2	88

Source: NSSG, 1995b and 2005b

An intensification process of agricultural production in Greece, can be sketched through this set of data, since irrigation is a major factor for intensification, characterised by some as the triggering factor (Beopoulos, 1996), since it is accompanied by increased agrochemicals' use, as well as usually with a specialisation of production.

More recent data from a different statistical source, suggest somewhat different figures but the trends seem to be continued, at least in terms of land use changes i.e. reduction of the proportion of annual crops, increase of permanent crops and relative stability of the vines (Table 8)

Table 8 Evolution of crop areas 2004-2008

	2004	2008
Total cultivable land	3,803,700	3,709,153
Annual crops	56.18%	54.22%
Very intensive annual crops	3.06%	2.82%
Permanent crops	26.44%	27.30%
Vines	3.31%	3.35%
Set aside 1-5 years	11.02%	12.28%

NSSG, 2006 and 2010

Data from the same sources suggested that annual crops were the most intensively cultivated in 2004. This did not change in 2007 while annual crops were covering almost 2/3 of the irrigated area (Table 9).

Table 9 Evolution of irrigated crops 2004-2007

	% of irrigated land /total crop area		% of crop area/total irrigated	
	2004	2007	2004	2007
Annual crops	44.9	45.7	64	64
Very intensive annual crops	97.0	96.1	8	7
Permanent crops	37.2	37.9	25	26
Vines	34.5	35.5	3	3
Set aside 1-5 years	0.0	0.0	0	0
Total	39.2	38.9	100	100

NSSG, 2006 and [www. statistics.gr](http://www.statistics.gr)

The overall trend could be described by an intensification pattern while irrigated land (in other words, intensive crops) is cultivated by a smaller number of farms, increasing in size.

The same trend can be seen in the case of livestock farms during the decade of the 1990s. An intensification process, since less farms stay in business with bigger herds, except in the case of the pigs (Tables 10 and 11).

Table 10 Livestock farming 1990-2000

		1990	2000	1999-2000
Bovine	Farms	53,070	28,325	-46.6%
	Number of animals	594,183	652,386	+9.8%
Sheep	Farms	160,560	128,551	-19.9%
	Number of animals	8,269,691	8,752,668	+5.8%
Goats	Farms	202,720	138,251	-31.8%
	Number of animals	5,188,044	5,327,201	+2.7%
Pigs	Farms	32,296	36,251	+12.2%
	Number of animals	975,848	969,852	-0.6%

Source: NSSG, 1995b and 2005b

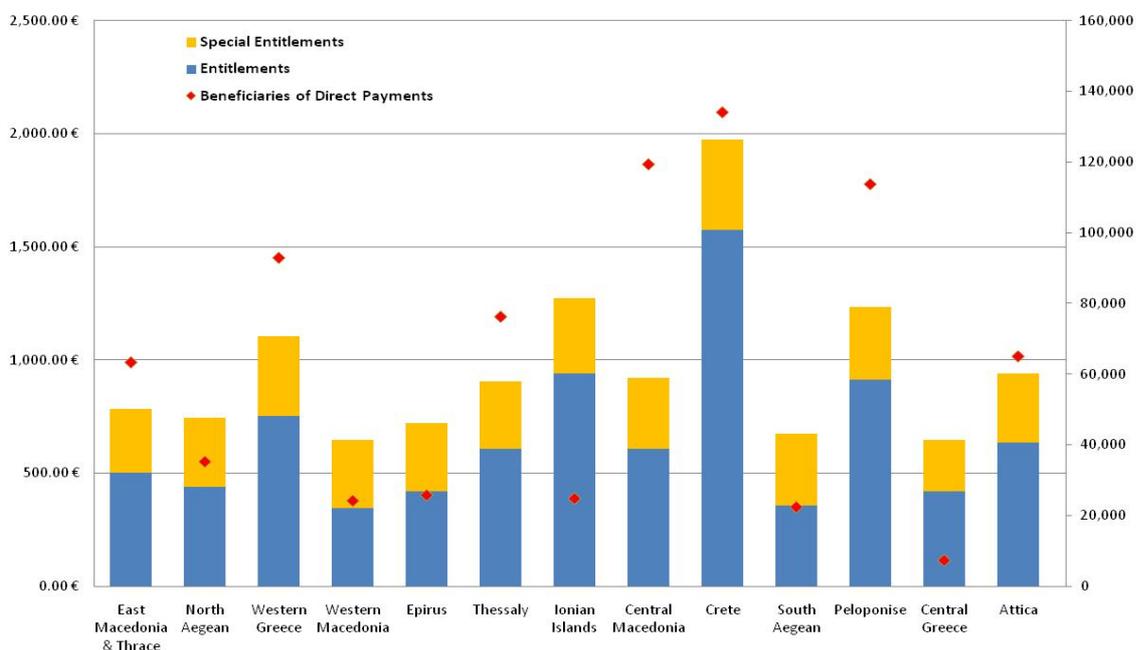
Table 11 Average herd size

	1990		2000		1999-2000
	Heads	LU	Heads	LU	
Bovine	11.2	11.2	23.0	23.0	+106%
Sheep	51.5	7.7	68.1	10.2	+32%
Goats	25.6	3.8	38.5	5.8	+51%
Pigs	30.2	25.7	26.8	22.8	-11%

Source: NSSG, 1995b and 2005b

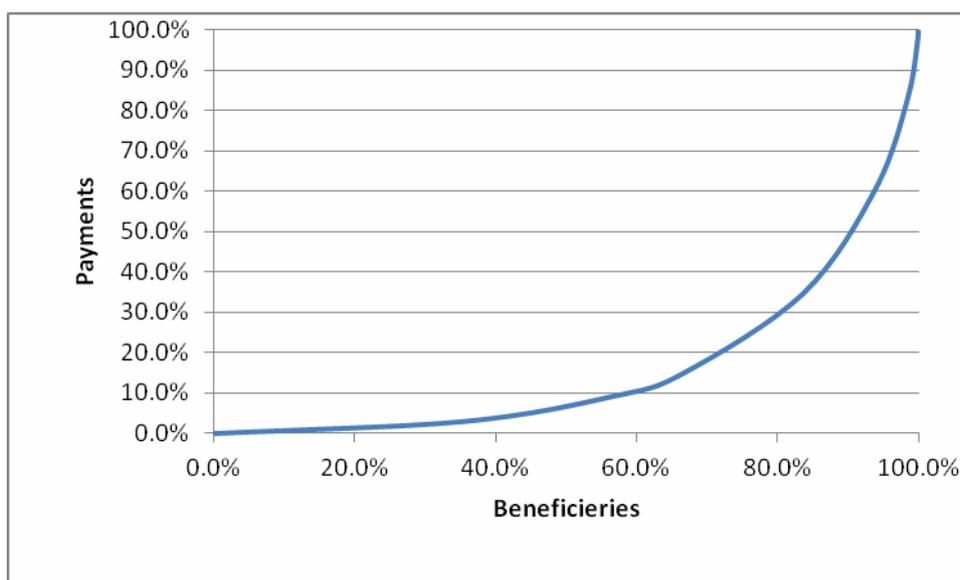
As far as implementation of CAP in Greece is concerned, according to OPEKEPE (the Payment Authority), direct payments in Greece in 2010 amounted to 2 billion € while the beneficiaries have been 804,731 and the total number of entitlements around 3,079,000. The historical model implemented in Greece, did not seem to have narrowed the regional inequalities of direct payments, therefore it cannot be considered as having contributed to territorial convergence (Figure 1).

Figure 1: Average value of Entitlements and number of Beneficiaries by region in 2010



In addition, 80% of beneficiaries receive only 30% of direct payments, whereas 20% of beneficiaries get the largest amount of support, which seems to be an inherent deficiency of the CAP, which could only be mitigated if capping of support was introduced. (Figure 2)

Figure 2: Distribution of payments in 2008



2. The initial debate (From the 'Health Check' to November 2010)

A core element of the reform process of the CAP in 2003 was the shift from product support to producer support. Rather than ensuring a fixed price for agricultural products (and hence supporting farmers' income indirectly), the CAP currently focuses on supporting farmers' income directly. The reform agreed in 2003 has been gradually implemented since 2005. In just three years, an 85% of support has been decoupled, marking a major shift of EU agricultural policy.

The EC disclosed, on 20 November of 2007, a Communication including proposals for reforming the European Union's Common Agricultural Policy. Specifically, the Commission circulated a communication "*Preparing for the 'Health Check' of the CAP Reform*" to the Council and the Parliament in November 2007. The main objectives of the Health Check as outlined by the Commission were:

- to facilitate the system of payments to farmers and make it more effective;
- to adapt market instruments bearing in mind the ongoing globalisation process;
- to incorporate new challenges such as climate change, water management and the growing importance of biofuels; and
- to respond better to existing challenges (such as preserving biodiversity).

The Communication was presented as a preparatory document for the «Health Check» of the CAP, based on the experience gathered since 2003. The Commission launched a wide-ranging consultation with stakeholders and contributions from other European Institutions. This has led the Commission to propose modifications to a series of Regulations dealing with CAP in May 2008.

The primary objective of Health Check, was to assess whether the reforms of 2003 and the following years, did function or not. However, the Health Check was considered an opportunity to initiate discussion on future reform, which could take place before the end of the actual financial framework.

At that time the Greek Ministry of Rural Development and Food, took the initiative to organise a working group concerning recent developments of CAP (Health Check) as well as for the expression of some preliminary thoughts of interested parties on the future CAP beyond 2013. Apart from representatives of the Ministry (Minister, Secretary of State for Rural policy and International Relations and the head of the Agricultural Policy & Documentation Directorate), the stakeholders participating in the working group represented the following organisations: The Panhellenic Confederation of Unions of Agricultural Co-operatives (PASEGES), the General Confederation of Greek Farmers' Unions, the Pan-Hellenic association of **young farmers**, the National Agricultural Research Foundation, the Pan-Hellenic Association of workers in the Ministry of Rural Development and Food, the Hellenic Social and Economic Committee as well as academics.

All stakeholders, participating in the working group, agreed that the expenditure for agriculture should remain at the present level, at least up to 2013. It was argued that European agriculture can play a multi-functional role. Agriculture is very important - in economic, social as well as environmental terms - for the sustainable development of rural areas in Greece. Farming – particularly family farming – is considered as a public service, and the CAP should treat farms and farmers as public resources. A reformed CAP should guarantee a fair agricultural income and decent living conditions for all small-scale farmers, taking into account their production costs as well as production levels and imports.

The outcome of the working group was a document produced in consensus. For the sake of simplicity we present the main proposals into three thematic areas as follows:

2.1. Direct Payments

- i. *Pillar I should be financed entirely by the EU.* The introduction of any kind of co-financing will lead to re-nationalisation of the most successful common European policy.

- ii. *Funding of Pillar 1 should not be eliminated.* A cut in these payments would lead to a disproportionate reduction in the number of farmers, land abandonment and the intensification and concentration of remaining production in certain areas. This would mean social upheaval in rural areas, a great loss of employment and the end of Europe's ambition to combine competitive agriculture with sustainability in rural areas. Given the very low level of average farm income compared to other sectors, it is clear that, in the absence of other complementary support tools, a cut in direct farm payments under pillar 1, would have severe consequences on the ability of farmers to provide a series of public benefits as a result of their farming activity.

- iii. *Establishment of the 'regional model' instead of the historical model* In that case, a transition period was considered necessary since the impacts to farmers and whole regions could be very important. Implementation of the regional model was something that political authorities thought that could not be avoided. Hence they accepted it as inevitable. The reason they asked for a transition period was that in some regions significant income shifts are expected, from heavily subsidised crops (cotton and tobacco) to other sectors (fruit & vegetables and/or sheep and goat meat).

- iv. *Inequalities due to excessive funding of large-scale agricultural businesses should be mitigated.* Around 18% of the largest European farms are receiving about 85% of the total CAP payments. The current situation not only contributes to disparities within the agricultural sector, but also undermines public and political support of the CAP.

- v. *The establishment of a flat rate payment for all Member States is socially unfair and not feasible.* EU agriculture is characterized by many disparities concerning production, infrastructure influencing agricultural sector's productivity and competitiveness. The last EU enlargement increased more these differences between EU MS.

- vi. *Directs payments should be based on eligible rather than on total utilised area*

- vii. All stakeholders were in favour of an *upper limit to the direct payments* that are received by a single farm. According to PASEGES, the co-operatives' confederation, this limit should be set at €100,000.

- viii. *Maintenance of LFA payments and specific support to farmers in clearly defined cases.* Current measures relating to LFAs and mountainous areas should remain an essential part of the CAP after 2013. In addition, article 68 type measures to assist vulnerable sectors or regions ought to be continued although limited, in order to avoid distortions to competition.

2.2. Rural Development (Pillar II)

- i. The position of the working group was strongly *in favour of reinforcing and expanding the rural development measures of the CAP* (i.e. Pillar 2), especially since this Pillar covers new actions that are meant to deal with climate change together with the challenges arising from globalisation. However, any strengthening of Pillar 2 should take place by using additional community funding from the EU budget and not by simply transferring resources from Pillar 1.

- ii. There was a *strong opposition to any increase in modulation* because this would result to a direct cut of farmers' income. Additionally, according to the main organisation representing farmers, PASEGES (the Confederation of Unions of Agricultural Co-operatives), farmers cannot maintain their

competitive position, in the face of EU policy oriented towards opening markets to imports, and, at the same time, meet high EU standards of sustainability if their direct payments were constantly cut.

- iii. A review of the Pillar 2 measures planned for the 2007-2013 period revealed a tendency to *keep the implementation of measures as simplified as possible*. Whilst there are some merits to simplicity, some new elements introduced or emphasised by the Rural Development Regulation – such as measures related to forest areas, High Nature Value farming, Natura 2000 sites, and the implementation of the Water Framework Directive, have been practically ignored during the implementation of measures.
- iv. *Coherence between the CAP and other EU policies* A need has been identified for more coherence between EU policies like both pillars of the CAP, trade, regional development and competition policy.
- v. *Exploitation and promotion of renewable sources of energy through Pillar II measures*. Apart from wind and solar energy, production of energy from biomass produced by farming residuals, biogas and organic waste was proposed as a step forward.

2.3. Market Measures

- i. *Continued need for public intervention*. Current public intervention tools (market intervention, private storage, export refunds) ought to be maintained because they effectively reduce market instability and benefit both consumers and producers. The cereals intervention was of significant importance since it provided an important safety net at times of serious volatility in the world market.

- ii. *Establishment of an income stabilisation (tool)*. Such a tool could provide compensation payments to farmers suffering from a severe loss of income compared to the same farmers' average income. The instrument would not guarantee a certain level of revenue, as it varies with the level of income over time; instead it was aimed at minimizing excessive income variability mainly due to price volatility.

3. The post November 2010 debate

After the decisions made in the framework of the 'Health Check' and before setting down any initial policy guidelines for this strategic sector, the Commission launched on April the 12th, 2010 a public debate on the Common Agricultural Policy's future, objectives, principles and contribution to the 'Europe 2020' strategy to inform the preparatory work for the decision-making process.

In addition to how the CAP can contribute to the development of Europe 2020 strategy, the public debate centred around four main questions:

- Why do we need a European Common Agricultural Policy?
- What do citizens expect from agriculture?
- Why should we reform the CAP and how can we make it meet society's expectations?
- What tools do we need for tomorrow's CAP?

This public debate stayed open for contributions until the 11th of June 2010.

Among the main ideas expressed in this debate were that future direct payments for **active farmers** could be based on basic income support, a mandatory '**greening**' component to enhance environmental performance, and an additional income support to farmers in areas with **specific natural constraints** (Less Favoured Areas) in the form of an area-based payment with optional **national top-ups** to apply on a voluntary basis. The 13-page text entitled '*The CAP towards 2020: meeting the food,*

natural resource & territorial challenges of the future', due to enter the Commission inter-service consultation November 2010, outlined three broad policy options based on a two Pillar structure – *i) Enhanced Status Quo; ii) More balanced, targeted & sustainable support; iii) Abolished market & income support*

If recent CAP and EU history could serve as a guide, the most likely outcome of CAP reform would have been something close to the status quo. And this was right what the agricultural community – DG Agri, most national and regional ministries of agriculture and Farmers' and Landowners' collectivities – were trying to achieve: a (slow) evolution rather than revolution. But the tectonic shifts in the EU polity provoked by economic crisis emerged as an important unknown factor in the reform equation: they might cement the CAP or tear it apart. While the preferences of the agricultural policy-making community have become reasonably clear, the final outcome seemed more unclear than ever.

A brief presentation of the reactions of Greek stakeholders on the Commissions' ideas follows:

3.1. Farmers' organisations position

The Greek farmers' co-operative confederation PASEGES like Copa-Cogeca, followed a hard line. It proposed to maintain, and in many cases strengthen, most elements of the CAP, including export subsidies (until trading partners agree to eliminate their own export support mechanisms) and intervention buying (with higher intervention prices and broader product coverage). Direct income support should be limited to **active farmers** and rural development ought to be refocused on agriculture.

Also, PASEGES called for a 'simplification' of CAP and criticised the Commission's main proposal as a requirement for *'farmers to provide additional mandatory environmental services with no indication that additional funding will be available, to*

cover any additional costs this would cause'. The result will therefore simply be a further weakening of farmers' competitive position vis-à-vis third country imports and on the world market.' Provision of public goods should be voluntary and be achieved through more attractive agri-environmental schemes. Furthermore, it demanded *'new tools to deal with increased market volatility and risk and to strengthen the competitive position of farmers (e.g. safety nets, market intelligence, futures, promotion, risk insurance)'*.

3.2. The standpoint of the Ministry of Rural Development and Food.

Greece has never delivered a comprehensive position paper of its own, concerning the Commission's communication of November 2010, but the Greek ministry's position has been expressed, informally, at various occasions and working groups. Its position, in general, had not changed since the beginning of the debate of the new CAP reform. Its main priorities were: preservation of a large CAP budget and maintenance of a significant, fully EU-financed, first pillar; the continuation of market management measures with an introduction of new subsidies for risk management; aim at the maintenance of agriculture across the entire EU territory and the promotion of territorial balance of rural areas through agriculture.

The Ministry turned out to be very sceptical concerning the definition of **"active farmer"**. Should the **active farmer** be a food/fiber producer or just an active land manager? Despite all the rhetoric thus far, it was still far from clear whether certain groups of CAP recipients should actually be excluded from Pillar I. The difficulty for the Commission was that although further tightening of the definition could, in deed, exclude traditional CAP 'villains' – golf courses, companies etc. – but might also deny subsidies to those who manage land and allow biodiversity to thrive, but do not necessarily produce food/fiber or energy.

Moreover, a new mechanism to deal with market volatility should be established in order to secure agricultural incomes either against market crisis or natural disasters.

Finally, among the three reform options set up, the Greek Ministry clearly rejected the third, ambitious scenario (*Abolished market & income support*). It had severely criticised option 3, making clear that this was just a scarecrow. The informal official opinion was that the scenario of a '*More balanced, targeted & sustainable support*' was the most likely scenario. **Greening** of direct payments would not significantly affect the direct payments coming from Pillar I since Greek agriculture in general is not very far from complying with all environmental requirements. It should be stressed that conversion of grassland to arable land could not be considered as an important threat since (a) the largest part of Greek grasslands are rough grazing commons already protected by national law, (b) Water is scarce in a considerable part of the territory, rendering thus the areas not very appropriate for intensive arable crops and finally (c) major part of the grasslands are in not easily accessible areas, where mechanisation is very difficult if not impossible (IEEP, 1994).

Still, the Ministry expressed the strong conviction that Pillar I should be funded exclusively by the EU and it was against any reduction of Pillar I funding. Furthermore, a fair transition period for the establishment of the regional model was considered as essential, although it is accepted that this model could reduce inequalities. Finally, the Ministry was against any increase of modulation and generally any transfer of funding from Pillar I to Pillar II.

4. The actual debate (after the 12th of October 2011)

4.1. Presentation by the press and internet media.

The way the proposals, launched by the Commission on the 12th of October 2011, have been presented by the press as well as internet sites, both conventional and specialised in providing information on rural affairs is thought as of special

importance since it could be thought as framing, in a considerable degree, the discussions.

4.1.1. Pre-presentation

The weekend before the official launching of the proposals by the Commission, a specialized weekly newspaper presented the main elements of the new proposals according to the information available then and the priority set by its journalists. Special reference to the definition of **active farmer** (art. 9), the prerequisites for beneficiaries (art. 10) as well as the capping of payments (art. 11) was made. The fact that subsidy rights are going to be re- allocated has been stressed and the whole procedure on Single Farm Payment rights, as described in Art. 17 to 24, has been mentioned. Additional aid to **young farmers** (art. 35-36), farmers in LFAs (art. 33-34), **small holdings** (art. 37), held an important part of the presentation, placing emphasis on the fact that they constitute a different support measure, additional to the ones available through pillar II. On the other hand, coupled payments (art. 40 and 41) raised increased interest. The importance of cotton for Greek farmers is making obvious the special reference that was made to coupled payments related to production of the specific crop (art. 45 and 46). In that case, even the proposed per ha amount of subvention has been mentioned. Finally, it is worth noticing that Rural Development measures have been presented in a very brief way at the bottom right part of the last of the 4 pages occupied, under the subtitle 'Programmes for cash'. (Agrenda, 8-9 October 2011).

4.1.2. Analytical presentation

The official launching of the proposals in Greece was followed by a press conference conducted by Commission officials, during which, further clarifications and answers to questions raised by the presentation have been offered.

The main points stressed by specialised press and internet media have been the following:

- The amount of support received by Greece under pillar I for 2014 is going to be at the same level and the overall reduction for the whole 2014-2020 period is going to be small. Caution was expressed, though, because a revision of the overall EU budget is considered an always open option, depending, among others, on the situation of global agricultural commodity markets.
- The gradual transition from the 'historical' to the 'regional' model for the allocation of Single Farm Payment rights.
- The shift of all subsidies away from the number of animals kept towards a dependence on the land used by farmers.
- The additional special provisions under pillar one for **young farmers** and new entrants to agriculture as well as farmers with **small holdings**.
- The introduction of a green element in the direct payments. Instead of being presented as an additional incentive for farmers to follow beneficial for the environment practices it is presented as 'a 30% of the direct payment dependent on the fulfilment of certain prerequisites'.
- The Rural Development measures are mentioned as an essential part of the policy reform.
- Finally, special reference was made to the difficulties in establishing an insurance fund against the impacts of climate change and/or fluctuations of agricultural commodities' prices.

There have been some decisions identified, pending to be taken by the agricultural policy network in general and the Ministry of Rural Development and Food in particular.

- a. The Greek administration during the previous programming period had opted for the implementation of the 'historical' model for the allocation of SFP rights. Hence the first decision to be taken should be whether to shift to the 'regional' model immediately on 2014 or use the transition period allowed up to 2019.

- b. The second important decision would be on the demarcation of the regions that are going to be used for the calculation and allocation of SFP rights.
- c. The products, if any, that are going to be included in the partial recoupling allowed for, in the new proposals, would be another decision to be taken.
- d. The Commission through its proposals leaves, to the MS a high degree of discretion on the decisions concerning the definition of i. Small farm holders and more importantly ii. **active farmers**.
- e. Finally, the press and internet media stress the importance of the active involvement of all administrative levels as well as of national, regional and local stakeholders in the process of designing and implementing RDP measures. The management of the RDP is considered a key point for the next programming period.

Positive points identified by the specialised press and internet media included the fact that the proposed reduction of overall resource transfers to Greece has been quite moderate, since the method used for the conversion of payments across MS and regions has been rather favourable for Greece. Another positive element recognised in the proposals is the high degree of discretion left to MS in order to adapt the general policy framework to the individual MS context and particular regional and local characteristics. Furthermore the possibility for MS to use pillar two resources in order to contribute to insurance schemes has been pointed out as an other strong point of the proposals.

As far as specific Common Market Organisations and products/commodities are concerned, the abolition of sugar quotas has been considered as abrupt, in contrast to the similar changes in the milk regime where the changes have been announced long ago. The specific aid to wine producers has been another element of the proposals mentioned. The interest attracted to those products, sugar and wine, can be explained by the importance of both products in terms of area covered by the respective crops and farms occupied for their cultivation. Nevertheless, following the same line of reasoning, the total absence of any reference to cotton, which as

mentioned above, was a point of special interest when an initial, 'unofficial' version of the proposals was presented, cannot be explained.

The issue that seemed, however, to attract the attention of the specialised press and internet sites authors, has been the question of pastures and their inclusion in the 'eligible for support areas' category. This was seen as the main challenge in the implementation of the current set of Commission proposals for CAP reform. An attempt to explain the importance attached follows in section 4.3.

4.1.3. Presentation by the generic/economic press and internet media

In general one could comment that there have been two ways of presentation by the generic/economic press and internet media. The complete, uncommented, presentation especially of the 10 points codifying the proposals: i.e. *Better targeted income support; Tools to address crisis management which are more responsive and better suited; A "green" payment for preserving long-term productivity; Additional investment in research and innovation; A more competitive and balanced food chain; Encouraging agri-environmental initiatives; Facilitating the establishment of young farmers; Stimulating rural employment and entrepreneurship; Better addressing sensitive areas and a simpler and more efficient CAP.*

The second way of presenting the proposals was by highlighting the most important elements. In all cases the starting point has been special reference to the overall CAP and RD budget. It was presented as either stable or reduced. Three have been the main points apart from the overall amount transferred. The first is the shift towards environmental friendly agriculture, occasionally presented with a negative connotation, since the green element is interpreted as a way to reduce support to farmers. The second point stressed is the importance of the definition of the **active farmer** and the third the fact that MS are left with a large enough margin for to adapt the proposed measures to national/regional and even local circumstances. As far as the winners and the losers of the proposed reform are concerned conventional farmers and arable crops growers are presented as the ones who benefit less from

the proposed reform while **young farmers**, farmers in LFAs or NATURA 2000 areas and the ones adopting environmental friendly land use and management practices are considered as potential winners. The application of the 'regional' model instead of the 'historic' is seen as a generally positive development although it is stressed that a lot shall depend on the application details and specificities.

4.2. Reaction of the Ministry for Rural Development and Food.

After stating disagreement to the reduction of the support for EU agriculture and rural areas, the only part of the EU budget suffering a cut, in times of contraction and crisis, the initial official reactions of the Ministry RDF of Greece, vis a vis the reform proposals, could be divided in three parts. The first included some general comments on the principles of the reform, the second dealt with specific issues related to the first pillar, while the third had to do with the Rural Development policy proposals.

Concern was expressed in the first place for the procedure of re-allocation of CAP resources among MS. A gradual process with an ample transition period was proposed in order to avoid dramatic changes. In addition it was stated that a linkage between public support to agriculture and the financial situation of a MS should be established but always on the basis of solidarity and not perceived as a process of economic sanctions.

Comments and suggestions on of the proposals, as it was expected due to the minimal time elapsed since their launching, did not surpass the level of generalities. An agreement on the principles of simplicity and flexibility of policy was expressed, suggesting that they have not been achieved by the proposals. A similar consent towards the 'regional' model as a more fair socially approach was expressed, suggesting though that the arrangements among its regions, should be left to the MS. AS far as the '**Greening**' of the CAP was concerned, the percentage of the green component was objected as disproportionate. The whole **Greening** process has been considered as imposing new economic loads and increased bureaucracy to farmers

already heavily burdened by previous policy measures, while the whole process should be simple, easily comprehensible and applicable to all sectors, across all regions. Any obligations agreed finally, should be imposed alternatively and not cumulatively, depending on the existing varying situation of sectors and regions.

A suggestion was made that the maximum amount where the reduction mechanism should initiate, have to be lowered, while the resulting resources should not be re-allocated within the same MS. A continuation of the procedure followed in the 'dynamic modulation' system i.e. using cohesion criteria.

The request that the definition of small farm holders and **active farmers** should be left to the individual MS was repeated, claiming that the ones proposed by the Commission are rather rigid.

Comments and suggestions on the proposed Rural Development regulation have been of an even more general form. Thus it was suggested that reallocation of resources, although necessary, should not endanger the existing balance among member states.

Although the co-ordination of RD measures, attempted through the Commission's strategic documents, is considered necessary, caution was recommended not to be achieved in detriment of MS competence in designing and implementation of the RD measures, nor financial and managerial self sufficiency.

A positive development has been acknowledged, in the changes towards integrated, locally targeted programming procedures, while the important role of risk management tools in the future was exalted.

Concerning the specific products and commodities of special interest for Greek agriculture, it was stated that support of particular agricultural sectors remains within the priority goals for the Ministry during the ongoing policy reform process. The main aim has been declared to be the protection of even small groups of competitive farmers such as producers of certain varieties of tobacco or cotton growers.

4.3. Opinions expressed by the Agricultural co-operatives

Just after the official launching of the proposal, in a brief initial assessment issued, the board of the Panhellenic Confederation of Unions of Agricultural Co-operatives (PASEGES) suggests that the proposals do not face adequately the challenges recognised by the Commission. Namely, the proposals do not contribute to the development and creation of new wealth, to an improvement of competitiveness of European Agriculture and food security, does not promote employment and social sustainability of the countryside while, despite setting a maximum per beneficiary amount of support, it does not reduce the inequalities across the EU.

In more specific terms, the Confederation comments on the reduction of transfers to Greece (-5.3% in 2014 up to -9.1% in 2019) at the time when the agricultural income is declining and CAP is facing new challenges such as food security, social sustainability of the countryside, market volatility and climate change. The suggestion in order to avoid reducing transfers to Greece, is an increase of the overall CAP budget, supporting the suggestion with the argument that Greece has one of the lower per beneficiary average of support (19th with an average of 2.862 € per beneficiary). A stabilisation to the 2013 budget levels is the second best choice.

The green element and its compulsory – rigid percentage of 30% is criticised as complex, bureaucratic, difficult to manage and costly. It is therefore considered as a burden to competitiveness of farmers and a boost to third parties imports. The introduction of a green dimension, if it was considered inevitable, should be done at a lower percentage, in a simple and comprehensible manner, with no increase of red tape costs for neither farmers nor the control mechanisms. It is indicative that a fear was expressed that maybe farmers would have to pay a vast part of the ‘green’ element for expert advice. A proposal was made to start with a 10% and then gradually, when farmers would have been trained to the **Greening** process, reach the level of 20%.

The adoption of the regional model proposed for 2014 is considered as socially fair. However, the demarcation criteria for the regions should create the less possible turbulence and promote the production process, without insisting in the mere accounting of gains and losses. Co-operative executives express a fear for internal frictions due to differences between regions and crops.

The parts of the proposals related to **young farmers** and **small holdings** are thought as towards the direction of a more simple system hence positive, provided that the small holder is defined in the appropriate way.

The issue of the **active farmer** and the proposed definition is addressed as a top priority by the co-operatives. The percentage of 5% proposed is considered extremely low and a demand that the exact definition should lie within the MS competencies is reiterated. The main position of the con-federation, has always been that any support should be directed towards **active farmers** i.e. those who produce agricultural products. They produce them for the economy and the society as a whole and they add value to subsidies. The co-operative proposal shall be to consider as an **active farmer** one that gets more than 35% of its income from selling produce, not from the support received.

Co-operatives agree with the capping of payments and its rationale. They suggest that the maximum limits should be set at considerably lower levels. While it is suggested that for the reallocation of the resulting resources, the dynamic modulation model should be used, i.e. part of the resulting resources should be redistributed across MS with cohesion and convergence criteria.

No reference to RD has been made in the first brief reaction of the Confederation of Unions of Agricultural co-operatives.

In addition to the assessment of the board of the confederation of agricultural co-operatives, there have been some interesting intervention from individual co-operatives.

The president of the Union of agricultural co-operatives of Aetoloakarnania, an area with a long tradition in tobacco cultivation, affected by the changes in the tobacco CMO the last decade, distinguished two sides in the proposal. The negative

one had to do with the reduction of the amounts transferred. As a positive element though, the co-operative executive mentioned the increased discretion margin left to the MS is giving the opportunity to the Greek Ministry to design concise national rural policy.

The flat rate rationale was criticised as favouring farmers in the Northern MS and regions of the EU with vast arable areas. It was argued that for the small tree cultivator of the region the outcome could prove disastrous.

As far as the demarcation of the regions is concerned it was suggested that the notion of 'crop belts' should be used instead of administrative limits or any other model. Thus the amount received by tobacco producers could be secured.

4.4. Reactions of other agricultural interest groups

A series of meetings all over the country organised by the union of **young farmers** associations of Greece, (PENA), coincided with the intensification of the debate around the official launching date of the proposals. The approach proposed by PENA is that European young farmers, being a very small proportion of the total farming population, have good career opportunities, since 66% of European farmers are over 55 years old. Special emphasis is given to new forms of collective organisations, small value chains and alternative marketing channels, as well as the provision of advice and training, as essential parts of the strategy to be adopted by **young farmers** aspiring to be successful professional farmers. As far as the CAP reform is concerned, the element stressed by representatives of the PENA in a very critical viewpoint, was the very low percentage (5%) of income proposed by the Commission, as a threshold in order to include someone in the beneficiaries of CAP support as an **active farmer**. It is considered as a measure that could impede the process of farmers' professionalisation. However, the fact that 2014-2020 CAP will be the result of a co-decision process by the Council of Ministers and European Parliament, is recognised as a positive evolution. It is offering farmers (including the young ones) the prospect to have a more influential intervention, in order to

improve the proposals. And the suggestion was that **young farmers** should seize the opportunity the sooner possible.

4.5. The views of political parties.

4.5.1. The view of PASOK, member of the Party of European Socialists³

The proposals of the Commission for **small holdings, young farmers**, areas with natural handicaps as well as the support for producers' groups, inter-professional organisations and other collective forms are considered as positive, by European Socialists. On the other hand a series of negative elements have been pointed out, such as absence of any provision for mitigating the effects of the current economic crisis, especially in the RD pillar. Another negative characteristic pointed out was the weakness of proposals for market regulation.

The Socialist MEP, is sharing the views of the Commission as far as the challenges to European agriculture to be faced by the new CAP proposals, naming climate change, natural resource depletion, energy and territorial inequalities. Nevertheless, he also added some more issues as of major importance. Namely, the intensification of competition, the contraction of producers' share on the value added created in the agri-food market chain and the rise of unemployment rates. He argued that exclusive focus on financial transfers, ignoring the pressing needs for structural changes, has lead to a non competitive and by all means (economic, social and environmental) unsustainable agriculture. Furthermore, he noted that better administration of subsidies, avoiding thus financial corrections imposed to Greece, because of the systematic non compliance and breaching of rules, could cover, up to a significant degree, the additional funds claimed. Finally, it was argued that focusing exclusively on financial transfers has caused an increasing detachment of farming

³ The view of the Greek member of the 'Party of European Socialists' has been expressed by an MEP who is also member of the Agriculture Committee of the European Parliament.

from the consumer as well from the environment. Therefore, agriculture should focus to global market through a quality oriented, competitive entrepreneurship.

4.5.2. The view of Nea Dimokratia, member of the European Peoples' Party⁴.

The conservative MEP, stressed the need for a strong CAP, given the increasing volatility of agri-food markets, the raising input prices as well as the reduction of farming income. He appreciated a high reform potential in the Commissions proposals, which should be the focus of internal discussions, when designing the national action programme. Furthermore, as a general comment, apart from the quantification of the proposals, it was suggested that new CAP provisions present a first class opportunity to re – align national policy objectives in order to co-ordinate them with the new EU regulatory framework. An optimistic view is expressed, stating that seizing this opportunity, could result to a sustainable and competitive agricultural sector, rendering agriculture as one of the factors that could enable Greece and Europe as a whole, to overcome the current economic crisis.

The criteria suggested for assessment of the proposals launched include:

- Competitiveness (innovation, knowledge transfer, risk management, food chain cooperation);
- Economic and environmental sustainability ('green subsidies', reinforced yet simplified cross compliance, natural resource management, research and innovation);
- Increased effectiveness (Common strategic framework/enhanced partnership, simplification e.g. single payment authority).

Claims to maintain current CAP national budget allocations, are characterised as out of date, given the pressures towards transfer of funds to other EU common

⁴ The view of the leading Greek conservative party has been expressed by an MEP, member of the Agriculture and Rural Development committee of the European Parliament.

policies as well as re-distribution of CAP resources, especially from MS receiving well below the EU average support.

Focusing on pressures to redistribute funds across MS and regions, it is suggested that per ha calculation of payments gives a rather distorted image of the situation of Greek farmers, especially since for these calculation instead of using the eligible area, the Utilised agricultural area, which is considerably smaller, is used. It is argued that use of per capita support would give a more fair presentation of the situation in Greece. It is also suggested that for the redistribution of CAP funds, objective criteria should be used, e.g. the contribution of agricultural sector to GDP, the number and structural characteristics of farm holdings, farming land in LFAs and environmental sensitive areas, % of employment in agriculture etc. Finally, it is maintained, that 'fair' distribution does not necessarily means 'equal' distribution, disregarding existing inequalities and differences between MS.

Proceeding to comment on specific elements of the proposals, the MEP assess favourably the imposition of a maximum per holding amount, re-introduction of partially coupled payments for some crops and special treatment of **young farmers** and **small holdings**. On the issue of **active farmer**, although sympathetic to the principle of targeting support, the MEP is expressing the opinion that the, rather lenient, definition of **active farmer** proposed might widen the range of beneficiaries instead of really serving towards a better targeting of professional farmers.

As far as additional obligations imposed to farmers, mainly cross compliance, these should not, in principle, hamper competitiveness especially since equivalent obligations do not apply to third party imports.

'Green payments' should be simple to understand and implement, provide for adequate compensation and should not impose excessive administrative burden to either farmers or national/regional administrations. Furthermore, it was suggested to widen the list of measures, adding specific proposals appropriate for the Greek situation, such as the maintenance of permanent crops e.g. fruit orchards, vineyards and olive groves which often constitute systems of high environmental value.

Alleging high price volatility and agricultural market instability as well as increasing environmental/climatic risks, it is suggested that effective market regulation and risk management, crop insurance and income stabilisation tools, are essential.

Commenting on the proposal to include the farming sector in the recipients of the European Globalisation funds, it is suggested that the EU should better provide for the interests of European farmers when negotiating trade agreements with third parties.

An appeal is made to the Greek agricultural and rural governance system, to proceed with urgency to all necessary simulation studies, which should suggest milestones in both the negotiation as well as implementation phases, especially in setting criteria for the 'active' farmer, delineation of regions for the calculation of support, re-definition of LFAs, as well as coupling of payments.

Finally, short reference is made by the conservative MEP to Rural Development Policy measures. Without overlooking the increased burden for the administration, it is presented as a challenge for a more rational distribution of resources aiming at the development of the Greek countryside.

4.5.3. The view of the Communist Party of Greece (KKE)⁵.

The party's position is against the CAP, old and new alike, since they do not share the principles of CAP namely competitiveness, sustainability and fairness. It is stated that these principles in combination with decoupling of direct payments from production favour big landowners. The new, as well as the old, CAP leads to destruction of small and medium holdings, promotes rural development for the benefit of food monopolies rather than for the needs of the people. Part of the overall EU 2020 strategy, CAP is aiming at the concentration of land, production, subsidies and trade,

⁵ The views have been drawn by a communication of an MEP representing KKE and an article in the newspaper 'Rizospastis', a publication of the Central Committee of the Communist Party of Greece.

exclusively to capitalist agricultural enterprises. Food is treated as any commodity, securing high profits to capitalists through the exploitation of poor farmers and employees – consumers. That is the rationale behind the proposal to support only **active farmers** excluding thus poor farmers obliged to keep off farm employment in order to survive. Profit oriented production generated food safety scandals which are in fact crimes of food monopolies. An indicative case is the policy of no restrictions to Genetically Modified Organisms, although they engender immense risks for public health and the ecosystem.

The previous CAP reform is criticised because it has caused a drastic reduction of farming income per capita, in real terms, during recent years, as well as a reduction in agricultural employment. In the new proposals, subsidies are substituted by 'land bonds' per ha through the 'regional' approach suggested. Furthermore, reductions of both overall EU and National CAP budgets, are stressed. The possibility for a further reduction of budget is mentioned, since a transfer of funds from agriculture to the European Financial Stability Fund is considered as possible.

It is stressed that regionalisation of payments could lead to a reduction of average per ha payments by 27%. The green element of payments is considered as favouring big farms. The fact that farm holdings with a size below 3 ha are exempted the obligations accompanying the green element is dismissed as irrelevant since small size farms are, in general, ignored by the EU.

Finally, the maximum amount per holding proposed is criticised as ineffective. It is argued that it can be easily bypassed by big land owners by dividing their holdings to smaller ones.

4.5.4. *The view of the Coalition of Radical Left, member of the Party of the European Left (SYRIZA)*⁶

The general comment of the party, referring to the proposals, was that in the midst of the acute economic, environmental and food crisis of capitalism, the Commission responds by suggesting further deregulation of agricultural commodity markets and, hence, follows blindly the neoliberal doctrine.

The left wing party does not agree in setting competitiveness as one of the main objectives of the CAP, especially when it is achieved through destruction of small family farms in order to secure benefits for big processing industries, food retail chains and exporting companies in detriment of consumers and public health.

Through adherence to the Europe 2020 strategy and the economic governance framework, the proposals do not address the issue of structural surpluses and deficits (especially those of the Mediterranean products), leaves price formation in the hands of unregulated markets and international speculators, destabilises domestic markets and promotes actions of dumping in detriment of the peoples of the South.

The communication places under doubt the Minister's (and the Governments' as a whole) legitimisation to negotiate the future of Greek Agriculture and defines the principles that, according to Syriza, should govern CAP. Those are: food should not be left as any commodity in the hands of speculators, production should follow new ecological, social and developmental patterns. The list of principles is completed with food security and sovereignty.

In specific points of the proposals, the communication stresses the reduction of EU overall agricultural budget, referring also to an additional 10% of budget cut for direct subsidies to be transferred to pillar 2 payments.

The argument of a need to move towards a more balanced allocation of direct support among MS, is discarded as pretentious and false. It is thought as

⁶ The view has been drawn from a communication of the Rural Policy Department of the Party

resulting to flat rate reduction of payments, in all cases where farmers have been receiving a per ha support above the average, ignoring specific national characteristics of production. The proposal for exclusion of very small farmers and holdings from CAP support is originating, according to the communication, from the same line of argumentation.

The downright definition of '**active farmer**' and the insistence in a 90% of decoupled payments, are considered as aggravating the processes of abandonment of agriculture and depopulation of the countryside.

It was also argued that the compulsory application of the regional model, presupposed (a) existence of national strategies and sectoral policies, (b) will to reduce regional inequalities and (c) independence from business, petty partisan and clientelistic interests. All these prerequisites were lacking.

Introduction of a maximum per holding amount of support, is criticised, apart from the very high limit proposed, as, by no means ensuring necessary redistribution of funds in favour of small and medium producers. Instead, small farmers are 'tipped' with a minimal payment, in order to justify their exclusion from the SFP scheme.

The 'supposedly', according to the communication, **Greening** of the CAP payments, is not leading to the, absolutely essential, change of production paradigm towards an abandonment of intensive industrialised agriculture, with irrational use of inputs, overexploitation of natural resources and discretion left to MS to approve use of GMOs. A valid environmentally friendly approach to farming would require measures for support of small and medium producers and not the introduction 'one size fits all' administrative practices.

Support for **young farmers** and LFAs was discarded, in the first place for ignoring national specificities and secondly because they are considered an alibi for the abandonment of LFAs and the ageing of rural population.

5. Concluding remarks.

5.1. Principles – Challenges - General issues

It seems that almost all participants in the debate, share the views expressed by the Commission concerning the principles that should govern the CAP and the challenges faced by EU agriculture. The discrepancy comes from the left wing parties. They consider that competitiveness is not a legitimate principle.

Mitigation of inequality in support across MS and regions, although a universally accepted principle, is at the same time partially contested, by referring to national/regional specific characteristics that should be taken in account e.g. dependence on agriculture for income and employment, number of farms, structural particularities etc.

Finally, there is a general favourable opinion on the specific provisions for LFAs, **young farmers**, **small holdings**. Although the left wing parties consider them ineffective and pretentious.

5.2. Rural Development measures

Rural development measures, still small but not insignificant (almost $\frac{1}{4}$) of the overall budget, have not even been mentioned by farmers' representatives, barely mentioned by the press/internet media and superficially commented on by the ministry and the representatives of some political parties. This could be thought as the result, in the first place of the existing inertia in the policy debate, originating from the previously existing vast difference between first and second pillar fund allocation. Furthermore, one could argue that in fact the uptake of RD funds

depends up to a significant degree, on the MS authorities' ability to design and implement the measures. And that creates a certain reluctance to deal with this part of the proposals. The latter could be an explanation for the negative attitude towards the transfer of resources from Pillar 1 to Pillar2 expressed by cooperatives and left wing parties. An exception to the generalised underestimation of RD measures, has been the socialist MEP, who suggested that continuous focusing on direct payments and financial transfers contributed to gradual loss of competitiveness and alienation from consumers and markets.

5.3. Specific issues of concern

5.3.1. Demarcation of the regions

Although there has been an almost unanimous acceptance for adoption of the regional model for calculation of direct payments, there have been a lot of reservations expressed, mainly concerned with the criteria to be used. The stance of the co-operatives has been that of maintaining existing balances among regions and crops/sectors. On the other hand, worries have been expressed that relevant decisions could be influenced by petty partisan and/or clientelistic interests and may result in some kind of gerrymandering of regions. Furthermore an issue that has been distinguished by the press, has been the inclusion of pastures within the eligible area.

The issue of eligibility of pastures

The main reasons for the alarm raised seem to be the following three: one is that such an inclusion could result to a drastic shift of resources from crop, especially intensive crop producing farms, to livestock farms and consequently from areas and regions highly depending on crop production to areas and regions where livestock

production systems are prevailing. Under that light, the demarcation of regions, for the purpose of calculation of regional per ha amount of aid, obtains more significance. A second reason has to do with pasture ownership, tenure and management patterns, existing in Greece. A large part, almost half, of the over 5 million hectares of pastures are public, belonging either to the state or to local authorities. However, even the ones owned by the state are managed by local authorities. A fear expressed, is that when obtaining grazing land is going to become a prerequisite in order to get the support, clientelistic criteria are going to prevail at the local level. Last, but not least, is the fear expressed that, bearing in mind the lack of a cadastre or an other legally binding system of land use registration, the, ever conflictual in Greece, issue of land use is going to arise again.

5.3.2. Definition of active farmer

The proposed definition of '**active farmer**' has been another highly contested issue. All, but one, participants, suggested that the proposal for direct payments to reach a minimum proportion of 5% of the candidate beneficiaries income, is not targeted enough. Especially **young farmers** associations are considering it a threat to professional, and the professionalisation of, farmers. The one discrepant, the Communist party, wholly disagrees with the idea of targeting only '**active farmers**'. It is, according to KKE, a way to exclude small farmers forced to seek off farm occupation in order to survive.

5.4. Greening the CAP

Green elements of direct payments caused a wide variety of reactions. The press and the co-operatives, agreeing in principle, expressed fears that they could create an additional burden to farmers, reducing their competitiveness. The position of cooperatives was for a compulsory implementation of one or some of the relevant

obligations and not a immediate application of the whole bulk. Co-operatives and MEPs suggested that the relevant terms should be adapted to local and regional circumstances. However, a statement made by PASEGES, complicates things since it is stated that the green procurement scheme should be applicable to all sectors and all regions.

5.5. Similarities - discrepancies

A final comment has to do with the considerable similarities identified in the positions of the Ministry and PASEGES, the confederation of unions of agricultural cooperatives. They used the same arguments, and even the wording has been exactly the same in some cases.

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