Agriculture as a Challenge to Poland's Accession to the European Union

by

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INTRODUCTION

Incorporating the ten countries of Eastern and Central Europe into the European Union (EU) is the most significant enlargement of the EU in its history.[1] This enlargement is significant not only because of the number of countries being considered for accession, but also because of the incredible economic and political changes these nations have faced since 1989. Although committed to establishing democratic principles and market economies, these nations have significant adjustments to make in order to meet EU standards and to adopt the *acquis communautaire* (*acquis*), the entire body of EU law.[2]

Poland is among the EU countries judged to be most prepared for EU accession.[3] Together with the Czech Republic, Hungary, Slovenia, and Estonia, Poland will be part of the initial eastward expansion.[4] Although Poland has made much progress in establishing a market economy and electing a democratic government, it still must make many changes to meet EU standards.[5] The agricultural restructuring necessary for Poland to become compatible with the EU's Common Agricultural Policy is one of Poland's greatest challenges.[6]

The purpose of this Note is to examine Poland's accession to the European Union, focusing specifically on the challenge of agricultural restructuring. Part I of this Note discusses the background of the EU since 1989. Part II focuses on Poland's developments as a nation, specifically the steps it has taken toward eventual accession to the EU.

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[1] *The European Commission, Agenda 2000* (visited Sept. 21, 1998) <http://europa.eu.int/comm/agenda2000/rapid/ip660en.htm>.

[2] *See Introduction—Commission Opinion on Poland's Application for Membership of the European Union* (visited Sept. 21, 1998) <http://europa.eu.int/comm/agenda2000/en/opinions/poland/a.htm>.

[3] *See European Union—Topics and Issues: Expansion of the European Union* (last modified July 28, 1997) <http://www.indiana.edu/unionet/topics1-6.htm>.

[4] *See id.*

[5] *See Introduction—Commission Opinion on Poland's Application for Membership of the European Union, supra* note 2.

[6] *See EU Negotiator on Accession Talks,* POLISH NEWS BULL., Mar. 30, 1998, *available in* LEXIS, News Library, Curnws File.

Part III of this Note discusses the EU's Common Agricultural Policy and considers the changes the EU must make in its own policy to accommodate the accession of Central and Eastern European nations. In addition, this section describes the obstacles Poland must overcome before becoming a Member State of the EU. Specifically, Poland must address its number of small farms, the number of workers employed through farming, the potential effects of complying with the Common Agricultural Policy, and the political tensions within the nation. Part IV analyzes the agricultural challenges faced by Poland compared to those faced by recent Member States, particularly Spain. In addition, it analyzes various approaches to agricultural reform, such as a significant transition period for agriculture after accession. Finally, this Note concludes that Poland should not rush its agricultural development. The EU should be prepared to make the necessary economic sacrifices and adjustments to the Common Agricultural Policy, and should grant Poland a post-accession transition period for agricultural development.

I. Accession Development in the EU

A. *Central and Eastern European Accession*

Since the political upheaval in 1989 that ended the Communist regime in Eastern and Central Europe, the countries of this region have been slowly moving toward becoming members of the European Union.[7] In 1992, the Member States of the EU created Europe Agreements, based on Article 238 of the EC Treaty, with each of the ten Eastern and Central European countries.[8] In 1992, these agreements simply associated the Central and Eastern European nations with some aspects of the EU's legal system.[9] However, at the Copenhagen European Council in 1993, the EU Member States decided that the Europe Agreements should eventually result in accession of these countries to the EU.[10] The Copenhagen European Council established a list of criteria for entering the EU that has become the foundation for subsequent accession measures.[11]

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[7] *See* Christophe Hillion, *EU Shapes up for Eastern Enlargement*, E. Eur. Newsletter, May 1998, at 70.

[8] *See id.*

[9] *See id.*

[10] *See id.*

[11] *See id.*

The criteria require the "stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities; the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the EU; and the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union."[12] These criteria set forth in Copenhagen in 1993 were further developed through a 1995 White Paper released by the European Commission.[13]

By July 16, 1997, the EU had developed the basic accession criteria into a comprehensive plan announced in the communication entitled "Agenda 2000 'For a Stronger and Wider Europe.'"[14] Agenda 2000 is a policy document presented to the European Parliament by the President of the Commission, Jacques Santer, describing the changes necessary for EU enlargement.[15] Specifically, this communication called for the creation of accession partnerships (APs) with each prospective member country.[16] The final version of the APs was adopted by the European Commission on March 26, 1998 through the implementation of Council Regulation 622/98.[17]

Council Regulation (EC) No. 622/98 sets out that the Council "shall decide, by a qualified majority and following a proposal from the Commission, on the principles, priorities, intermediate objectives and conditions contained in the individual accession partnerships, as they are submitted to each applicant country, as well as on subsequent significant adjustments applicable to them."[18] The individual APs are based upon the European Commission's opinions on each membership application.[19] These opinions assess each country's internal market, transport, environment, agriculture, and regional policy as well as social affairs and employment.[20]

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[12] Hillion, *supra* note 7, at 70.

[13] *See* Commission of the European Communities, White Paper on the Preparation of the associated countries of Central and Eastern Europe for integration into the internal market of the Union, COM(95)163 final (May 1995) [hereinafter White Paper].

[14] *The European Commission, Agenda 2000, supra* note 1.

[15] *See id.*

[16] *See* Hillion, *supra* note 7, at 70.

[17] *See id.*

[18] Council Regulation No. 622/98, 1998 O.J. (L 85).

[19] *See* Hillion, *supra* note 7, at 70.

[20] *See id.* at 71.

The first expansion of the EU will include five countries: Poland, the Czech Republic, Hungary, Slovenia and Estonia.[21] The European Commission has judged these countries to be moving rapidly toward meeting the accession criteria set forth by the Copenhagen European Council.[22] As a result, Poland has been described as having a "fast-track" status in negotiations with the EU on future membership.[23]

B. *Funding for Accession of Central and Eastern Europe to the EU*

The primary source of funding for implementing the APs is the PHARE (Poland and Hungary—Aid for Economic Restructuring) program.[24] This aid program was set up in 1989 to help the countries of Central and Eastern Europe with the transition process.[25] PHARE was recently refocused on preparing the countries for EU accession.[26] Thirty percent of the budget will be allocated toward strengthening institutions, while seventy percent will be allocated toward helping these nations develop infrastructure to meet requirements of the *acquis*.[27] During the period 1995–1999, the PHARE program will provide ECU 6.7 billion to the countries of Central and Eastern Europe.[28] However, this funding has strict requirements set forth in Article 4 of Council Regulation 622/98.[29] Article 4 states, "Where an element that is essential for continuing to grant pre-accession assistance is lacking . . . the Council acting by qualified majority on a proposal from the Commission, may take appropriate steps in regard to any pre-accession assistance granted to any applicant state."[30]

C. *The EU's Common Agricultural Policy*

The European Commission has a Common Agricultural Policy (CAP) that governs EU agricultural prices and subsidies.[31] The CAP "aims to maintain and develop a modern agricultural system ensuring

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[21] *See European Union—Topics and Issues: Expansion of the European Union, supra* note 3.

[22] *See id.*

[23] *See EU Relations Boosted,* E. EUR. NEWSLETTER, July 1998, at 117.

[24] *See EU Enlargement and the Accession Partnerships,* RAPID, Mar. 27, 1998, *available in* LEXIS, News Library, Curnws File.

[25] *See id.*

[26] *See id.*

[27] *See id.*

[28] *See id.*

[29] Council Regulation No. 622/98, *supra* note 18.

[30] Hillion, *supra* note 7, at 70.

[31] *See European Commission, Agenda 2000, supra* note 1.

a fair standard of living for the agricultural community and the supply of food at a reasonable price for consumers, and ensuring the free movement of goods" within the EU.[32] The CAP, as part of the *acquis*, must be implemented by the nations of Central and Eastern Europe to become full Member States of the EU.[33] However, these nations may complete the accession process without immediate adoption of the entire CAP.[34] Not every current Member State fully implemented the CAP immediately upon accession; Spain, Greece and Ireland were granted transition periods up to ten years after accession to restructure and modernize their agricultural systems.[35]

II. Poland's Development Since 1989

The Europe Agreement between the EU and Poland was signed on December 16, 1991 and entered into force on February 1, 1994.[36] This agreement set forth obligations such as freedom of establishment, national treatment, free trade, intellectual property and public procurement.[37] The Europe Agreement is the legal basis of Poland's relations with the EU, and it provides for an institutional framework of various committees that will help facilitate the accession process.[38]

In 1995, the European Commission's White Paper identified criteria to measure the internal market such as the free movement of goods, services, capital and persons.[39] Pursuant to Agenda 2000 in July 1997 and the European Commission's Opinion on Poland, the EU's accession partnership with Poland was finalized on March 30, 1998.[40] The European Council stated that the purpose of the accession partnership is "to set out in a single framework the priority areas for further work identified in the Commission's opinion on Poland's application for membership of the European Union, the financial means

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[32] *See Ability to Assume the Obligations of Membership* (visited Sept. 21, 1998) <http://europa.eu.int/comm/agenda2000/en/opinions/poland/b34.htm>.

[33] *See id.*

[34] *See Polish-EU Relations*, Polish News Bull., Sept. 28, 1998, *available in* LEXIS, News Library, Curnws File.

[35] *See id.*

[36] *See Introduction—Commission Opinion on Poland's Application for Membership of the European Union, supra* note 2.

[37] *See Ability to Assume the Obligations of Membership . . . Agenda 2000—European Commission* (visited Sept. 21, 1998) <http://europa.eu.int/comm/agenda2000/en/opinions/poland/b31.htm>.

[38] *See Introduction—Commission Opinion on Poland's Application for Membership of the European Union, supra* note 2.

[39] *See id.*

[40] *See* Council Decision No. 98/260/EC, 1998 O.J. (L 121).

available to help Poland implement these priorities and the conditions which apply to that assistance."[41]

Poland is among the countries of the initial eastward expansion because it has already met much of the criteria set forth by the Copenhagen European Council.[42] As required by the first criterion, "Poland presents the characteristics of a democracy, with stable institutions guaranteeing the rule of law, human rights, and respect for and protection of minorities."[43] Consistent with the second criterion, Poland also has a functioning market economy, and "should be able to cope with competitive pressure and market forces within the Union."[44] However, regarding the third criterion of the ability to take on the obligations of membership, Poland must still make much effort in certain areas.[45] Poland's ability to "take on the obligations of membership" refers to its ability to adopt the entire legal and institutional framework of the *acquis*.[46] According to the Commission's Opinion, "Particular effort and investment will be needed to meet the *acquis* in sectors such as agriculture."[47] This part of the Opinion issued by the European Commission emphasizes that agriculture is among Poland's most significant challenges.[48]

The agricultural challenge to accession has not emerged only within the context of Poland's accession to the EU.[49] Rather, other current Member States dealt with agriculture as a sticking point during their respective accession negotiations with the EU.[50] In particular, Spain had a significant farming economy that took years to adjust to EU standards.[51] Although Spain joined the EU (at that time the European Economic Community) in 1986, it was not forced to comply immediately with all requirements.[52] Spain was granted a transition period of seven years for milk, meat and cereal and a ten year transi-

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[41] *Id.*

[42] *See Summary and Conclusions—Commission Opinion on Poland's Application for Membership of the European Union* (visited Sept. 21, 1998) <http://europa.eu.int/comm/agenda2000/en/opinions/poland/c.htm>.

[43] *Id.*

[44] *Id.*

[45] *See id.*

[46] *Id.*

[47] *Summary and Conclusions—Commission Opinion on Poland's Application for Membership of the European Union, supra* note 42.

[48] *See id.*

[49] *See Spanish Farmers Furrow in Europe,* ECONOMIST, Sept. 28, 1985, at 74.

[50] *See id.*

[51] *See id.*

[52] *See id.*

tion period for oils, fats, fruits and vegetables.[53] Like Poland, Spain's agriculture accounted for a high percentage of the GDP, and 15% of the workforce was in agriculture.[54] In addition, the price gap between agricultural products in Spain and the EEC prices was significant.[55] This price gap caused concern with other Member States who did not want their markets flooded with Spain's cheaper products.[56] Like Poland, Spain's agricultural structure was underdeveloped, and Spanish farming was "low-cost, inefficient and extensive."[57]

III. Deterrents to Accession

A. *The Cost to Member States of Extending the CAP to Eastern and Central Europe*

Applying the CAP in its current form to the countries of Central and Eastern Europe may not be feasible without incurring significant costs upon the current Member States.[58] During the past several years, the countries of Central and Eastern Europe "have gone through a deep crisis of adjustment . . . and this has resulted in steep falls in production, consumption, and a collapse in agricultural exports."[59]

Since 1992, increasing contributions to farm support in Central and Eastern Europe have come in the form of direct aid payments from the EU that compensate for reduced agricultural support prices.[60] According to the European Commission's Summary on the effects of EU enlargement, extending the CAP in its present form will create difficulties because of existing price gaps between the Central and Eastern European countries and the CAP prices.[61] As a result of these price gaps, the introduction of the CAP prices in the candidate countries would stimulate surplus production.[62] The World Trade Organization prevents the sale of such subsidized exports to third mar-

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[53] *See Policy Seeks to Strike Balance,* Fin. Times, Jan. 20, 1986, at V.

[54] *See Spanish Farmers Furrow in Europe, supra* note 49.

[55] *See id.*

[56] *See id.*

[57] *Id.*

[58] *See Conclusion—Effects on the Union's Policies of Enlargement to the Applicant Countries of Central and Eastern Europe* (visited Sept. 21, 1998) <http://europa.eu.int/comm/agenda2000/en/impact/concl.htm>.

[59] *Brussels Cool to Idea of Early Ties with Eastern Neighbors,* Fin. Times, July 26, 1995.

[60] *See Ability to Assume the Obligations of Membership, supra* note 37.

[61] *See Summary—European Commission* (visited Sept. 21, 1998) <http://europa.eu.int/comm/dg1a/agenda2000/en/impact/summary.htm>.

[62] *See id.*

kets; thus, the enlarged EU would have no market for the surplus goods.[63] Extension of the current CAP policies to the candidate countries is estimated to cost around ECU 11 billion per year, with direct payments to farmers representing almost two-thirds of that amount.[64]

Although each of the fifteen Member States had to completely adapt to the EU policies, the European Commission recognizes that for this enlargement, the EU must also adapt some of its own policies to meet the needs of such an enlarged Union.[65] The CAP policies are among those to be reformed.[66] In general, the Commission has recommended shifting focus from price supports to direct payments and developing a coherent rural policy.[67] Specifically, the Commission has proposed control measures regarding cereals, beef, and dairy products to be implemented during the next few years.[68] The CAP's future policy objectives are to improve the Union's competitiveness through lower prices; guarantee the safety and quality of food to consumers; ensure stable incomes and a fair standard of living for the agricultural community; make its production methods environmentally friendly and respect animal welfare; integrate environmental goals into its instruments; and seek to create alternative income and employment opportunities for farmers and their families.[69]

B. *The Cost to Poland of Complying with the CAP*

Poland's Europe Agreement provides the basis for the agricultural modernization, restructuring, and privatization that is necessary for Poland to implement the CAP.[70] The Commission has set both short term and long term goals for agriculture in Poland.[71] Among the short term goals are establishing a coherent structural and rural development policy, adopting veterinary and phytosanitary requirements, and upgrading food-processing establishments (milk and meat sectors).[72] Development of the capacity to implement and enforce the CAP and

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[63] *See id.*
[64] *See id.*
[65] *See The European Commission, Agenda 2000, supra* note 1.
[66] *See id.*
[67] *See id.*
[68] *See id.*
[69] *See id.*
[70] *See Ability to Assume the Obligations of Membership, supra* note 37.
[71] *See* Council Decision 98/260/EC, *supra* note 40.
[72] *See id.*

alignment with the agricultural *acquis* are among the medium-term goals set forth by the Commission.[73]

Although implementing the CAP is one of Poland's policy objectives, some fundamental differences exist between Polish and EU agricultural policies.[74] For example, Poland has established the Agricultural Market Agency (ARR) that actively intervenes in the market to purchase products and protect certain prices.[75] This level of intervention goes beyond what is established by the CAP.[76]

C. *The Effect of Modernizing Agriculture on Employment*

Modernizing Poland's agricultural system will be a challenge because of the number of people such changes will affect.[77] Although the number of people working in the agricultural sector has fallen since 1989, agriculture represents 26.9% of total employment in Poland.[78] This percentage is quite high compared to the EU average of 5.3%.[79] According to one estimate, an additional 600,000 will lose their jobs as a result of Polish accession to the EU.[80] With more than a quarter of the workforce employed in agriculture, reforms to comply with the *acquis* in this area will be among the most difficult.[81]

Because the process of collectivization of individual farms was never completed in Poland, the nation has over two million farms.[82] Despite the efforts of communism in the 1950s to collectivize farming, the Polish peasantry resisted.[83] As a result, Poland has too many small farms that produce very little that is sold to market.[84] This problem is illustrated by estimates that of Poland's two million farms, only about 160,000 are ready to compete within the EU.[85] In addition, the agri-

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[73] *See id.*

[74] *See Ability to Assume the Obligations of Membership, supra* note 37.

[75] *See id.*

[76] *See id.*

[77] *See What is Price Integration?*, POLISH NEWS BULL., Feb. 13, 1998, *available in* LEXIS, News Library, Curnws File.

[78] *See id.*

[79] *See id.*

[80] *See id.*

[81] *See id.*

[82] *See* Anthony Barker, *Parliamentarians Back EU Funds for Polish Farms*, REUTERS WORLD SERVICE, Apr. 16, 1997, *available in* LEXIS, News Library, Curnws File.

[83] *See* Peter Finn, *Poland's Farms Faced Being Plowed Under; EU Demands Leave Traditions Behind*, WASH. POST, Oct. 20, 1998.

[84] *See id.*

[85] *See id.*

cultural area of Poland represents 60% of the total area.[86] In 1997, the Joint Parliamentary Committee (members of both the Polish and European parliaments) recommended that Poland consolidate its agriculture to provide other employment in rural areas.[87] This Joint Parliamentary Committee also recommended the creation of funds to help Poland with this adjustment.[88]

Since the transition in 1989, agricultural production in Poland has declined substantially while inflation has rapidly increased.[89] In addition to dealing with the prices of agricultural products, Poland must confront the structural employment issues.[90] For example, the largest share of the agricultural budget is spent on the farmers' social security system, which is a pervasive problem because of the aging population.[91]

D. *Political Upheaval in Poland*

In addition to the EU's concerns about Poland's ability to adjust its agricultural structure and policies, political factions within Poland have concerns about EU accession.[92] On September 17, 1998, a right-wing parliamentary group, Nasze Kolo, began collecting signatures from people who support an immediate referendum on Poland's accession to the EU.[93] Leaders of this group demand a stop of adjustment procedures until the referendum is held.[94] Although President Aleksander Kwansniewski recently supported the idea of a referendum, he believes it should be held at the conclusion of the accession negotiations.[95] This news demonstrates that tension regarding the potential effects of accession runs high among the Polish people.[96]

In March 1998, when accession talks began, EU negotiator Nikolaus van der Paus stated that "it will now be easier for the Polish government to force through the occasionally painful reforms . . . even at

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[86] *See Ability to Assume the Obligations of Membership, supra* note 37.

[87] *See* Barker, *supra* note 82.

[88] *See id.*

[89] *See Ability to Assume the Obligations of Membership, supra* note 37.

[90] *See id.*

[91] *See id.*

[92] *See Right Wing Wants Immediate Referendum on EU Accession*, PAP NEWS WIRE, Sept. 17, 1998, *available in* LEXIS, News Library, Curnws File.

[93] *See id.*

[94] *See id.*

[95] *See id.*

[96] *See id.*

the cost of a temporary decline of support."[97] Many of these "painful" reforms will be in the agricultural area because of the number of Polish citizens affected.[98] The skepticism that Polish farmers have toward accession was emphasized during an EU Teleconference on Agriculture on March 24, 1998, where a member of the European Commission was asked how Polish farmers could be persuaded that EU accession could be beneficial to Poland.[99]

Further demonstrating this skepticism, the Polish Peasant Party (PSL), the Movement for the Reconstruction of Poland, and other right wing groups have expressed concern about the need to secure favorable terms for Polish agriculture.[100] For example, the PSL has commented that the Polish government's current stance could lead to agriculture being "sacrificed in return for EU membership."[101] These concerns emphasize that the Polish people have not reached a consensus regarding accession, and this internal unrest may become a significant challenge to accession.

IV. Proposals for Poland to Modernize its Agricultural System and Comply with EU Standards

To overcome its antiquated agricultural system, Poland must reduce its number of farm workers and the number of small, inefficient farms. However, conflict arises in how to achieve these goals and fully implement the CAP without massive unemployment and costs to both Poland and the Member States of the EU. Although both Poland and the EU seem to agree that these goals can be met, the amount of time and funding required are topics of considerable debate.

For example, in July 1997, Poland's Secretary of State for European Integration stated that the agricultural challenges will eventually become self-regulating as the Polish economy improves and the CAP is reformed.[102] The Polish government has repeatedly denied the

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[97] *EU Negotiator on Accession Talks, supra* note 6.

[98] *See id.*

[99] *See EU Teleconference on Agriculture,* Polish News Bull., Mar. 25, 1998, *available in* LEXIS, News Library, Curnws File.

[100] *See Sejm Discusses European Integration,* Polish News Bull., Mar. 20, 1998, *available in* LEXIS, News Library, Curnws File.

[101] *Peasant Party Wants EU Referendum,* Polish Press Agency, Aug. 10, 1998, *available in* 1998 WL 9731872.

[102] *See EU/Poland: Will Agriculture Hold Back Polish Accession to EU?,* Eur. Agric., July 18, 1997, *available in* 1997 WL 18913352.

need for transition periods like the ones implemented in Spain.[103] Without a transition period for agriculture, Poland would have to comply immediately with all EU standards, but at the same time would not be eligible for all EU subsidies.[104] The Polish government has expressed the concern that EU insistence on a transition period may be a "smoke screen" to deprive Poland of agricultural subsidies.[105] Given the costs of the subsidies that would be incurred by current Member States to support Poland's significant agricultural sector, the EU does ease its burden by insisting upon transition periods.[106] At the same time, the overall benefit to the enlarged EU, as well as to Poland, will likely be greater if Poland has a transition period. For example, Poland will have more time for other sectors of its economy to absorb the displaced farmers and more time to adjust to the higher EU prices.[107] A stronger Polish economy will contribute to a stronger EU economy.[108]

During the past few years of debate regarding accession of Eastern and Central European nations, several Member States have expressed concern over the incredible costs of EU enlargement.[109] In 1994, Andrzej Bryt, Deputy Minister for Foreign Economic Relations, stated that at one time French, German and Belgian farmers paid for the reform of the Irish, Spanish, or Greek agriculture.[110] Now farmers of those last nations have achieved such a level of development that they must help Poland.[111] Like Poland, the nations of Ireland, Spain, and Greece had antiquated and inefficient agricultural sectors.[112] As a result, these nations depended on the Member States during the times of their respective accessions to provide support in the form of agricultural subsidies.[113] Now, confronted with eastward expansion,

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[103] *See Polish Farm Minister Rejects Transitional Periods for CAP*, E. EUR. AGRIC. & FOOD, Apr. 1, 1998, *available in* 1998 WL 14483075.

[104] *See Poland Begins Screening Talks on Farming*, POLISH PRESS AGENCY, Sept. 21, 1998, *available in* 1998 WL 9732792.

[105] *See* Fischler, *Polish Farming Needs Transitional Period*, POLISH PRESS AGENCY, Apr. 22, 1998, *available in* 1998 WL 9729661.

[106] *See id.*

[107] *See Ability to Assume the Obligations of Membership*, *supra* note 37.

[108] *See id.*

[109] *See Polish-EU Relations*, POLISH NEWS BULL., Sept. 28, 1998, *available in* LEXIS, News Library, Curnws File.

[110] *See id.*

[111] *See id.*

[112] *See id.*

[113] *See id.*

the current Member States should make the initial economic sacrifices to ensure the greater benefit to the enlarged EU in the future.

Although Poland may not need the ten year transition period that was necessary for Spain, Poland will have to be granted a certain period of time after accession is complete in order to overhaul its agricultural economy.[114] The French federation of farming unions (FNSEA) told the Polish government that the "Spanish model" for pre-accession would be best adapted for Polish agriculture.[115] Spain "negotiated without hurrying its accession to the EU" and "benefited more in developing its agriculture than Greece where the European aid was mostly spent on social programmes."[116] This observation was made on July 20, 1998, as part of FNSEA's visit to Poland to examine Poland's agricultural situation, especially regarding the CAP.[117] These observations reveal a theme of slowing down transition in the area of agricultural restructuring, for the benefit of Poland as well as the other Member States.[118]

Although a transition period may seem like an overly cautious approach or a "smoke screen"[119] to the Polish government, the Polish government should not underestimate the political tensions within its nation. The PSL as well as other political parties are worried that agriculture will be sacrificed to EU accession, with Polish farmers and small farms disappearing.[120] These concerns could become quite powerful among the Polish citizens, and Poland's greatest challenge to accession could become internal resistance.[121] Poland could ease some of these concerns by insisting on a more gradual transition to a modern agricultural system.[122]

CONCLUSION

Agricultural reform is an obstacle to Polish accession to the EU because such reform will greatly impact the nation. One quarter of the labor force is employed on Poland's two million small, inefficient

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[114] *See Spanish Pre-Accession Model Best for Polish Farmers,* EUR. AGRIC., July 24, 1998, *available in* LEXIS, News Library, Curnws File.

[115] *Id.*

[116] *Id.*

[117] *See id.*

[118] *See id.*

[119] *Poland Begins Screening Talks on Farming, supra* note 104.

[120] *See id.*

[121] *See id.*

[122] *See id.*

farms. Modernizing this sector will displace many farmers who will have to find jobs elsewhere. Prices will increase to become competitive with EU prices, and Poland will depend on substantial subsidies from the EU.

To address the goals of a relatively quick accession process, a smooth reform of agriculture, and little resistance from the Polish people, Poland should consider a transition period for agriculture. Although becoming a Member State while still waiting to reform some sectors through a transition period has some disadvantages (initial lower subsidies), a transition period would ensure less drastic, painful effects on the Polish economy and the Polish people. In addition, the EU should make the initial financial sacrifices to support Poland's efforts because the entire EU economy will benefit in the long run.

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