

Foreword

The European Union is currently engaged in one of its biggest political projects ever: Another round of enlargement to include twelve more member countries, ten of which will be from Central and Eastern Europe. Negotiations on the conditions for accession of future new member countries have always been complex and difficult, but the complexity of the current accession negotiations exceeds any past experience. Since the first round of enlargement in the 1970s, agriculture has been one of the most difficult items on the agenda for accession talks, and the ongoing negotiations with accession candidates from Central and Eastern Europe are no exception to this rule. The agricultural chapter of the negotiations has been taken up as one of the last items on the agenda, and at the time of writing it is obvious that negotiators are facing serious difficulties with this chapter.

The fundamental reason behind these difficulties is the fact that in agriculture there is a particularly pronounced intensity of policy intervention, in both the European Union and the accession countries. As a result, integration of new member countries does not simply imply the opening up of markets in agriculture and food, but the alignment of policies in the newcomer countries with those of the European Union. This requires technical adjustments of an often intricate nature, but, more importantly, also has significant economic implications for both the existing Union and the accession countries. After all, agricultural policies represent the largest single bloc in EU budget expenditure, and result in significant transfers among member countries.

Against this background, the study done by Wolfgang Münch assesses the major economic implications of integrating the accession countries from Central and Eastern Europe into the framework of the European Union's Common Agricultural Policy, under alternative policy scenarios. It therefore throws a highly welcome light on this most controversial component of the accession negotiations. Among other issues, the study also addresses the political mega-issue in the agricultural chapter, i.e. the extension of direct

payments under the Common Agricultural Policy to the future new member countries. Based on a well-designed analytical tool, Wolfgang Münch provides quantitative information on what alternative future policies may do to agricultural markets and economic welfare in an enlarged Union. His study is therefore another good example of the useful contributions agricultural economists can make to creating a solid base for decisive political decisions.

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