

Profit, politics and sustainability¹ -

The determinants of rural- and agri-environmental policy-making in Hungary

GUSZTÁV NEMES

Economic Research Institute, Hungarian Academy of Sciences H-1502 Budapest,
P.O.Box 262

CRE, University of Newcastle, Department of AEFM, Newcastle upon Tyne, NE17RU,
UK

Abstract

A strategic choice, concerning the direction for future rural policies, has to be made by Hungarian policy makers:

- *to base rural policies on the principles of the present Common Agricultural Policy;*
- *or rather on the Common Agricultural and Rural Development Policies for Europe, widely referenced as a 'way out' from the present rural-agricultural crisis.*

The former choice would aim a competitive agriculture, built on market logic and comparative agricultural advantages, involving large-scale intensification, using EU aid and private western investments; placing Hungarian agriculture on a development trajectory, similar to advanced EU Member States. This solution could be profitable for the agricultural industry, though, it might bring severe environmental and social problems for Hungarian rurality as a whole. The latter choice would aim rural development, built on a sustainable logic and the comparative advantages of Hungarian rurality as a whole (environmental, social, cultural). This development should involve local resources and significant EU aid. It might result in a less profitable agriculture in the short term, but can bring a more sustainable development of Hungarian rurality on the medium-long term.

*In current Hungarian policy making there are steps and political will in both directions. However, the outcome (the design and implementation of relevant rural, agricultural and environmental policies) depends on a variety of domestic and international economic and political forces. This paper will analyse the determinants of rural policy-making in Hungary. I intend to explore forces and possibilities for the two alternative policy directions, described above. I try to show presumable impacts of these scenarios, with special regard to environmental and social consequences. I will conclude that, Hungarian policy-making is preoccupied by EU requirements for pre-accession programmes and the approximation of the *acquis*. There is a strong tendency for centralisation, though recent tendencies in the rural development system and in civil society represent a significant force for decentralisation. As a result of political and economic circumstances, rural policies, especially through agri-environmental elements, have a chance to progress into a more sustainable direction.*

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Introduction

Rural development and rural policy-making, have been important and complicated matters, and are becoming even more so in a wider European context. Their share in the redistributed financial resources reflects their importance for example. Spending, directed to rural areas and various sectors of the rural economy, still represent major items in the budget of the EU, or any of the Member and Associated Countries. At the same time, rural policies are essential for economic and social cohesion, as well as democracy and political stability in Europe. On the other hand, rural policy-making is a highly complicated issue, involving various, often conflicting interests and approaches. It represents an interface between different sectors (such as agriculture, regional development and environmental protection), and involves several different stakeholders. Furthermore, besides domestic interests, there are important international forces (such as WTO, or the CAP) in action shaping these policies and making the situation even more complicated.

The following paper intends to explore the determinants of rural policy-making and rural development in one of the Central and Eastern European Countries (CEECs), Hungary. During the analysis, I took into account three dimensions of economic and political forces shaping rural policy-making. The first dimension is an institutional one, considering the various stakeholders and interest groups acting as political and economic forces in this field. The second dimension is a sectoral one. It considers four main areas – agriculture, regional development, rural development and environmental protection – that shares most of the resources, influence and responsibility for rural policy-making in Hungary. The third dimension explores the strong and somewhat ambivalent influence of the EU – as an international force – on the overall domestic picture. These dimensions are different, but interconnected, having significant effects on each other as well as on the design and implementation of rural policies in Hungary. Different variations of the forces in action outline alternative scenarios for rural policies and long-term development strategies. Through the analysis, I will try to explore the relevance and interrelations of these scenarios. After giving some basic information on Hungarian rurality, the paper explores the three different dimensions of the policy-making context, described above. Then alternative future scenarios of Hungarian agriculture and rural policy-making will be analysed. Finally, I try to connect the different dimensions and elements of the analysis and draw some conclusions.

The research, forming the basis of this study, was commissioned by the WWF International under the framework of a 10-nation collaborative research project: ‘The Nature of Rural Development’. The methodology of the research was fundamentally qualitative, using in-depth interviews, structured conversations and document analysis. In Hungary, some 25 interviews were undertaken with government officials, experts and representatives of NGOs and various interest groups. Hungarian and EU legislation, other relevant policy documents and declarations of NGOs and interest groups were analysed. Finally, the findings of the analysis were circulated amongst all interested parties, and a workshop with their participation was organised. This provided further information and feedback for the research.

The Rural Character of Hungary²

Hungary is a relatively rural country, covering 93 030 km². It has a population of 10 135.4 thousand inhabitants with a population density of 109 inhabitants/km². The territory is divided into 19 counties, which are equivalent to the NUTS III level of EU areas. Recently, under the National Regional Development Plan, 7 large (NUTS II level) regions were designated. There are also 150 statistical sub-regions (NUTS IV level approximately). They refer to coherent geographical territories, usually to the catchment areas of towns. According to several statistical analyses, these areas are the most appropriate units for sub-regional operations (KSH Homepage).

According to the OECD definition, no Hungarian sub-region outside the agglomeration surrounding Budapest can be considered as urban. Some 62% of the country can be classified as 'predominantly rural' and another 35% as 'typically rural' area. Another remarkable fact is that in more than 50 sub-regions there is no settlement that could be considered as urban, according to the definition in use. The settlement system consists of 218 cities and towns and 2913 villages. Some 19% of the population live in the capital (Budapest), 45 % in other cities and towns and the remaining 36 % in villages. Rural areas altogether stand for 73.6% of the whole population that is almost twice as much as the EU average (<http://www.fvm.hu/english/english.html>).

The institutional framework of rural development in Hungary

Rural development is a very new expression in Hungary, strongly connected to a particular minister³ and some particular programmes. However, a range of other policies (spatial, environmental, etc.), ministries, regional, local authorities, organisations and NGOs are involved in issues, related to rural development, constituting a highly complicated and sometimes overlapping system. This is partly due to the continuous change in the institutional system for rural policies during the past decade.

During state-socialism regional and spatial development was organised by a centrally driven, administrative planning system. The central and the county level shared responsibilities; however, the former controlled the power. Alliances, NGOs and civil organisations of any type were forbidden or not welcomed by the political system. Development was divided along sectoral lines, political and sectoral objectives were superior to regional concerns in government policies (Hajdú 1993). With the Act on Local Governments in 1990, local municipalities regained their independence, resources and responsibilities. The hierarchical system was replaced by a structure in which there was no hierarchy between local governments of different size and the county self-government. With the setting up of the Ministry of Environment and Regional Development in 1990, regional development policies gained a separate institutional system for the first time. The Regional Development Fund (RDF) was also created. At the same time, a number of civil organisations and NGOs were set up, such as voluntary

² Figures in this part are quoted from the Hungarian SAPARD Plan, where not otherwise stated (MARD 1999).

³ Though, this minister was called back, and recently he lost most of his political power, many people still consider rural development equal with him and his party.

associations of villages, development agencies and organisations for environmental conservation (Horváth 1998).

The next significant change came with the introduction of the Act on Regional Policy and Physical Planning in 1996. This legislation was assessed by the EU as the most progressive one in Central and Eastern Europe, which is based on the most important principles of EU regulations and fulfils the requirements for accession. The legislation created a multi-level, decentralised institutional system for regional development and initiated the creation of larger (NUTS 2) regions, in addition to traditional levels of planning. The legislation was very advanced, however, its implementation was far from sufficient. After the elections in 1998, under the new government, the institutions, resources and responsibilities for regional development were taken away and imported into the new 'super department', the Ministry of Agriculture and Regional Development (MARD). In 1999, the Act on Regional Policy was modified, aiming at a more centralised and possibly better implemented policy. In the same year the preparation for pre-accession programmes (e.g. SAPARD – Special Aid for the Preparation of Agriculture and Rural Development) started. As a result, new units within MARD were set up, a system of rural micro-regional associations covering almost the entire country was further developed and a range of rural and regional development plans of different levels were written.

It should be emphasised that, cooperation between different institutions is still very fragile in Hungary. In one hand, they have overlapping activities and responsibilities but on the other hand, there are tasks that remain uncovered. The change of the government, or even a single minister, might result in the shift of directions and values and the actual discharge of many officials from the ministries and other public institutions, even at lower levels. This makes the work of bureaucracy fragile and often interrupted, causing dysfunction of the whole system.

Central government

The Ministry of Agriculture and Rural Development has an overall responsibility for agriculture and food industry, rural and regional development and spatial planning. It is also responsible for the EU integration and the co-operation between other ministries concerning these matters. As one of its activities include regional planning and co-ordination tasks at the national level, it holds the presidency of the National Regional Development Council. Within the ministry, there are a number of different units dealing with these subjects. However, their responsibilities sometimes are overlapping and their work is characterised with tensions and lack of cooperation.

The *Regional Development Unit* practically remained the same as it used to be in the Ministry of Environment and Regional Development. In contrast to most units, significant modifications in its staff or the policy directions⁴ did not happen after the change of the government. This unit is responsible for regional development programmes, the administration of the Regional Development Fund, and most of the background work that is required for the elaboration of the Preliminary National

⁴ The most important thing is that the head of the unit has not been removed from his position after the election, therefore the whole structure stayed unchanged. However, they have to fight continuously for their position within the Ministry and sometimes some of their resources are lost for regional development and are spent on agricultural programmes.

Development Plan⁵ (PNDP), a document, requested by the EU pre-accession programmes.

The *Unit for Rural Development Programmes* was set up in 1999. This unit was formally commissioned to organise the preparation of the national SAPARD Programme, and they are also involved in a range of other activities, as well as in the emergence of the system of voluntary micro-regions (also called 'development micro-regions'). Together with this unit a background research institution was created, within the Hungarian Institute for Regional Development and Urbanism. This provides the essential expertise for planning and analysis in rural development and also takes part in the practical implementation of the programmes.

The traditional sections of MARD traditionally have a well-developed system of county level offices, covering the entire country. These offices are manned by numerous permanent staff and experts and carry out the implementation of agricultural policies. In year 2000, seven regional centres were selected for the implementation of the SAPARD Programme. The 'old county offices' of MARD in these centres were extended and additional staff (first eleven, then sixteen) was employed. The rural/regional division of MARD traditionally did not used to have such an advanced system of regional branches. However, in 2000 seven regional offices were set up to implement the 'SAPARD Micro-Regional Programme'. Each office has three rural development experts employed by MARD. They work alongside the regional development agencies⁶ and the regional agricultural MARD offices.

A central requirement of the rural development pre-accession programme (SAPARD) was the establishment of a central paying and implementation agency and its regional branches. After long debates, (see later) it was established as a unit of the Ministry of Agriculture and Rural Development. Its task is to implement and administer the SAPARD Programme during the pre-accession period. Officially it is part of MARD, though it belongs directly to the agricultural minister, therefore it is somewhat independent from the bureaucratic hierarchy of the Ministry. It has 67 staff in the central office and 16 in each regional office. The Agency has been in place for more than a year now, though its status, director and strategy changed several times. The SAPARD Programme can only be implemented (EU money only starts flowing) after the accreditation of the Agency, which should be done on the spot by an independent evaluator, commissioned by the European Commission. During a pre-accreditation in May 2001, the evaluators estimated that the Agency is hardly prepared (only by 5%) for the accreditation. The next evaluation in December 2001 found much improvement, though all necessary requirements have not been completed yet, and the Agency is not likely to be accredited before Autumn 2002. After accession, the SAPARD Paying Agency is expected to become the base for the national paying agency for aid coming under the CAP and the Structural Funds. This means that, most of the EU money, which will represent a large part of the budget for 'Hungary as a Member State', will go through this bureaucratic institution. The main aim of the rural development component of the pre-accession programme has been to create and test such a bureaucratic institution in life circumstances.

⁵ This document is required for the participation in the Phare 2000 Programme. It is also supposed to be the basis for the future Objective 1 National Development Plan, after the accession.

⁶ These had been set up in various years in the different regions between 1998-2001. They provide the official background for the Regional Development Councils, and carry out the implementation of domestic and EU funded regional development programmes.

The *Ministry of Environmental Protection (MEP)* is in charge of the overall strategy of environmental policy and legislation. The MEP, co-operating with other ministries is responsible for environmental issues and executes the governmental environmental policy through the activities of various offices and regional organs. The current structure of the regional organs is a two-tier institutional system. The governmental structure of environmental administration is divided according to different environmental components. The Environmental Chief Inspectorate and the subordinate twelve environmental inspectorates belong to MEP as its decentralised organisations. The Chief Inspectorate is a state administrative organ on the national level. The environmental inspectorates are organised according to water catchment areas, instead of the usual county or regional setting. The nature conservation administration is a relatively separate organisational structure, headed by the MEP. The system includes nine nature conservation and national park directorates, organised according to natural areas.

There are other ministerial departments that play significant role in rural policy-making. Possibly the most important one is the *Ministry of Economy*, which has the overall responsibility for strategic planning. The *Phare Minister without Portfolio* has an important role also, since he has the overall responsibility for the Phare Programme in Hungary, which provides a substantial part of rural and regional development resources. He is also liable for the drawing up of the PNDP. The *Treasury*, the *Ministry of Transport, Water and Communication*, the *Ministry of Social and Family Affairs* and the *Ministry of the Interior* all have their share of responsibilities and resources connected to rural development. The *Prime Minister's Office* has a certain degree of liability in every matter, but especially concerning the system of regions and micro regions.

National statutory bodies

As a consequence of the Act on Regional Policy and Physical Planning in 1996, an entire system of regional development councils and offices was set up⁷. This new institutional structure is not politically elected, but a multiform body in which various local actors are involved. All the councils at different levels contain representatives of the political sector (ministries, local governments), the economic sector (national or regional chambers), the employers and employee's side, and the local authorities plus their voluntary associations. The system theoretically is very advanced and democratic; however, there are many criticisms about its work in practise. Below the county level two types of micro-regional level are present. One is designated by law and is called the 'statistical micro-regions', covering the whole country. This provides the framework not only for statistics, but also for every sort of designation in the Hungarian regional development system. The other type is the 'voluntary micro-regions', involving associations of local authorities as a result of a bottom-up process. These voluntary micro-regions are greatly diverse in terms of size or population, and they often do not match with the 'statistical micro-regions', that often cause confusion in the system.

⁷ The new institutional system at the different levels consists of the following:

National Regional Development Council (NRDC) and the Hungarian Regional Development Centre, which is practically the secretariat for NRDC; Regional Development Councils (RDC - there are 7 of these) and Regional Development Agencies as the councils' offices; County Development Councils and Agencies.

Certain statutory bodies are without a countrywide institutional system. However, they can have a significant influence on rural development issues through their consultation rights on laws and legislation. These bodies include for example different committees of the Hungarian Parliament (on the environment, employment, social and family matters, and minorities, e.g.). In addition, the National Park Authorities, and the *National Environmental Council* should be mentioned. This latter one is a tripartite body, with representatives from industry, the environmental NGOs and the academic life, and posses the right of preliminary assessment of any new law.

Local and regional authorities

Local authorities represent the settlement level in Hungary and have most of the resources and responsibilities about concerns of everyday life. There are 3120 of these with equal rights, most of them (2902) in villages. Having an institutional system and resources at this 'very local' level can provide a significant factor for rural development. The abilities and the work of a village mayor might have significant consequences for the development and future of the village. Voluntary village associations are also very important factors, since they provide a framework for institutions and integrated development programmes at a micro regional level.

The county level, with 19 counties, has long traditions in local policies and development in Hungary; however, with the changes of the '90s it had lost most of its responsibilities, keeping only those tasks which the local authorities were not able or willing to do. Nevertheless, counties are still an important factor in rural development, as they are involved in regional planning and decision making, dispose over most of the decentralised resources for regional development, and have highly developed local connections and personal networks.

The weakest point of the system is the regional level with 7 regions, which does not have traditions in Hungary and is advancing very slowly. There had been attempts to create a regional level prior to the start of the accession negotiations. However, the most important reason for creating the regions was the expected EU policies. This intended to be a voluntary, bottom-up procedure, allowing the counties to form their alliances. However, in some regions the counties could not reach an agreement in forming the regions, which held back the whole process. As a consequence, regional councils and agencies, in some regions, did not work well or were not even set up. After three years of fights, in 1999, the Act on Regional Development was modified and the regions were designated by law. At the same time, the control of the central government on the system of different level development councils (especially the regional one) was tightened and practically became complete (Elek and Nemes 2001).

Civil organisations

After the political change there was a boom of NGOs and different civil organisations. In 1998, there were already more than 50 thousand officially recorded NGOs, many of them connected to some aspects of local development.

From a rural development perspective, the most important ones are probably the *voluntary associations of villages* and their *local development agencies*. These associations often have significant influence, due to their experience in accessing EU and domestic funds; and their experience in planning and implementation of local development projects and programmes. At the same time, they are represented in the regional and county development councils and therefore they have some political

influence on rural development issues. However, according to many critiques, this representation is rather weak, which is one of the drawbacks of the whole system. Another way for the NGOs to gain some political influence is through the *Hungarian Rural Parliament*. This was established in 1998, as an umbrella organisation for NGOs working in sustainable rural development. Today this association has 440 members, good connections with EU wide organisations (e.g. with the ECOVAST), and started to gain some political influence in the Hungarian rural development arena.

There are more than 200 *environmental NGOs* working with rural development issues. Although, environmentalism is not a mass movement (all NGOs together have approximately 10 thousand members), it is quite influential in national and local politics. There is a range of different organisations. Some of them are rooted in the political movements of the late '80s. In those days, environmental protection represented maybe the most important field where dissenting opinion could be expressed and the socialist system could be attacked. These organisations took an active part in overthrowing the previous system, and political lobbying remains the most important activity for them until today. Other groups are rather occupied with conservation work in a particular geographical area of outstanding natural values or in special fields of environmental protection (air pollution or municipal waste management). These organisations vary in size, resources and possibilities to a great extent. The third type of groups, are based mainly in larger rural cities. They are usually well connected locally and have a good knowledge of their area. Over the years they developed a range of complex programmes, concentrating mainly on their geographic area, but dealing with all sorts of matters (such as conservation, the preparation of development plans, and maintenance of rural heritage, etc.). The fourth type consists of groups in small, mainly backward rural regions. They set up local organisations, applying an integrated approach and trying to organise or influence every segment of life in a small geographical area according to a sustainable and holistic manner.

The congress of Hungarian environmental NGOs is held once a year. It brings together all interested organisations and it chooses those 7 people, who represent environmental NGOs in the National Environmental Council. The Green Spider computer network developed by the non-governmental organisations is one of the most efficient and effective forms of communication. Over 200 non-governmental organisations are connected to the network, but the only governmental body so far linked to it is the Ministry of Environmental Protection. This network provides an excellent forum for the MEP to announce and draft legislation, observations and responses, and invitations for funding applications.

Economic interests

The representation of agricultural producers is a complicated issue in Hungary. First of all, the Chambers of Agriculture is a statutory body, with compulsory membership; therefore, it cannot represent the economic interests of agricultural producers. Most of the large-scale agriculture is represented by the National Federation of Agricultural Co-operators (NFAC). Their members hold approximately half of the cultivated area, and, together with the vertically integrated production, produce approximately 60-70% of the marketable agricultural products. The NFAC represents the interest of agricultural employers as well as agricultural producers. As an institution, or through its members NFAC participates in all sorts of statutory and party committees and boards. They do a lot of direct lobbying in the parliament, the government and different ministries, and also have good international connections. They have a well-developed institutional

system with at least one office and permanent staff in every county.

The representation of small producers is a much more difficult issue. There are a number of organisations, standing up for the rights of family farms and small enterprises. The most influential one is the National Association of Hungarian Farmers' Societies and Co-operatives (NAHFSC). They claim that their primary task is to represent the interests of private farmers including small and medium size farms and new type supply, marketing and service co-operatives established and managed by these farmers. Practically it is an umbrella organisation, having 830 local farmers' unions as members, which represent 43 thousand farmers altogether. They provide their members with practical help, information and expertise. The other field of their activities is political lobbying for the interests of family farms. For this, they have very good personal and political connections with the present leadership of MARD.

Beside the NAHFSC, there is a range of other organisations claiming to be the interest representatives of family farms of different types or from different areas. Members, aims, resources and achievements of these organisations vary greatly, therefore significant tensions can be identified and there is no institutionalised system for co-operation or for reaching consensus in important questions between them

The sectoral dimension – problems and approaches

This section analyses the effects of various sectors on rural policy-making. There are four main areas to be considered: agriculture, traditional regional development, environmental protection and integrated rural development. First, we outline the character and the main problems of these sectors. Then the perception and the influence of the main stakeholders (described in the previous chapter) as well as the tensions and alliances existing among them will be explored.

Agriculture and intensive production

In Hungary, there are two different types of agriculture in existence beside each other. The first could be called 'market oriented agriculture'. This consists of mainly large, intensive, commercial farms (the successors of old co-operatives, state farms and some 60 thousand new private businesses) cultivating typically rented land with improved machinery. They hold some 65-70% of the land area and give the vast majority of the marketable products produced in Hungary, providing the supply for export and domestic consumption. This part of agriculture can be competitive on EU and world markets, especially with some products, such as grain, fruit, vegetables and some industrial plants. The other agriculture is a small scale one. It consists of approximately 1 million small plots, using less than a hectare each (16,8% of the cultivated area). These mini farms produce mainly for self-subsistence and income supplement, using very little or no machinery. Most of their products do not even appear in statistics or the taxation system, as they are for self-consumption or sold locally to neighbours, friends or at the local market. However, for many families, especially in rural areas, this traditional agricultural activity is essential, sometimes the only mean of survival. One could see that, 'both agricultures' are equally important, although for different reasons. Both of them are likely to be influenced by EU accession, and both need very different types of policies. As it is argued, commercial agriculture is likely to be benefited by EU membership, but the small scale, income support farming, on the contrary, is likely to be threatened by it.

However, there are some general problems about the future. The probable

intensification of agriculture will result in the further raise of agricultural and rural unemployment. General lack of capital, business and marketing services, low efficiency and quality and the low level of domestic consumption can seriously damage the competitiveness of Hungarian agriculture in a EU framework. Also, the present conception of omitting CEEC's agriculture from the 'compensation payment' of the CAP, while giving it to the rivals in the West is likely to have serious consequences for the competitiveness of Hungarian agriculture. The present, very fragmented land-ownership system, the lack of an adequate land register and agrarian information system, the low level of rural infrastructure and new type of co-operation are also serious deficiencies for the whole Hungarian agriculture and rural development sector.

The main power, concerning rural development issues, is in the hand of the Minister and the bureaucracy of MARD. This Ministry controls the large majority of EU aid, and also the bulk of domestic resources spent in rural areas, either related to agriculture, rural or regional development. This is the result of a political bargain in which the leader of the smaller party of the coalition (Independent Smallholders Party - ISP) had reached rather good positions. With the annexation of the Regional Development Unit by the former Ministry of Agriculture, the fight for rural development resources and responsibilities between the regional development and the agricultural lobby ended with the ultimate triumph of the latter one.

For officials, interest groups and also for most of the producers of this field, rural development is essentially equal to agriculture or agricultural restructuring. As it was stated earlier, this sector is largely preoccupied with the issues of EU accession. Therefore, the views of DG Agriculture, mediated by the pre-accession programmes and in a number of other ways, have a rather strong influence. However, the two different types of agriculture (the market oriented and the self-subsistent, or large and small producers) have rather different interests in a range of issues. In general, large-scale, intensive, market oriented farming has a strong interest in urging the application of EU regulations and the accession itself, without a transition period or significant derogations for agriculture. They are also interested in increasing and intensifying the production, to reach better quotas and a better market position at the time of accession. Small scale and self-subsistence farming is rather threatened by EU accession. The strengthening competition, the compliance with certain EU rules (on environment, animal health and welfare, accounting, marketing, etc.) and the loss of some domestic allowances on taxation and administration can endanger a lot of small businesses and the livelihood of many self-subsistent farmers. These differences conclude in a range of different interests between the two types of producers.

However, the question of who represents today the agricultural lobby in Hungary is somewhat unresolved. The main explanation for this is that, for historical reason, most of the large scale agriculture - giving the bulk of the marketable production and best represented by NFAC - is in political opposition with the Smallholders Party, leading MARD at present. At the same time, small producers are scattered and highly diverse, with little economic power, many kinds of different interests and a fragmented representation. However, 'smallholders' make up for most of the electors of the Smallholders Party and this activity has a large significance for rural life in general. In practise, small-scale agriculture has a strong political support from the Ministry and a large number of participants all over the country. Large-scale agriculture, at the same time, has strong, institutionalised lobby organisations, good positions in public bodies and a larger economic significance. As a consequence, there is a stalemate situation, which can be explained in different ways. It is sometimes said, that the main concern of

MARD and the Independent Smallholders' Party is to keep or reinforce their political power.

'Traditional' regional development

There are a number of regional development problems in Hungary, inherited from the past or emerged from the transition of the past decade. Regional differences have been growing rapidly since the late '80s. Budapest and a few other areas have good prospects for a future in the EU, however, there are large, backward rural areas, with poorly educated, ageing population, bad infrastructure, high unemployment and high proportion of gypsy population, which lack of economic and cultural centres. They have not very promising expectations for the future. The relative backwardness of these areas is likely to be increased by EU membership, or even during the pre-accession process. There are a lot of economic, human, cultural and natural resources in these areas, though the scale at which these could be used is usually too small for regional development objectives. The regional development system, especially at the lower levels, does not function well yet. There are also some misunderstandings and a lack of effective communication on a policy level, between Budapest and Brussels, concerning budgets and the administration of Phare aid. As a consequence, millions of Euros have been lost for Hungarian regional development during the last few years.

After the change of the government the main concern of the regional development bureaucracy was to 'keep its identity', resources and staff in the new institutional system, within the framework of a predominantly agricultural ministry⁸. Their experiences, connections and developed institutions in the field of Phare administration were of great help in this. In fact, experts and bureaucratic staff of this field could not be easily replaced. Within MARD, they have the best connections with the Unit for Economy and the Unit for European Integration. They also have good connections with a range of other ministries, the Ministry of Economy, the Phare Minister, the Ministry of Environment, the Ministry of Transport, Water and Communication and the Prime Minister's Office can be some examples. With these connections they can successfully lobby for regional development projects.

For political reasons, officials of this field are reluctant to use the term 'rural development', they rather try to distance themselves and say that they do regional development, even if in rural areas. Most bureaucrats working in the regional development units of MARD have a background in economy, some in town and country planning. The main concern for them is the improvement of hard economic indexes, like GDP, unemployment or physical infrastructure. Most previous EU funds (through Phare) have come to this sector, and, according to the proposals, it is also likely to remain like that after accession. Therefore, people working in this area are rather pro-Europeans, and they are also very knowledgeable about the EU system. The role of environmental objectives is not particularly significant, but rather accidental in the Hungarian regional development⁹.

⁸ The official translation of MARD is *Ministry of Agriculture and Regional Development*; however, the Hungarian name is *Ministry of Agriculture and Rural Development*. The difference is a result of the personal effort and intervening of the leader of the Regional Development Unit with the Minister at the time of the change. This was a way for regional development people to keep the 'identity' of the unit towards the outside world, namely to the EU.

⁹ While working together with the environmentalists in the framework of one department a good co-operation started between them, however, after 'moving to MARD', this was more or less finished. Today

At the regional level, Regional Development Councils have little power. The reason for this can be found in the rootlessness of this level of administration, in the lack of sufficient institutions and resources, and also in the system of representation. The members of the councils comprise representatives of 10 ministries, the presidents of the participating County Development Councils, one micro region from each county and the chairman of the Regional Tourism Committee¹⁰. This composition creates an overwhelming predominance of the central government. Regional Development Councils should be the forums of decentralised, regional level decision and policymaking. However, at present sometimes they are rather the extensions of central government bureaucracy or the scene of the political struggle between the participating counties.

Environment and protection

According to environmental experts, the most important asset that Hungary can offer to the EU is in our outstanding natural values, flora, fauna and landscapes. Hungary not only has natural values conserved here, whilst destroyed in the EU, but it has some unique natural treasures that have never existed in the Union. There is an outstanding natural wealth here, compared to much of Europe, containing approximately 42 thousand animal and 2200 higher plant species, native to the country. Hungary can boast several species and communities that are not native outside the country, as well as some others that are found in neighbouring countries, but not in the region of the EU. Many of our outstanding natural values are connected to the unique open grasslands of the Great Hungarian Plain and other plains of the country.

It is predicted, that the cultivation of approximately 1-1.5 million ha bad quality arable land, which is 11-16 % of the total area of the country, will be discontinued during the next few years, for economic and political reasons. Since the flood-control and water regulatory projects of Hungary, dating back to the 19th century, this will be the largest change in the land-use and the landscape of the country. It is vital for the nature and the whole ecosystem of Hungary, what will happen with these large areas. This has to be taken into consideration for rural development as well as for the accession negotiations with the EU. Another issue is that, many environmental rules (concerning the use of wetlands e.g.) are much stricter in Hungary than in the EU. These rules should be maintained after reaching membership, to protect natural habitats. Hungary has a range of landscapes and natural elements, which can only be found here. These treasures are to become common values of the Union and they can also become a primary resource for sustainable rural development. (NAEP http://www.ktg.gau.hu/uj/en/nakp_en.html).

However, unlike in most EU countries, environmentalism in Hungary is usually not an issue that attracts mass interests. Environmentalism, at least compared to countries in the EU, is somewhat missing from the general culture of the country. However, as a consequence of growing legislation, media campaigns and the educational work of Hungarian environmentalists, this is changing slowly. Back to the '80s, there is a long

the co-operation is only formal. In the words of an interviewed official, "they always put a couple of paragraphs in the documents prepared from each others' staff, but that is all".

¹⁰ This constitution is the result of the last modification of the Act on Regional Development. Before that in the Council there were more micro-regions, less representatives from the government, and various Chambers were also represented. The whole system was more decentralised, however, it did not work, since some of the regions were not even set up.

tradition of using topics, connected to the environment in political fights and lobbying. Hungarian environmentalists have excellent press connections and a good international network by now; therefore, they can easily position themselves in these fights. They can already alert international organisations (WWF, Birdlife International, Green Peace, etc.) in the case of proposals for disadvantageous legislation or serious pollution. This will be of great importance once Hungary will have entered the EU and strict European legislation on the environment has to be applied.

Different organisations have diverse priorities and goals. For officials, working in the government bureaucracy in the field of environment, the main concern is to convince their colleagues in other government units about the importance and significance of environmental protection, as a EU requirement. To support this goal and to strengthen environmentalism as well as their own position within the Hungarian system they use rural development, environmental legislation and the rhetoric of the EU. In MARD, for example, there has been a great improvement during the last decade. Ten years ago agri-environmental protection was not even an issue to talk about. Today it has become 'fashionable', there is a National Agri-environmental Programme (even if it is not implemented yet) and this issue is at least mentioned in every relevant political document. Though, in some important sections of the bureaucracy and the institutional system there are still no properly working mechanisms and practices for this consideration¹¹. For government officials - working in the field of environment - rural development is mainly equal to the agri-environmental measures of the CAP and other environmental legislation of the EU.

Various environmental NGOs have different approaches. 'Lobbyists' (see the previous chapter) and large traditional nature conservation organisations work mainly on a policy level. First of all, they try to influence new legislation, using their press-connections and their position in public bodies (recent examples the laws on environmental protection, gene technology, municipal waste, etc.). They also try to fight for topics of international significance. One of the main issues is the frequent and very serious pollution carried by our rivers from the neighbouring countries. This is a problem typically requiring a political level solution. They try to position themselves on an international level, and to attract more attention for the outstanding natural values of the country. They say, this is our capital, which will enrich the EU after the enlargement; therefore, these values and their protection should have more emphasis during the negotiations. At the same time, they also try to use their international connections to have more domestic influence. Smaller NGOs, deeply rooted in their immediate area, work for more direct aims, protecting natural values, creating gene banks or fighting against sources of pollution. Some of them entered into environmental friendly agriculture, or the light forms of tourism, creating the economic background for their activities. Their concern is often to develop every aspect of their small area in a holistic, sustainable way, which could be viewed as the practical application of rural development with a strong environmental emphasis. Within the environmental movement, according to some opinions, there is a

¹¹ An example: When the first draft of the Preliminary National Development Plan was almost finished, just before it was sent to Brussels, someone from the National Environmental Council accidentally came across the plan and the whole procedure. Then he started to argue that such a plan has to go in front of the National Environmental Council. However, it was already too late for this process and, at least the first draft of the document went to Brussels without the approval of the Council. This did not happen because of the reluctance of the 'regional development people', but simply because "nobody thought of this before". With the words of an official from the RDU: "this is a learning process, next time it will go better".

strong emphasis on problems and issues connected to rural development.

Rural development, the integrated approach

There are a number of backward areas, accumulating different types of disadvantages, which would require integrated rural development to stop the general decline, and sustain local culture, society, economy, and ecosystems. Problems, as well as possible solutions, varies greatly according to local circumstances, however, there are some commonalities characterising them. Some of the most serious problems include: isolation from the centres of economic processes, difficulties to access information; unemployment; low levels of income; poor infrastructure and service facilities (a significant obstacle for entrepreneurship and counter-urbanisation); lack of services, skills and marketing for rural tourism. There are severe problems connected to agriculture such as ageing and depopulation (especially in the smallest villages -many of which might become deserted in a couple of decades); minority problems (rooted in culture, low education, learning abilities and life expectancy, poverty and bad health conditions, etc.); environmental pressure from certain de-industrialised areas and agri-environmental problems resulting from land abandonment and improper farm management plus social exclusion¹².

The ignorance of local resources, a lack of willingness for co-operation between local authorities, entrepreneurs and individuals due to personal conflicts, or tensions, brought from the past can also cause problems for rural development. There is often a general feeling of waiting for help from outside, instead of trying to find resources and solutions locally. Many areas of Hungarian countryside are very rich in nature, culture, and social networks that are essential for local development. This means that Hungarian rural areas naturally still have a lot of features and resources, which have to be rediscovered or even rebuilt by rural development in the West. However, in Hungary there is a lack of culture to appreciate these and to utilise them during the development work. It might happen that some of these advantages will be lost by the time the significant programmes and resources become available for rural development. This would mean that our rural areas have to follow the same way as their Western counterparts. This, together with a lack of clear, strategic long-term thinking at all level should be considered one of the most worrisome problems for rural development.

Integrated rural development has two different foundations in Hungary. One is in the government bureaucracy, the Unit for Rural Development Programmes (URDP) within MARD. The other one is on the ground in the system of micro-regional associations and development trusts (see above), which is best represented by the Rural Parliament of Hungary at the national level.

Before the establishment of MARD, rural development was an important concern for agricultural, as well as for regional development interests, since it was an area,

¹² Some data to illustrate these problems:

63% of the small regions have complex, qualified access times of over 30 minutes; the number of telephone lines per 100 people is 35,4; Ratio of flats connected to the public sewage system: 48%; ratio of sewage cleaned by biological means 53%; in emergency medical care the time for the National Ambulance Service to arrive exceeds 15 minutes in 24% of the cases; treatment time per 100 residents in medical treatment facilities 1500-3300 hours in the central regions, 900 hours in peripheral regions; the gross wages in agriculture are 70% of the average; unemployment is under 10% in the centres and several times higher in the peripheral regions.

promising great EU resources for the future. However, after the 'triumph of agriculture' both areas had lost their interest in a new type of rural development. The Unit for Rural Development Programmes was an 'alien body' within the ministry and has remained such until today. The agricultural units are only interested in the agricultural restructuring component of rural development. The regional development units (the URDP is within this section), after realising that they could keep their integrity and resources within MARD, also lost interest in rural development. Personal conflicts between the leaders of URDP and the main regional development unit contributed to this situation. As a consequence, rural development, or rather the integrated approach, is without a solid background in the state bureaucracy, it is rather limited to the small unit of URDP.

This unit was created originally for the management of the SAPARD Programme. The main emphasis of the programme is on agricultural restructuring, however, it has a strong rhetoric on integrated rural development. Officials, working in URDP, at first took this rhetoric seriously. During the programming procedure, they adopted an integrated, sustainable approach, aiming at decentralisation, the utilisation of local resources and the development of local partnerships. However, resulting from their low resources and merely from being within the system of the agricultural ministry their work could only achieve limited success. They were also repeatedly restrained by EU officials (mainly from DG Agriculture), who tried to turn them into a more agricultural and more centralised direction. The main aim of this unit was to carry out a National SAPARD Plan with as many rural development objective and as much resources as possible. The other aim was to create or reinforce the basis of this approach through the system of micro-regional, voluntary development associations. They achieved both objectives, however, with significant limitations. Another obvious target was to strengthen the position of rural development within the state bureaucracy, and to reinforce its role within rural policy-making.

At the local or micro-regional level, a number of people and organisations have strong views on integrated rural development. They have been informed about this notion by the LEADER programme, international rural and community development organisations (e.g. ECOVAST), domestic programmes of various EU countries (Scandinavia, Ireland, Spain, etc.), and the general rhetoric of the EU on rural development issues. Some of these grass root organisations have more than ten years of history, strong local and international networks, high knowledge of local and European issues regarding rural development and many successfully completed projects. However, many local associations do not work in this way, and the best ones often depend on some exceptional, innovative and charismatic personalities living and working in rural areas. On the other hand, these associations have to compete with each other for limited development resources. This hinders the co-operation between them, which would be necessary to advance their ideas interests and representation. Although, at the end of the day – through their representation in the Regional and County Development Councils, and the Hungarian Rural Parliament – the voluntary development associations are gaining increasing influence in rural policy-making, enhancing an integrated, sustainable gains.

In spring 1999, the Rural Development Unit of MARD launched a programme, which provided resources for rural local authorities to form associations (commonly called as called SAPARD Micro-regions), to explore their needs and resources and write their

strategic development programme (SAPARD Micro-regional Programmes). Subsequent rounds of this programme provided training for the representatives of the established micro-regions and further resources to write their operational programmes. The available budget for these programmes were small (each micro-region received approximately 8 thousand Euros in the first round), however, they acted as a catalyst and reinforced a boom of rural development activities in many villages. As a result of this and the subsequent programmes, today micro-regional development associations cover rural Hungary. Most of them have their strategic and operational programmes, partnerships, local leaders and rural development managers. These associations are mainly based on the alliances of the participating local authorities, however, civil associations and NGOs often have crucial role in them. The system was also tested through pilot rural development programmes, subsidised by MARD¹³.

These developments carry great potential for, but at the same time pose threat to integrated rural development. As a consequence of domestic programmes, EU rhetoric and the expected resources many rural areas busted into activity. People started to think and talk to each other about their problems and possibilities. Partnerships, institutions were set up, the so far mainly latent potential for integrated rural development started to become apparent. However, all this resulted in raising high expectations for the near future. The programmes and the actors are there, the system would need resources and help from outside. At the same time, domestic money is insufficient and often inefficiently spent, and the EU aid is still not available. If the expectations of local actors (raised by central policies and EU rhetoric) are not fulfilled in the near future, it can prove to be very damaging for integrated rural development in the future.

Sustainable agriculture and rural development

The natural resources of Hungary provide much better conditions for agricultural production than the European Union, the OECD member states or even the global average. The rate of arable land in Hungary is almost twice as high as the EU-15 average and four times as high as that of the OECD member states, while it is five times as high as the world average. If we add grassland areas to that, i.e. we consider the rate of agricultural area within the total area; this rate will be about twice of the world average. Besides this, Hungary has a good climate, large plains, a very large amount of running and ground water that can be used for irrigation and a good geographical situation close to Eastern as well as Western markets. Agriculture has always been a very important part of the domestic economy and it is likely to remain so for the future, being significant especially for the rural areas. Consequently, rural development has to consider seriously the resources offered and constraints posed by agriculture for a sustainable approach.

As a result of structural changes and economic crisis, the Hungarian agriculture has changed significantly, compared to the '80s. The volume of production, the employed workforce and the GDP contribution of agriculture have fallen greatly. At the same time the way of production has also changed, namely, it has become much more extensive. The amount of artificial fertilisers used today is 23%, and the insecticide is some 32%, compared to the '80s. Large arable land areas have become abandoned, at the same time the number of animals has also dropped significantly. Consequently the environmental

¹³ These were run according to the expected implementation rules of the SAPARD Programme, and they were based on those resources, which would have made up for the domestic own-share of the SAPARD Programme if it were introduced in time.

pollution resulted from agriculture has been greatly reduced during the past decade. However, the approaching EU membership, the CAP, the new potential markets and large resources for investment and intensification is likely to bring significant changes again for Hungarian agriculture. Concerning this, an important strategic choice has to be made by Hungarian policy makers, between the reality and the rhetoric of EU policies. In other words, they have to decide if they want to base rural and agricultural policies on the principles of the present Common Agricultural Policy (CAP), or rather on the principles of the Common Agricultural and Rural Development Policies for Europe (CARPE), which is widely referenced as the possible way out from the rural-agricultural crisis of the EU in the near future. Hungary has good resources for both choices; however, they are likely to bring very different consequences for the rural areas of the country.

The first choice (could be called the 'CAP scenario') would involve the significant and large-scale intensification of Hungarian agriculture, built on domestic and EU resources. From this viewpoint the last ten years has been a wasted time; the extensification of production and the structural change of land ownership towards smallholdings is a disaster. This approach suggests the same path for the Hungarian agriculture that has been followed by its French, Danish or Dutch counterparts. This means the emergence of monocultures, cultivated mostly in vertical integration with a very high input of fossil energy, which produce significant profit, however, only if agricultural subsidies and direct payments are provided. This 'development' would cause though the same or very similar level of environmental destruction experienced in Western countries and result in further significant fall in agricultural employment, due to intensification and improved machinery. All this would be started in a political environment, in which longer-term rational considerations, external and internal forces, proposals for the future, even the rhetoric of EU policies suggest the close end of these policy directions. Two more issues should be considered. First, according to economic calculations, high input production can only be profitable in a supportive policy framework. In all probability, Hungary and the CEE agriculture in general, will not receive the high agricultural subsidies of CAP, at least not for intensive production. This would place considerable burden on the EU budget, and would be against the interests of influential agricultural lobbies of the Union. This issue was already pinned down in Agenda 2000 and was emphasised several times since then by EU officials. Second, if we try to go on the same way as Western agriculture, starting with several decades of drawback in development, then, we are likely to be lagging behind, with little hope for being able to catch up with the system. This scenario cannot be considered sustainable in any way. It would cause environmental damage, reinforce rural problems, such as unemployment, depopulation, and degradation of social and cultural values. Moreover, it is also likely to be a dead end road from an economic point of view, at least for the local economy.

The second choice (could be called the 'CARP scenario') would go to a radically different direction, aiming at a 'post-modern', sustainable agricultural and rural policy. This would support organic and low -input farming on significant areas, producing high quality, healthy food, and industrial crops for bio-fuel, for example. In this way, a certain degree of our backwardness can be turned into advantages (because in some areas there is a relatively extensive agriculture, which is easier to be converted into organic production, for example). This type of production sets high values on human work and does not jeopardise rural jobs. It lives in a symbiotic relationship with its environment, preserving natural resources and treasures for the future. Of course, financial assistance is also in this case; however, it is not an aid, but a payment for

preserving environment, landscape and culture on a sustainable way, for the good of the whole society. This alternative agriculture should be interconnected with other means of sustainable rural development. In this way, Hungarian agriculture and rurality would go on to an alternative way, compared to Western Europe. We could miss out a period, which has caused many environmental, social and economic problems in the West. We would not be lagging followers any more, but could become a leading force for rural development, for the benefit of the whole of Europe. This scenario, if realised with adequate care and precaution, can prove to be sustainable from the viewpoint of environment as well as local culture and society.

Some of the elements of a sustainable agricultural system already exist; others are under development. While at the beginning of the last decade organic farming occupied only a couple of thousand hectares in Hungary, today it is over 40 000 ha, and it is growing rapidly. We have the legal system and the institutions ensuring the quality of the products. Some 98% of the organic products go for export at a very good price. The products represent a wide scale, from wheat to fresh fruit, vegetables, wine, meat and milk products. The qualification of the products is the responsibility of an environmental NGO. At present organic production receives low subsidy that covers only 40% of extra expenses, including test of soil, and quality of products, or consultations. It neither covers other costs, such as opportunity costs nor provides any incentives. For the next few years, if the necessary support is available, the area of organic production is forecasted to reach over half a million hectare, which would represent a significant proportion of the agricultural land area. However, in itself it cannot be a panacea for Hungarian agriculture as a whole. Different areas have different problems, requiring different solutions (<http://www.organic-europe.net/>).

An important initiative started in the mid '90s. With the participation of several ministries (Ministry of Environment, Ministry of Agriculture, Ministry of Transport, Communication and Water Management,) research institutes, NGOs (such as MME-Birdlife Hungary, WWF) and universities, a group of experts have worked on the possibility of the adaptation of EU environmental policies to the Hungarian circumstances. The Plant Protection and Agri -Environment Management Department of the MARD did the co-ordination of the working group. The result is the National Agri-environmental Programme (NAEP), which was completed and approved by the government in 1999.

The nation wide investigation aimed at the establishment of zonation system of land use in Hungary. Considering agricultural and environmental standards the core areas for agricultural production and nature conservation were determined. The first group covers areas of suitable climatic conditions and other factors ensuring a good agricultural potential for production. These areas could be used for intensive agricultural production. The second group (nature conservation core area) consist of areas, which are of low production potential, environmentally sensitive and present significant natural value. The investigation revealed that in a majority of the areas an increase in agricultural potential goes along a decrease in environmental sensitivity. Another result of the study was that 1,5 million ha of the arable land (which is vulnerable and exposed to erosion) should be converted into extensive grassland or forest.

The agri-environmental programme contains two main groups of measures, such as horizontal and zonal schemes. The horizontal schemes (comprising wetland, grassland, organic production, integrated production and agri-environment basic schemes) apply to all agricultural land, anyone can participate in (it is a voluntary programme) who has at

least 1 ha land and if the land is rented it is for a long term. Farmers could make a contract for 5 years. The zonal schemes target high nature value areas, they assist the environmental and nature protection focused land use. These schemes relate to areas, which are vulnerable from the aspects of nature, soil and water protection, and because of their sensitivity they require special cultivation practices. These are the so-called Environmentally Sensitive Areas (ESA), which form the basis for the potential target areas under the zonal schemes. Evaluating the potential sensitive areas according to the importance of nature protection the following 3 categories can be distinguished: high priority areas, important areas, and potential areas. Under the zonal schemes farmers can receive payments according to the packages of rules tailored for the protection need of the region. These zonal schemes are available for farmers who produce in the region or area in question.

The programme is very promising, but it has not been implemented yet. However, the pilot areas are already designated where the programme could start. The launch of the programme was hindered due to the lack of HUF 6,5 billion, which had been planned for its introduction as part of the agricultural budget for 2000. However, finally the National Agri-Environmental Programme was excluded from the realised agricultural support system in that year. For the next year HUF 7,5 billion was calculated for this purpose, but the same situation occurred. Finally, in the 2002 budget the programme received some HUF 4 billion and was launched.

Another agricultural concern to be mentioned is the huge number of self-subsistent family farms. They are unable or unwilling to become entrepreneurs and produce for market, and most likely will be left out from these policies. Since this type of production ensures or helps the livelihood of many families in the most backward rural areas, it is very significant for rural development reasons. This sort of agriculture mainly builds on human work, using low - input in terms of chemicals and machinery, it is socially as well as environmentally sustainable. However, as it is frequently argued, it belongs to the competence of social policies, rather than to agricultural policies. Though, it is still agricultural activity, in need of support to survive the threats (rules and competition) of the approaching EU system.

Rural development in the EU, approaches for enlargement

As a result of the last 15 years' evolution of EU rural policies, an endogenous and integrated development philosophy has emerged, which is hoped to be appropriate to reach the twofold objectives of cohesion and diversity. This approach is territorial, rather than sectoral, builds on local resources and reinforces the ability of local communities to control their own socio-economic well-being (Commission 1988). This development philosophy is widely referenced and has become the rhetoric for EU documents and speeches today. The successive reforms of structural and cohesion policies, as well as the emergence of new requirements (such as subsidiarity, partnership, programming) in EU policy measures made the first steps on the way of realisation of this philosophy (Commission 1997). If all this is understood as an evolutionary trend or a long-term objective, then the integrated approach can be identified as the future way of making and implementing development policies in the EU. This process is often understood as a shift of the development paradigm from the old top-down style, towards an integrated or neo-endogenous development philosophy

(Ray 2001).

However, the fundamental change in rural policies still has not occurred, as short - term policy goals and implemented measures are quite different from long - term expectations. Repeated attempts at cutting subsidies have not been successful and the vast majority of the CAP's budget still supports well off farmers and over-intensified production. The transformation of the Common Agricultural Policy (CAP) into an Integrated Rural Policy (IRP) - urged by widely referenced documents, such as the 'Future of rural society' (1988), the Cork Declaration (1996) or the Delors' Packages (?) - is still in the unforeseeable future (Lowe and Ward 1998). A reason for this is that, despite of all transformations and restructuring, the general view of rurality in Western Europe can still be characterised with a strong agricultural, top-down, sectoral orientation. Agricultural interest groups and lobby organisations (such as national farmers' unions in the Member States, or the COPA) are still very strong. The present system is backed by long traditions of the CAP, well-developed institutions and bureaucracy in the EU as well as at national level (Kola 1999, Nemes 1999, Lowe and Brouwer 2000). Though the rhetoric of EU policies has changed significantly, one could say that rural policies are still being made within the framework of the productivist agricultural paradigm (Hall 1993). Reforms, initiated from within, have not been able to shift the ruling paradigm, or change the system fundamentally. To meet such challenges, strong external forces are needed.

The approach of the EU towards enlargement and rural policies - old or new paradigm?

The approaching eastern enlargement of the European Union is often seen as the most significant force into this direction. However, the current approach of the EU towards the preparation of the CEECs for the agricultural and structural policies of the Union is characterised by the same duality. After political and economic changes in Central and Eastern Europe the first reaction of the West was giving political and economic support to the newly established democracies. Although the level of this support never really reached that degree which was promised and expected at the beginning. At first, it was given as an aid, without very serious requirements, mostly within the framework of the Phare programme. With the opening of the accession negotiations, the Commission rearranged the philosophy of the Phare programme to focus on those objectives, that have direct importance in the preparations for membership, mainly in the fields of institution building and investment¹⁴. The new pre-accession programmes, the SAPARD and the ISPA were also designed according to these ideas. Currently there are two, one could say, contradictory messages communicated by the pre-accession policies.

The first originates from the 'new integrated development paradigm' and could be characterised with decentralisation. It is embodied in the rhetoric of the pre-accession policies and other declarations of the EU and its officials. It emphasises programming, sustainability, local participation, and the importance of endogenous resources and inspires the preamble and the broad objectives of the policy documents. The other one originates from the 'old top-down paradigm' and could be characterised with centralisation. This is embodied in the accession requirements, compliance with the

¹⁴ With the words of a EU official: "We used to give money for basically anything. From now on we do not support our future competition for the money of EU taxpayers."

acceptance of the *acquis communautaire* and procedural and implementation system of EU policies. To fulfil these requirements applicants have to have strong legislative power and have to build large, centralised, bureaucratic institutions. The main emphasis of the preparation is on transparency and accountability and it actuates the detailed objectives, criteria and especially the financial and implementation details of EU policy documents (Nemes 2001). However the fulfilment of the requirements would request a great deal of trained human capacity at the regional and local level (to implement all those laws). Therefore, parallel to the central development, a sort of administrative reform/ restructuring is happening (or should happen) at the local, regional level though, there is little emphasis on this in the pre-accession strategy.

The SAPARD Programme provides a good example for this duality. The rhetoric of the programme is very similar to the philosophy of the LEADER Programme. It sets broad objectives, offers a long list of possible measures and ensures a great level of subsidiarity for the pre-accession countries. It has a strong rural development orientation and, though provides only modest resources, but those should be entirely decentralised from the EU to the level of the applicant countries (Commission 2000). Nevertheless, the reality looks somewhat different. Nearly two years after the expected launch of the programme there still has not been a single EURO of EU money spent on it. The reason could be found in the high requirements of the EU, concerning the financing and implementing institutions of the programme in the applicant countries, and the low efficiency of Hungarian bureaucratic institutions. Originally, under SAPARD, most CEECs intended to implement broad programmes including numerous measures with a significant emphasis on rural development objectives. However, in this form, none of these countries could fulfil the strict requirements for the accounting and implementing agency (SAPARD paying agency). The Commission's solution was not the change of the rules or the provision of financial and technical assistance, but the reduction of the programmes in most applicant countries. As a result, instead of broad programmes, supporting the 'neo-endogenous paradigm', SAPARD has been narrowed down. This means a step backward compared even to its originally quite limited focus¹⁵. Initially, instead of 6-10 measures, only 2-4 are likely to be implemented in each countries. If enlargement will happen according to the current schedule, the rest of the measures are unlikely to be ever implemented. Programmes will be oriented towards the restructuring of agriculture and processing industry. These measures are the easiest to implement and they fit in the political climate in domestic and EU terms too. Rural development measures, which are more difficult to implement according to the accountability and transparency requirements (measures for diversification, village renewal, agri-environment) are likely to be reduced or left out. According to the intentions of the EU, seemingly, the most important result of the SAPARD programme is likely to be the set up of the paying agency itself.

Beyond the rhetoric, the main aim of the pre-accession strategy is to improve the accessibility of the official system, markets and territory of the CEE countries for the policies, goods and capital investment of the EU. The primary objective is to build a strong, Euro-conform bureaucracy at the central or governmental level, which will be able to work with the complicated official system of the EU in the near future. The secondary objective is to ameliorate physical accessibility, mainly through building

¹⁵ Recently the Commission has been repeatedly accused by the European Parliament for delaying the pre-accession programmes and through this, the whole accession procedure (European Parliament press release, 2001 November).

international motorway connections, and, to a smaller extent, improving airports, railways and trunk-roads. The third objective is connected to environmental threats of international importance, aiming to reduce water, air pollution, and achieve better management of municipal waste. Environment is the field where Hungary has the most difficulties to comply with the related EU requirements. However, according to official proposals, this is also the field, where the most derogations are expected. Consequently, the present environmental problems will not mean an obstacle in the way of EU membership. Concerning rural areas, the main objective is to prepare CEE for the agricultural restructuring policies of the EU, and the insertion of CEE agriculture into the EU in a subsidiary and very unequal position.

Most of these developments are highly required in CEE. They are beneficial and welcomed by the applicant countries. However, they are (at least) equally useful from the viewpoint of the short/mid-term economic and political interests of the present EU15¹⁶. They try to smooth the accession process for the present EU, rather than for the applicant countries. On the other hand, the building of capacities and adequate institutions for rural development at regional, sub-regional and local level is almost totally lacking in the pre-accession strategy. There are insufficient resources for identifying real problems, finding appropriate rural development models, building local partnerships, or reinforcing rural communities in any other way. There is no real intention to preserve cultural and natural diversity, to explore and use local resources. In other words, the endogenous approach is almost totally missing from the pre-accession strategy. Moreover, the requirement of additionality ties the bulk of domestic and local resources to EU funds and objectives too. In this way, the pre-accession strategy may even prevent spreading the philosophy and practice of endogenous development in CEE (Enyedi 1996).

One could say that the pre-accession strategy concentrates mainly on political and economic cohesion. It supports almost exclusively objectives, that can be justified with short to mid-term political and economic interests and it is designed in a centralised, top-down manner. Social cohesion, the reinforcement of local economy and society and, in general, the aims of an endogenous, integrated approach to rural development are almost totally lacking. According to the present proposals, the main aim is to minimise the shock of the accession, but for the present EU, rather than for the applicant countries.

According to today's proposals, there will not be any significant changes in EU policies because of the eastern enlargement. However, much of the evolution of EU policy making has been a result of problems, raised by previous enlargements (the southern enlargement and the connected reforms in Structural and Cohesion Policies could be the best example). According to this experience, such a significant enlargement as the Eastern European one is likely to bring about significant changes in policy making. Considering that, much of the expected problems are rooted in rural areas, poverty and a need for sustainable change, the largest challenge should be expected in the field of rural, cohesion and development policies. This might bring about significant changes, if not in the pre-accession period, then during the first years of membership. Concerning the 'compensation payments', there has been some discussion in the EU about giving the

¹⁶ Without an appropriate EU-conform bureaucracy there is no way to control the implementation of EU policies; without good transport connections it is difficult to reach CEE markets; the lack of EU-conform health standards, business services and market institutions can jeopardise future investments of Western capital in CEE; and pollution does not respect national borderlines.

equivalent amount to the CEE countries, although not for direct agricultural subsidies, but for sustainable, or integrated rural development. This money, some Euro 7-8000 million/year, if coupled with a clear strategy, could make a significant change, turning the theories of the sustainable development approach into practise. Another positive EU-level development is the strengthening of the regions and the micro-regional associations on the basis of the LEADER Programme. Some countries (Britain, for example) also made the first step towards the 'second pillar' of the CAP, using the possibility for modulation by the new CAP regime (Lowe et al 2001).

The effects of EU policies on Hungarian rural development

The first significant effects of EU policies in Hungary followed the introduction of the Phare programme in the early '90s (MARD WWW***). Between 1990-1994, in the first run of the Phare, Hungary received almost Euro 500 million from this source. The money was spent in a number of different sectors, such as: privatisation and structural investments in the field of industries; education; development of physical infrastructure; environmental protection and nuclear safety; restructuring of agriculture; and the reform of the government bureaucracy. Many of the subsidised programmes had some sort of effects in the rural areas of the country. Special programmes for regional development were introduced in 1993, with a budget of Euro 10 million. Main aims of these programmes were to facilitate the reform of regional policies and start pilot development programmes in the most backward Northeast region. To help the restructuring of Hungarian agriculture Phare spent some Euro 75.8 million during the first five years of the programme. Most of this money was devoted for the improvement of the agricultural finance system, but the processing industry and investments in agricultural production were also subsidised by the programmes. The development of physical infrastructure also received significant amounts, some Euro 37 million during the first five years, having positive effects on urban as well as rural areas.

As a result, significant resources became available for development. In parallel with Phare, domestic programmes were also elaborated and started. Building on these centrally provided resources, bank loans, and the contribution of local communities, several infrastructural investments were undertaken in backward rural areas¹⁷. Local authorities, development associations, businesses and other actors of local development started to learn about EU administration and the system of funds and applications. A system of micro-regions, informed by programmes like LEADER and EU rural development rhetoric, started to emerge, having increasing importance and significance. At the national level, Phare Offices were created in every significant area, officials were trained and experts of various fields were gathered. European issues became an increasingly important consideration for domestic policies (Nemes 1999).

With the acceptance of Hungary's application for EU membership and later with the start of the accession negotiations in the late '90s, the process of Europeanisation of the Hungarian system was accelerated. According to the Accession Partnership Document, by the time of accession (the first date, set up in 1997, was 2001, since then it has been postponed several times) Hungary has to accept and comply with the *acquis communautaire*: more than 100.000 pages of legislation, rules and policies of the EU.

¹⁷ This meant the building of many roads, water and sewage plants and pipes, the large extension of gas pipelines and modernising the telecommunications systems. Schools, gyms, youth and community centres, and other community buildings were also built or refurbished in large numbers.

Only a few years after 'the changes', when basic institutions and legislation are still missing from the Hungarian domestic system, the fulfilment of these EU requirements represent a challenging and complicated task for the Hungarian legislative system. Besides all, the government and the bulk of the central bureaucracy were changed twice during these years, hindering the accession process. However, Hungary 'did well' compared to other acceding countries as the EU several times evaluated its preparation for the membership as one of the most advanced in CEE.

The Regional Development Act, for example, in 1996 and the consequent National Regional Development Concept were already designed to fulfil EU requirements (Horváth 1998). The emerging regional level planning, decision-making and administrative system was, first of all, a result of Europeanisation. This development was 'rewarded' by the EU, through the 1996 and the 1997 Phare Budgets, with an Euro 18 million fund, to help the development of regional (NUTS II) institutions and also regional identities through pilot programmes. However, for administrative reasons, quite a large proportion of this money arrived with several year delay or could not be spent at all¹⁸.

Units for EU integration were set up in every ministry and development programmes were designed at various levels. A new vocabulary, consisting of expressions of the new Euro-jargon (partnership, decentralisation, bottom-up, etc.) started to become common in the bureaucracy. New considerations, such as the environment, the use of local resources or strategic planning became parts of the political agenda, although sometimes only at the level of rhetoric. At the same time, human resources were further developed at the sub-regional and local level. Many NGOs were set up or reinforced, building institutions and gathering expertise in development work.

The launch of the accession negotiations and the preparation for the EU pre-accession programmes (especially for SAPARD) brought significant changes for the Hungarian rural development. Even the term, 'rural development' became widely known in Hungary only after the creation of the new rural-agricultural ministry and the launch of the SAPARD programme. At the beginning of 1999, the Rural Development Unit of MARD was given the responsibility to prepare the National SAPARD Plan and carry out its implementation. An independent research institute (VÁTI – Town and Country Planning Institute) was commissioned to prepare the Plan. As we said earlier, they started to write it with a neo-endogenous approach, having a strong emphasis on rural development, contrary to agricultural restructuring. Domestic political forces had a great influence on the partial failure of this approach, however, the EU also made its effect into this direction. In November 1999 at a screening meeting on SAPARD, the representatives of URDP presented their views on a rural development direction, which is programme based and would highly decentralise SAPARD in Hungary. The EU officials informed them that they misinterpreted the concept of the programme. SAPARD has to be project based, more agriculture orientated and controlled by the Central Government.

The preparation for the programme has been going on for years, although, due to the lack of the accreditation of the Paying Agency, Hungary has not received any resources

¹⁸According to the opinion of several EU officials (interviewed in Brussels) the reason for this is the inadequacy of Hungarian management of rural regional development and the delay of the implementation of the Regional Development Act. However, the Hungarian officials believed that, the main reason for the delay was due to the obstructive attitude of EU bureaucrats towards certain issues.

from SAPARD yet. This preparation has had two main types of impact in the Hungarian rural development arena. One could be called an institutional impact and it is embodied in the preparation of the National SAPARD Plan and the development of the Paying Agency with its regional branches. These were designed mainly according to the 'old exogenous development paradigm'. They try to fulfil the requirements of transparency and accountability. They can be seen as a major effort to establish a semi-independent, EU-style bureaucratic institution, which will be an essential requirement for receiving any EU aid in the future. However, the institutional system is still not complete. There have been many domestic debates about this area of the preparation, which had some political effects. Today the SAPARD Agency is completely independent from the Rural Development Unit of MARD. It works in a much centralised, technocratic manner and is becoming one of the most important units of the Ministry. As there are no resources yet to distribute to the beneficiaries, the development of the Agency has been purely institutional so far. Consequently, the impact of the programme on local development activities or any real action in the field of rural development could not be tested yet.

The second impact originates from the rhetoric and the broad objectives of the pre-accession policies. The SAPARD Programme, for various reasons, has had much publicity in Hungary. As a result, its rhetoric (coming from the new, 'neo-endogenous paradigm') has become part of the vocabulary and thinking of the socio-political system. This meant tremendous effects at all levels of bureaucratic and civil life, and provided 'EU ammunition' for the revival and legitimisation of local development movements. This rhetoric, supporting the neo-endogenous approach, also encouraged the launch of domestic rural development programmes and the reinforcement of a voluntary micro-regional system in Hungary¹⁹. These policies were in harmony with EU examples and philosophy of endogenous rural development, and they could be seen as a possible way for the implementation of the rhetoric of SAPARD. Although, in practice they had hardly anything to do with the programme itself²⁰, these domestic policies and their outcomes have become identified with SAPARD for the public. These 'domestic SAPARD policies, at the same time, have had very significant effects on local development conditions in Hungary; therefore they should become an important concern for our analysis.

When asking about the convergence of the Hungarian legislative and administrative system to the bureaucracy of the EU, we were given two very different evaluations of the process. State bureaucrats usually consider europeanisation a basically positive process. They say, it is an external force on politicians, various ministries and bureaucrats who have very diverse interests and approaches. The accession process compels them to compromise and make consensus at least in the major questions. Without this, they say, the transition period would probably take much longer.

¹⁹ The main policies were as follows:

The subsequent rounds of the support for local development plans. This not only offered financial resources, but also provided technical help, training and sometimes even mediation between different participants of local development associations. Another important step was a programme, which provided financial resources for local development offices (costs and salaries). As a result 190 local rural development offices work today all around the country. Another programme was the 'trial of the rural development part of SAPARD' in 2000.

²⁰ These policies were sole Hungarian initiatives, based on domestic resources. They were neither encouraged by the EU, nor in line with the implementation rules of SAPARD. Also, according to the present expectations, the outcome of these domestic policies will be little help during the implementation of EU pre-accession policies.

Representatives of some NGOs assessed the present Europeanisation from a very different angle. In their opinion, first we should have built a system to solve our own problems in our own environment. Then we could have started to apply European rules, without losing our own objectives and characteristics. The presence of EU requirements in the unsettled Hungarian system prevents us not only from finding solutions for the problems but even from fully realising them. Another common criticism about the present process of Europeanisation, concerning rural development, is that none of the governments after 1990 had a clear approach towards it for the future. The real driving force was not an overall domestic strategy, not even the principles of the EU, but rather simply the availability of additional resources. The main concern was the money, expected from EU sources. Everything else, including planning, building of institutions or new legislation, came after that.

Conclusions –centralisation and decentralisation, future scenarios

In Hungary, two contradictory tendencies can currently be observed in the field of rural development: centralisation and decentralisation (see figure 2). Both of these have their origin in international as well as in domestic (external and internal) forces and affect many areas of the political, economic and social life of the country.

Concerning *centralisation*, the EU's requirements for European accession in general could be considered as the main *external* force into this direction. These can best be observed through the pre-accession programmes, especially SAPARD²¹ and its implementation. This programme fails to tackle significant socio-economic problems of rural areas or to maintain cultural and natural diversity. According to expert evaluations, its main objective and most likely effect is the creation of a strong central bureaucratic institution (the SAPARD Paying Agency), which complies with EU rules and will be able to channel EU funds in the future. It can create access (political, physical, economic) for policies, capital and goods expected to arrive from the European Union, to Hungary and other CEE Countries. The Pre-accession Policies seem to maintain the objectives, structure and procedures of the current CAP and the Structural and Cohesion Policies in a top-down, centralised manner, without quality changes of the system. They are likely to reduce the shock of the coming eastern enlargement for the current Member States, rather than for the new applicants of the European Union. Though, external pressure is well met with *domestic* forces acting for centralisation. In Hungary, political centralisation has had strong traditions way back in history. The country is in desperate need of financial resources, to be able to catch up with the economic development of the rest of Europe. Therefore, politicians are willing to accept almost any conditions for financial aid. On the other hand, they often use EU requirements as legitimisation for legislative and organisational reforms, centralisation, and the development of central bureaucracy. Bureaucratic institutions, especially under instable political circumstances, can also have a strong will for centralisation, which reinforces their power and viability.

As a result of domestic and international forces, a strong Europeanisation of rural development policies can be observed in Hungary. This means European-type

²¹ The ISPA could also be mentioned here, though it is only very loosely connected to rural development, therefore we do not go into details.

legislation, the development of strong central bureaucratic institutions and a fundamentally top-down style of rural policies in general. In Hungary, politics, economy and to a certain extent almost every area of life is preoccupied with issues, related to the accession of the country to the European Union. Various actors try to adapt to the sometimes impossible or meaningless requirements, hoping to stay in competition for the limited resources offered from above. The main concern and driving force is therefore, usually the money. At the national level this means the resources, offered by the EU pre-accession measures.

This has two important consequences. One is the lack of a well thought out overall development strategy. The reason for this is quite logical. The money is given by the EU and it is distributed according to a somewhat ambiguous strategy. The EU offers the 'sustainability ideology' (decentralisation) and growth oriented programmes²² (centralisation) together. This means two sets of values and two different policy directions, reinforcing the chaos in the young transitional democracies. These are trying to adapt their economy and society to an ambiguous European model, though the requirements of EU programmes are often inconsistent with domestic needs and an overall strategy. Then this can result in ad hoc decisions, driven by external forces, rather than a coherent inner logic²³. The other consequence is the predominance of competition, instead of co-operation in the development arena. If the main driving force is to access the money, than the actors of each different level (countries, micro-regions, single enterprises) are all in competition with each other for those limited resources, offered by central programmes. This makes co-operation, which is a crucial factor for sustainable development, much more difficult, if not impossible.

However, at various levels of the Hungarian rural development system there is a clear parallel process, which could be considered as *decentralisation*. The main *international* force for this, again, comes from EU accession. Some of the requirements (such as partnerships, pre- and post evaluations, programming, etc.) and the EU rhetoric on sustainability and endogenous development (CARP) made significant effects in Hungary. Positive examples, especially the Leader Programme also had a great influence. Initially our politicians and bureaucrats tend to misunderstand the message of the EU, and took the rhetoric of the programmes seriously (in the case of the national SAPARD Plan, e.g.). Consequently, central policies sometime became more endogenous-oriented than they were intended or expected by the EU. On the other hand, the civil society found much support in the pre-accession process. The EU rhetoric on sustainability and participation and the positive examples of Leader, provided a 'ready made' ideology for local development activities and a greater involvement of non-governmental actors in development matters. The Hungarian civil society used this opportunity and today represents probably the strongest *domestic* force for the decentralisation of power and resources in the development arena. Many NGOs gain increasing power and influence on national, regional and local level. Local development

²² Although, the resources of current and prospected programmes are significantly reduced compared to existing CAP. The reason is that, CEE countries will be excluded from the 'compensation payments' of the CAP, representing the single most significant line of the EU budget.

²³ Though, there are also some counter-examples: Originally Hungary wanted to use ISPA funding for the reconstruction of the country's motorway system. However, ISPA funding, as every EU aid, was threatened with long delays, because of the bureaucratic requirements and strong financial control. Therefore, in order to carry out urgent road developments without delays, the government changed its strategy. It financed road building primarily from domestic resources and used ISPA funding for railway reconstructing, which was considered to be less urgent for the country.

associations and their umbrella organisations have gained high level political representation. Apart from the civil society, another internal force for decentralisation is its necessity. The complexity and the extent of current and expected rural problems of the country does not allow for the waste of local resources or for the sole application of central policies. There clearly is a great demand for a sustainable rural development approach, which can utilise Hungary's rich natural, cultural and social resources in order to solve social, economic and environmental problems in the countryside.

As a consequence, ideas of sustainable rural development are spreading amongst Hungarian politicians, bureaucrats, organisations and the public. This process results in the reinforcement of an endogenous approach and the *decentralisation* of some of the power, resources and competencies in different arenas or rural development. Within MARD, there is a section, although a small one with certain limitations, which is responsible for rural development and supports the ideas of sustainability. Partnerships were set up and a range of strategic planning documents has been prepared all over the country. No doubt, many of these plans were produced first of all to fulfil EU requirements, and the different level of planning often did not build on each other. However, the need for planning and co-operation has been realised and a lot of work has been done on this field. The National Agri-environmental Plan, though it is not implemented yet, represents a great improvement and a great possibility for environmental/nature protection and agricultural restructuring in the near future. People's perception on environmental issues is also changing gradually, in favour of a sustainable approach. The recently developed system of micro-regions although characterised with some ambiguities together with the rural parliament and their international connections possibly represent the most progressive factor for sustainable rural development.

Centralisation and decentralisation, therefore, are parallel processes in current Hungarian rural development, originating from international and domestic forces and circumstances. These two processes are both needed. In fact, they should be co-ordinated and should complement each other. Without central planning and implementation, it would be impossible to build large-scale infrastructure (motorways, sewage systems, etc.) that is considered to be one of the main requirements for catching up with Western economic development²⁴. Without central institutions and bureaucracy it is impossible to approach the greatly required development aids and programmes, expected from the EU. Therefore, the construction of the *central system of rural development* (institutions, networks, procedures, etc.) is obviously essential, as it has been recognised by the EU as well as domestic actors. However, the construction of a *local system of rural development* (again, institutions, networks, procedures but of a different kind) is not less important. According to worldwide experience, infrastructure, capital investment or economic development in itself can rarely solve socio-economic or environmental problems. Moreover, 'development' and 'globalisation' can easily be the primary sources of these problems. To channel resources to the areas of highest need and to utilise endogenous resources are necessary to solve these problems. These can only be achieved through an endogenous development approach. For this approach local networks, trust, mutual relationships, local development institutions, associations, and the empowerment of local actors are essential. These cannot be created centrally, however, they can be greatly helped with the provision of financial resources, technical

²⁴ Though, according to environmentalists and alternative economists, this type of development if uncontrolled, pose a threat for our environment, economy and society.

assistance and a generally supportive environment.

Observing EU pre-accession policies and core domestic policies, one could note that their intention is to concentrate almost solely on building the central components of the rural development system. Central institutions were regarded as more important or urgent to develop. Though, EU rhetoric and requirements and some domestic circumstances contributed to the construction of local components of the system, their systematic and centrally supported development was postponed and regarded as less important. This was albeit that, local institutions cannot be expected to be easier or quicker to develop than central ones. Therefore, instead of co-operation, central and local elements of the rural development system currently seem to be in strong competition for the limited resources in current Hungary. In other words, exogenous and endogenous elements of the system are not sufficiently co-ordinated; therefore, they cannot form an effective integrated rural development system.

The future of Hungarian rural development depends on how co-operation might be improved between the two approaches. This, similarly to the current situation, is likely to be influenced by domestic and international circumstances. If the co-operation does not improve and core policies remain ultimately of a top-down, exogenous nature in the long term, the realisation of the 'CAP scenario' (see above) can be expected. This would mean following the way of current member states, intensifying our agricultural production, reproducing many mistakes of previous and current CAP regimes. Sustainable rural development would have rather limited resources, since many endogenous resources would remain unutilised, and exogenous ones could not be delivered efficiently enough. In the end, Hungary would remain a lagging follower of Western European countries at least concerning its rural sector. If an integrated approach to rural development will be applied, and the resources will be delivered through a complete system of central and local development institutions, a very different scenario (see 'CARP scenario' above) could be realised. In this way Hungary, amongst other CEECs, could become a testing ground for the principles of sustainable, integrated rural development. Rural economy could be diversified, endogenous resources utilised and central (EU and domestic) aid delivered more efficiently. Hungary would not repeat previous mistakes of the CAP and could 'make a shortcut', aiming at the philosophy and objectives of the CARP. This outcome, giving a legitimate basis for a European-wide spread of these policies, could turn out advantageous for all the rural areas of an enlarged EU.

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