



Resolution 1161 (1998)¹

Transition process of agriculture in the countries of central and eastern Europe

Parliamentary Assembly

1. The Assembly is mindful of its previous [Recommendation 1174 \(1992\)](#) on pan-European co-operation in the field of agriculture and its [Resolution 1039 \(1994\)](#) on rural and agricultural reform in the new democracies of central and eastern Europe.
2. The Assembly also refers to the 3rd East-West Agricultural Forum, organised by the Committee on Agriculture and Rural Development (Berlin, 20 January 1996), to the European Conference on Rural Development (Cork, 7-9 November 1996), organised by the European Commission, and its own Pan-European Parliamentary Conference on Rural Development (Bratislava, 5-6 May 1997), as well as to the declarations adopted at these two conferences.
3. The Assembly considers that the transition of the rural sector in central and east European countries is a priority essential to their economic and political stability. Privatisation, restructuring and intensification of trade must lead to prosperity for the rural economy of these countries.
4. The Assembly notes that:
 - 4.1. although diversification of the rural economy will open up new avenues for the people living in the countryside, agriculture will always retain its central role;
 - 4.2. although the privatisation process in agriculture has made some positive progress in certain countries, it is encountering considerable difficulties in the region as a whole;
 - 4.3. restructuring, particularly in the case of farms, co-operatives and agri-business, requires an urgent effort in favour of an adjustment of agriculture and rural development and of the rural banking sector to the conditions of a market economy, especially the conditions of the European Union internal market;
 - 4.4. the intensification of trade in agriculture and agri-business must play a major role in East-West integration.
5. The Assembly therefore invites the governments of the member states concerned and of the states whose parliaments have special guest status with the Assembly:
 - 5.1. with the support of the public authorities, to implement a policy to facilitate the leasing of land and to regroup the excessively fragmented lands produced by mass privatisation, in order to allow farmers to concentrate their investments on production equipment and the improvement of their farms;
 - 5.2. to foster the emergence of an agricultural land market, inter alia by encouraging legislation on genuine private farmland ownership rights, establishing reliable land registry systems and helping to co-ordinate supply and demand for agricultural land;
 - 5.3. to foster the development of social protection and mutual insurance schemes in rural areas;

1. See [Doc. 8071](#), report of the Committee on Agriculture and Rural Development, rapporteurs: MM. Behrendt and Telgma. Text adopted by the Standing Committee, acting on behalf of the Assembly, on 26 May 1998.



- 5.4. to organise information meetings between central and east European countries to compare the different national approaches to privatisation;
 - 5.5. to strongly support the requirements of ecological agriculture and ensure that the future of rural areas is not left only to market forces;
 - 5.6. to modernise the agro-food industry in partnership with producers, bringing it into line with western standards in terms of quality, hygiene, veterinary care and phytosanitation;
 - 5.7. to set up networks of Chambers of Agriculture, with a view to rationalising and optimising all services to farmers;
 - 5.8. to establish programmes for an integrated development of rural areas, which take equal account of economic, ecological and social conditions and requirements and which build on the potential for endogenous development;
 - 5.9. to restructure the rural banking sector around the model of all-purpose co-operative banks, with a widespread network of branches in rural locations;
 - 5.10. to set up or strengthen investment guarantee agencies and funds and to foster investment by improving economic and legal information and by making the legal and administrative procedures more straightforward;
 - 5.11. to develop international trade, continuing to support the market to a reasonable degree during the transitional period, opening up internal markets, by eliminating intra-state trade barriers, by establishing local and regional markets and fostering interregional co-operation in Europe;
 - 5.12. to set up free-trade zones, along the lines of the Central European Free Trade Agreement, between the central and east European countries and eventually throughout the region in order to restore the traditional markets between those countries which existed before the changeover;
 - 5.13. to develop the guarantees of international trade for the benefit of the central and east European countries and lay the foundations for agricultural commodity futures markets with a view to global risk management;
 - 5.14. to facilitate the launching of joint ventures and favour small and medium-sized firms in rural areas;
 - 5.15. to link increased trade to respect for social rights and environmental protection.
6. The Assembly invites the European Union to provide adequate funding to all the central and east European countries, and especially to the applicant countries, to support the transition process of their agriculture, paying particular attention to the agro-food sector and to respect for the standards to be met in terms of food safety.