



25 years EAAE

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25 Years of strengthening international cooperation in Europe

By Csaba Forgacs, President EAAE

It was 25 years ago when a group of our colleagues, after having many informal meetings on the issue and being supported by a wider community of agricultural economists, came together in Uppsala, Sweden, and decided to establish the European Association of Agricultural Economists (EAAE). By doing this the participants created a new framework to support a live interaction among agricultural economists, especially, but not exclusively in Europe. Since then the EAAE congresses and the European seminars organized focused on the latest issues of agricultural developments and the future tasks the sector faced. Furthermore, by establishing the EAAE a new forum for professional communication was created.

I would like to thank Michel Petit (former President (1978-1981)) for giving his overview in this newsletter from the foundation of EAAE to its future challenges. And also Vinus Zachariasse (past Treasurer (1984-1993) and past Secretary General (1993-1999)) for his article concerning the recent developments in our profession and a reflection on future trends.

During the last two and a half decades agricultural economists did find their own identity in the international professional arena. All the nine congresses and the increasing number of EAAE seminars organized have generated clear evidences of demonstration: our members have been very interested in attending these conferences to discuss questions of different subjects including agricultural policy, international trade, methodological and environmental issues, agricultural marketing, farm management, natural resources, rural development, transition economies, etc.

Both the increasing number of members and the rapidly growing demand for organizing EAAE seminars reflect the need for an extending scientific cooperation. The deepened scientific cooperation between colleagues from West and East European countries has offered mutual advantages so far. Due to political changes since the late eighties and early nineties former socialist countries have been moving towards a market system. To find the appropriate way for these countries for the period of transition has proved to be a difficult matter. Many colleagues from Western Europe has had or have been involved in joint research projects on selected topics in East European countries under ACE, PHARE and other programs where, with their colleagues in the transition economies, they could analyze the actual economic situation of the country and making proposals for developing agricultural policies. It is true that a great deal of the research capacities of East European agricultural economists has been allocated to help the adjustment of agriculture in their own countries. It is fascinating to see to which extent the young researchers have been involved on both sides of Europe especially in the second half of the Nineties.

The role of agriculture, the rural development, improving information technology, the EU enlargement etc., are topics of great importance for scientific research and cooperation. On the other hand, one also has to keep in mind the effect of globalization and the demand for improving cooperation of our association with other international organizations having links with agribusiness. I would like to thank all our members and former members for their contribution to improve professional communication in Europe and beyond and strengthening international cooperation in the last 25 years.

I hope that when our colleagues in 2025, during the 50th anniversary of the EAAE, evaluate the role and activities of our Association will say: 'The EAAE has had a significant contribution to the European and international agricultural development by organizing and maintaining a high level of professional life!' It is a duty for all of us to live up to these expectations to make sure we deserve this statement.

The 25th anniversary of our EAAE

By Michel Petit, Past President (1978-1981)

A 25th anniversary is indeed a good time to reminisce, reflect on what we, who created our Association, had in mind when we launched it, review the relevance today of the objectives pursued at that time, and critically assess the achievements to date.

Thus, I am very grateful to our President, Csaba Forgacs, for giving me the opportunity to do so here. I shall first recall where we collectively come from, then explain why we can be very proud of what we have achieved together since we created our EAAE in Uppsala in 1975, and finally spell out the challenges which we face today. These are indeed very serious, as the very survival of our European profession is, I believe, at stake.

1- Why did we create a European Association of Agricultural Economists?

The creation of a professional association is of course a collective undertaking, involving those who are present at the formal occasion, in Uppsala in August 1975 in our case, but also many others who clearly belong to the collective and strengthen the resolve of those who are present and know that they act in the name of a cohesive group. I was lucky to be in Uppsala and to have been associated with many previous meetings leading to the formal launching of our Association.

The creation of the EAAE reflected a strong conviction that the time had come to assert our professional identity as European agricultural economists. Most of us already belonged to national professional associations as well as to the International Association of Agricultural Economists. We were impressed by the vitality, strength and professionalism of our American colleagues in the AAEA; and we thought the time had come to give ourselves an instrument capable of expressing our collective identity as a European profession and of helping us strengthen it. A debate, which raged in Uppsala, on whether or not our new Association was to be restricted to Western Europe or be open to colleagues from Central and Eastern Europe, was very revealing in this respect. Those who advocated a restrictive position did so in the name of professional excellence. They argued, with some justification, that many colleagues from Socialist countries, and the most senior among them, were only preaching the official communist doctrine and were not interested in the hard confrontation between theoretical developments and empirical evidence gathered as objectively as possible. Fortunately, those of us who were for a more open association won that battle. Obviously, we were not able to predict in 1975 that the socialist regimes of Central and Eastern Europe would collapse in less than fifteen years; but we were convinced that quiet and informal dialogue was essential in the long run and often possible immediately in many cases. For us the European identity was the most critical aspect to fight for. Yet, in spite of this major conflict, we all agreed on the key features of professional excellence, often associated with the scientific method: clear thinking, explicit reference to economic concepts, quest for relevance, willingness to submit one's discourse to peer criticism and to the test of consistency with empirical evidence, search for maximum rigour in the application of such tests, etc. In addition, we were convinced that we had much to gain from a strong professional community existing at the European level. It is indeed these same values which had inspired several of us to launch the European Review a few years earlier.

2- Why we can be proud

Twenty five years later, our EAAE is in very good shape, perhaps even better than we the creators could have dreamt of. Professional excellence is highly valued. The Association meetings are well attended; young colleagues are eager to participate and proud to be invited to give a paper. And the European seminars sponsored by the EAAE are very popular, both among potential organizers and attendees. The seminar series having been launched when I was President, I am of course pleased by that achievement and proud of it.

This reflects a significant elevation of the average professional level and status of European agricultural economists. The signs of that elevation are subtle but unmistakable, as illustrated for instance, by the international responsibilities exerted by senior European colleagues in the IAAE and in international organizations, where the competition is open indeed. In a sense, we have become full-fledged members of our profession at the international level; and our profession is widely recognized. For instance, all four

Directors of the World Bank Agriculture department in the last fifteen years have been members of our profession and several others have occupied senior positions in that organization as well as in the CGIAR. Europeans figure very honourably among those having reached such senior positions.

Another great satisfaction can be derived from the fact that a true professional community has emerged at the European level. Any active member of our Association knows well, often for having worked together, fellow agricultural economists in other European countries. Of course, exchanges have been greatly facilitated within the European Union by the existence of various educational exchange or research collaboration programmes. Other professions have also taken advantage of these. But in our case, the existence of the Common Agricultural Policy and of the numerous controversies generated by that policy have greatly enhanced the debates across countries. Colleagues from countries outside the EU have also participated in many of these debates, because the CAP and its consequences for international trade have important implications for most European countries, particularly those who have applied to become members, of course. Whatever the reasons, the result today is the existence of a real professional community at the European level.

3- Future challenges

These achievements may paradoxically be at the roots of the most pressing challenges we collectively face today. Two basic questions have emerged: What is the future of our profession at the international level? Do we have a specific professional identity as European agricultural economists?

Following the US precedent and example, many general economists do not believe that the agricultural sector has sufficient specificity to justify the existence of a distinct profession. Thus, they tend to consider that most agricultural economists are simply second-class economists, perhaps nostalgically attached to a situation of the agricultural sector which is obsolete and rapidly losing its specificity. In many American universities, departments of agricultural economics have changed their names, sometimes stressing the applied nature of what they do or emphasizing the importance of natural resources, as they had to adjust to declining enrolments of domestic students and as they found that they could better compete on the labour market, including for short term consultancy assignments, if they downplayed the word agriculture in the characterization of their professional identity.

Similar, developments, less visible but nevertheless quite evident, are taking place on this side of the Atlantic. In INRA for instance, a significant number of economic researchers refuse to acknowledge any obligation to work on issues related to the agricultural sector, broadly defined. Yet INRA is the publicly funded French research organization dealing with the agricultural sector. Of course, those economists do not want to be perceived as agricultural economists and probably believe that our specific profession does not have any real legitimacy. As a result, many young colleagues, pressured to 'publish or perish', do not seem able to resist the academic drift. An article, on any topic, published in a prestigious peer-reviewed journal is much more important for one's career than a research on a difficult subject, socially relevant because it deals with an issue related to the agricultural or rural sector, but not tidy enough to lead to a journal article. In the process, have we lost our professional soul?

I am aware that these questions risk being perceived as reflecting the nostalgic but obsolete views of an older member of a profession, who cannot keep up with the time and the hard pressures of modern professional competition. Yet I believe that they must be raised. I am indeed concerned by the academic drift of economics all over the world. This fear may seem paradoxical at a time when globalisation and liberalisation are making great strides, marking in a sense the vindication of the analyses and prescriptions of economists. No government can afford to pursue any economic policy without clearly spelling out the economic analysis justifying its decisions. The evolution of the CAP itself, which was maintained for many years against the best judgement and advice of economists, seems to vindicate these economic views now. But how much credit do economists deserve for these developments? And those who effectively influence the policy debates do not do so through their learned articles. Many do write such articles, but they are also deeply involved in the social debate; and that requires other qualities in addition to those which are recognized in academic circles: an ability to listen and to explore beyond the narrow confines of our discipline in particular. These other qualities were nurtured in the past, throughout one's professional career by a constant confrontation with the problems of the sector and a familiarity with the actors involved. I fear that the experience of our younger colleagues in this respect is much more superficial than ten, twenty or thirty years ago; and that it is much less valued, recognized and respected. Yet it is this type of experience and familiarity which is at the core of our specific professional identity as agricultural economists.

What about the current relevance of our profession in Europe at the beginning of the 21st century? Have we become obsolete because the agricultural sector has lost its specificity? Admittedly, a very rapid evolution has taken place everywhere, even though the modalities of that evolution vary greatly from one region of Europe to another, both within and across countries. I still believe that the professional values which served us well in the past are still relevant today. Paradoxically, that relevance is both related to the traditional nature of the agricultural and rural sector and to very modern aspects of the evolution of our societies. In many countries of Central and Eastern Europe the modernization of agriculture is far from complete and this will pose many difficult problems in the years to come, as illustrated for instance by the magnitude of the challenges faced by the countries of that region aspiring to become members of the European Union, and trying to adjust as quickly as possible to the 'acquis communautaire'. In Southern Europe, agriculture continues to be the overwhelmingly dominant sector in the utilization of rural space; and this creates quite a challenge for societies trying to find their niche in an ever more globalized economy. Actually, the challenge of managing rural space exists throughout Western Europe and should provide ample material for agricultural economists in the foreseeable future. But, in order to continue playing a socially useful role, agricultural economists will need, I believe, to remain faithful to their professional roots: be good at listening, be able to conduct investigations beyond the narrow limits of their discipline, acquire a great familiarity and ability to dialogue with social actors in their sector, etc. If they succeed in doing so, agricultural economists will thus show the way for many other economists, eager to be socially relevant in their particular area of expertise and who will be rewarded for that relevance.

Thus to conclude, we can be proud of our achievements as a profession in the last twenty five years and we must keep enough self-confidence to remain faithful to our roots, continue to seek social relevance in our work and instil those values in our younger professional colleagues.

The development of European agricultural economics in the last 25 years

Past Treasurer (1984 - 1993) and Secretary General (1993 - 1999) of the EAAE

The 25th anniversary of our Association is a good opportunity to look back to the recent developments in our profession and to reflect on future trends. The history of the EAAE as such is a good source to analyse what is happening.

Trends

As agricultural economics is mostly applied science, the development shows important similarities with the trends in the relevant environment. We have experienced a very interesting 25 year period in this respect:

- Increasing influence of international, mostly global, trade negotiations;
- Important changes in the political situation in Central and Eastern Europe, including the Balkan;
- Ongoing deepening and widening of the European Union;
- Technical-economic developments that made increases in size of farms and intensive interaction in chains attractive;
- Growing awareness of the limited availability of strategic natural resources;
- Growing impact of information and communication technology, bio technology and new materials;
- Movement from a supply driven to a market driven production;
- Increasing integration of agriculture in a critical society;
- More attention for the consumer and consumer concerns regarding genetic origin and production methods of food, including animal welfare;
- More emphasis on the relationship citizen-sustainable environment.

The European perspective of the development of agricultural economics can be clearly showed by the activities of the European Association of Agricultural Economists. The central themes of the EAAE Congresses reflect the developments mentioned above (table 1): an agricultural sector that integrates in the society and in Europe, which is characterised by problems with markets, natural resources and multi-functionality of the country side, and that is confronted with an increasing scale of the problems towards a global context.

Table 1: European Congresses organised by the EAAE

1975	UPPSALA, Sweden Short-term Prospects for the Development of European Agriculture
1978	DIJON, France European Agriculture in a more Integrated Economy
1981	BELGRADO, Yugoslavia Agriculture and Regional Development in Europe
1984	KIEL, Germany Agricultural Markets and Prices
1987	BALATONSZÉPLAK, Hungary <u>Resource Adjustment</u> and European Agriculture
1990	THE HAGUE, The Netherlands European Agriculture in <u>Search of New Strategies</u>
1993	STRESA, Italy <u>Transition</u> to an Integrated Agricultural Economy

1996	EDINBURGH, United Kingdom <u>Redefining the Roles for European Agriculture</u>
1999	WARSAW, Poland European Agriculture Facing the 21 st Century in a <u>Global Context</u>
2002	ZARAGOZA, Spain Exploring diversity in the European Agri-Food System

Table 2: topics of the EAAE Seminars

Years	1982 – 1990	1991 – 1996	1997 – 1999	Total
Seminars	3 – 23	24 – 44	45 – 65	
Topics				
EU: Prices, Markets, Membership	4	6	3	15
Sector Modelling	2	1	1	4
Trade	1	1	-	2
Rural areas	1	3	5	9
Natural resources	2	2	-	4
Forestry, aquaculture	2	1	1	4
Farm management	5	2	-	7
Food Industry, marketing	1	4	6	11
ICT, Technology	1	1	2	4
Developing countries	1	1	1	3
Coverage items	10	10	7	

The development in the professional themes is even more reflected in the topics of the European Seminars (table 2). The focus of the EAAE seminars is clearly shifting over time. In the beginning the farm management and business economists were most active. It is the start of the development of farm information systems and much attention is paid to economies of scale. In the second period mentioned (1991-1996) the adaptation of the EU policies ask most of the attention, and especially the potential accession in central European and Baltic countries. In this period the attention for the rural area and the multi-functionality of agriculture becomes visible, as well as the more explicit attention to aspects in the food industry. In the third period, these topics are even more dominant and scientific developments dominate the seminars. This is also shown by the low coverage of the number of topics.

With some free interpretation, one could conclude that after reaching self-sufficiency in the EU at the end of the 1980's the scientific interest in the pure farm issues declines slowly and moves to problems in other levels of the food chain, with in the end also more attention for the consumer. The interest in the re-engineering of the EU-policies and the widening of the EU is still large, but has at the beginning of the 1990s – also due to the fall of the Berlin Wall – its highest point; afterwards the development of multi-functionality or the rural area gets more explicit attention – also stimulated by the EU conference in Cork.

By interpreting the EAAE seminars we get a biased view due to the creation of specialist European associations for smaller, more specific domains like environment or information technology; earlier also the horticultural economists had created their own 'garden'. Nevertheless this overview of EAAE congresses and EAAE seminars shows that agricultural economics is an applied science that has important similarities with the developments in 'the real world'. It also shows that there is an intensive communication between

European colleagues, which can be interpreted as the start of the 'Europeanisation' of agricultural economic research.

Demand

The demand for agricultural economic know-how can be graded into 4 channels of knowledge transfer:

1. Students ask for transfer of knowledge and for support in the development of skills;
2. The international academic society asks for fundamental and strategic research to acquire new knowledge and inspiration for applied science and education;
3. Clients in (inter)national governments, businesses and pressure groups ask for solutions for actual problems;
4. The (inter)national public debate on the themes of agricultural production and natural resources.

With regard to the first channel, it is mentioned that the scientific education had and has a mostly national character, but also due to EU exchange programs it gets more and more an international approach. This implies that education is internationally accessible (also by using English as language). Joint organisation is however still scarce, with Scandinavia's PhD-education as an exception. However a more European approach of scientific education in agricultural economics is expected.

In the second channel, the so-called reputation mechanisms play an important role. This part of the market is mainly supply-driven and has a strong internal character. Fundamental researchers are often very specialised and are focussed on their contribution to the international literature. Besides the congresses and seminars, it are the internationally reviewed journals that set the scientific reputations in the market. In the European arena, the European Review of Agricultural Economics has developed into a recognised and broad appreciated source for the more theoretically oriented agricultural economic research. This journal, which has become the 'official journal' of the EAAE, plays an important role in the communication in our profession. In competition with older journals like the American Journal of Agricultural Economics, the UK based Journal of Agricultural Economics, *Economie Rurale* (France) and *Agrarwirtschaft* (Germany) and some other highly appreciated national journals it is a recognised reputation-mechanism.

The third channel in the market for knowledge is the applied research. Besides strong national markets, the research funded by the EU is important. These EU projects and concerted actions strongly improves the spreading of know-how in the EU. Also for this reason I expect that the domination in national or even regional home markets by local suppliers of knowledge will more often give way for participation by foreign research institutes. The applied character of the research will nearly always ask for combined teams, to connect expertise on methodology or the domain with specific local know-how.

These developments to a more European market for fundamental and applied research in agricultural economics, raises the issue of concentration or de-concentration of research capacity. The current developments can be called interesting, to say the least. It has to be seen to which extent the often highly praised field with thousand flowers, as cultivated in e.g. Belgium and Germany, will lead to a better appreciated bouquet in the knowledge market, than the more integrated approach in e.g. Denmark and the Netherlands where university and research institutes become more integrated.

Communication channels between fundamental and applied researchers should be broadened to create a better spill-over of knowledge, a Dutch committee advised. Reputation mechanisms like international journals could be partly made up with platforms for a transfer of know-how to applied researchers and policy makers. Financial incentives should foster the co-operation between fundamental and applied researchers. Huffman and Just (1998) have similar suggestions. International agribusiness will buy their knowledge on a world wide scale with centres of excellence.

Taking part in the public debate, the fourth channel, has mainly a national character due to the fact that public debates are mainly held in national newspapers and TV-channels. The agricultural economics contribution to that is rather low, compared to e.g. ethical issues. But a further internationalisation of agricultural economists will become an issue. The EAAE's interest in an equivalent of Choices is an example.

Collaboration

Internationalisation is an issue in all the four channels mentioned. It will lead to more collaboration and perhaps even concentration across borders. Besides the developments mentioned, this has also to do with efficiency. Especially the development of models as well as the management of data sets is often extremely expensive. Collaboration like in the GTAP consortium (on global trade analysis) or on software development for databases like the FADN (where LEI made quite some investments to make a step forward in using up to date ICT) is very attractive. Networks as developed in EAAE activities are useful to set up such collaboration.

In conclusion I think that our profession has been able to develop in line with the needs of clients and the society at large. We deliver good and relevant information for the management of markets, sectors, chains and firms. Dependent on levels of aggregation, it is attractive to operate in larger networks and alliances across borders. This implies that the EAAE has a bright future to pave the road to such an internationalisation.