

# AGRICULTURAL STRUCTURAL POLICY IN THE FRAMEWORK OF REGIONAL DEVELOPMENT: SOME REFLECTIONS ON NEW TRENDS IN THE EUROPEAN COMMUNITY\*

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## I. INTRODUCTION

Agricultural policy on a world-wide-scale—that is to say, in developing as well as in developed countries—is confronted with a common problem, namely the promotion of the adjustment process of agriculture in a growing economy:

- (a) In some of the industrialized countries of the Western world, too many misallocations of resources result in a disparity of incomes from agriculture in comparison with those from industry, considerable surpluses of agricultural produce, high public expenditures and relative lower rates of economic growth.
- (b) In almost all developing countries one finds a different form of misallocation of resources in agriculture. In this case, agriculture is incapable of achieving the increases of production necessary to feed a greatly expanding population and to earn the increasing amounts of foreign exchange necessary for the development of the economy as a whole.

To find solutions to these problems, comprehensive studies are undertaken in industrial as well as in developing countries; furthermore, the integration of agricultural and macro-economic planning has become an essential element in economic policy in both types of countries. There are interdependences between agricultural policy and planning both in industrialized and in developing countries: the appropriate contributions of agriculture at different stages of development of the economy as a whole; the utilisation of agricultural surpluses in the form of food aid to developing countries; budget constraints resulting from agricultural policies in the fields of agricultural prices and structures of the agricultural sector, which in turn imply smaller amounts of financial aid to the developing countries, and so on. Following this proposal, the discussion in this paper will, how

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ever, concentrate solely on the problems of integrating agricultural development into the overall development policy of the European Communities and to cover the policies concerned.

## II. SOME BASIC FACTS

The adjustment process of agriculture to economic growth as well as the process of agriculture, are both closely linked with the stage of the economic development as a whole: In *Figure 1* the four main points of the active role of agriculture in a growing economy are mentioned: increase of agricultural production, capital accumulation, demand for non-agricultural goods and services, and the employment opportunities.

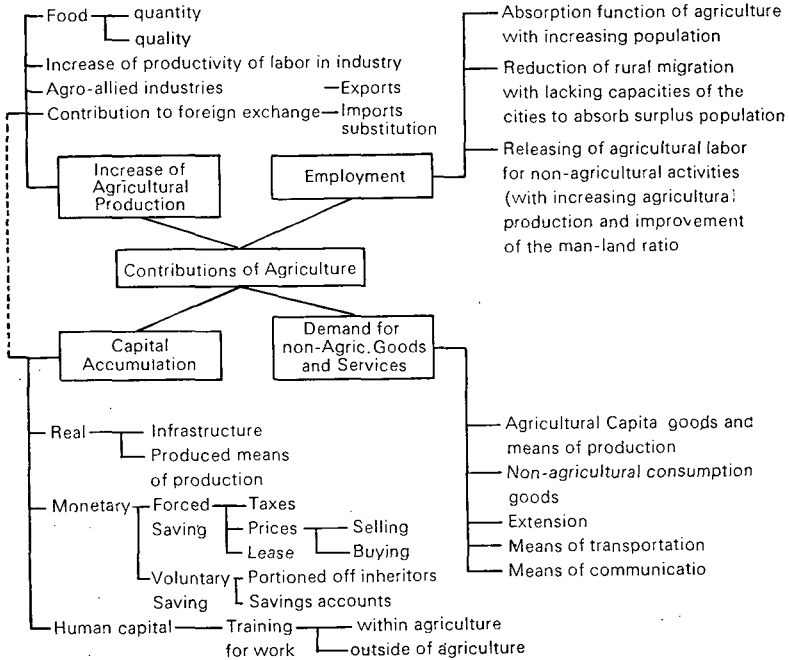
In the case of EEC-member countries, during the last two decades agriculture has contributed mainly to economic growth by the transfer of agricultural labour to other activities. Regarding the Korean stage of economic development the following critical reflection could be helpful: which relationship (qualitative and quantitative) exists between "agriculture and the rest of the economy" (based on *Figure 1*) and what are the contributions which have to be made by agriculture and rural development to play an active role?

Taking into account the adjustment process of an agricultural labour force in a growing economy, two different evolutions have to be considered: (a) In industrialized countries a relative and absolute diminution has taken place in the past and will take place in the near future too, more or less influenced by recession periods. (b) In developing countries there is likewise a relative decline, but in relation to population growth in rural areas, there will be an increasing number of people to be absorbed by agricultural activities in the near future (see: *Figure 2*).—In the case of Korea it seems important to forecast the situation of the labor market as a whole and to reflect their repercussions on the adjustment process of agriculture.

The functions of agriculture as well as the relative and/or absolute decline of the agricultural labor force have to be considered on the regional geographical level. Taking into account the regional disparities inside of the EEC (North-South discrepancy) and regarding the dual or triple economies in developing countries, the following challenge has to be realized: The concepts, programs and projects stimulating and aiming at the adjustment process of agriculture have to be based on the integration: (a) on the national level (in the case of EEC on the community level). (b) on the sectoral level (intra-sectoral and inter-sectoral). (c) on the regional, local and micro-level.

This approach implies a strong need for vertical and horizontal coordination in the field of planning as well as in that of implementation. The slogan "Integrated Rural Development" will sometimes cover this ambitious approach; "ambitious" because the vast range and the complexity of rural development can lead to the conclusion that it is necessary to deal

FIGURE 1  
CONTRIBUTION OF AGRICULTURE TO ECONOMIC GROWTH



Source: Publication of S. Kuznets, W. H. Nicolls, B. F. Johnston and J. W. Mellor

with all the problems simultaneously. Nevertheless, integrated rural development as a *practical* programme is confronted with the dilemma of “unlimited needs and limited resources” (ILO). Therefore, based on an operational analysis using the facts and interdependencies (*Figure 1 and 2*) it is of vital importance to find out the active role of agriculture and the realistic opportunities of rural development in a given regional situation, and to utilize this data as a basis for the implementation of measures inside and outside of the more or less leading agricultural sector.

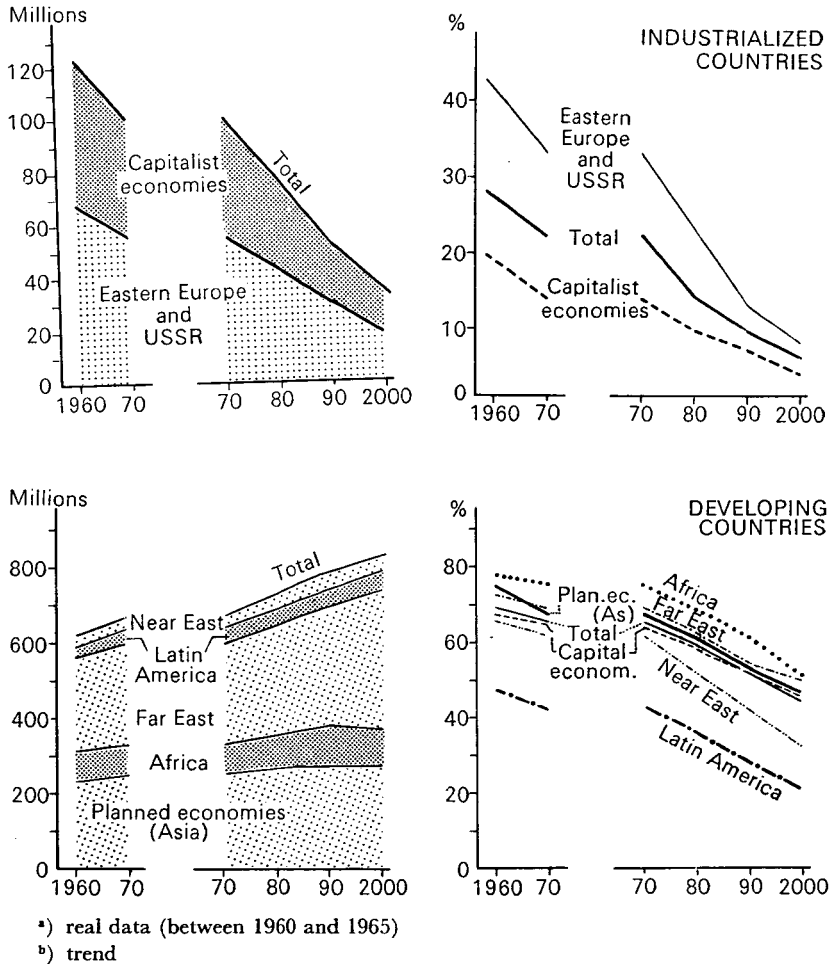
### III. AGRICULTURAL STRUCTURAL POLICY OF THE EEC

#### 1. Preliminary Remarks

The land tenure system and the agricultural structural policy have always played a prominent role in the history of European Countries. This must be attributed to the fact that farm structures in the “Olde World” were mainly determined by demographic factors which led to land fragmentation, layout of land with respect to labour absorption, and insufficient man-land-ratios.<sup>1</sup> Consequently, this resulted in a strong public influence on land

<sup>1</sup> F. Dovring, *Land and Labour in Europe 1900-1950*. The Hague 1956, p. 177.

**FIGURE 2**  
**CHANGES OF THE AGRICULTURAL LABOUR FORCE 1960-1970a AND 1970-2000b**



Source: Estimations and projections by FAO based on UN/ILO statistics.

use and on the individual earnings of farmers, both of which are thus historically determined.

Contemporary agricultural policy, which agricultural structural policy should be integrated into, must therefore accept the given historical processes. It is not the task of agricultural economists to simply judge the agricultural policy of the European Community (CAP) as "good" or "bad". Such normative categories should be reserved for politicians and political institutions. Rather, economists have to develop exclusively alternatives by way of analysing situations and policies, and it is only through this, that the political decision making process can be influenced in the direction of a

more rational economic policy. From this, there arise three questions:

1. How can it be explained that the structure of agriculture and the agricultural structural policy were incorporated into the Treaty of Rome (1957) and, in subsequent years, into the decisions made by the EC-Council of Ministers?
2. Which focal points have been developed in the agricultural structural policy on the basis of the Treaty? Considering the Council's decisions, is there an economically sound concept in relation to the CAP as a whole and to the adjustment of agriculture to a growing economy?
3. Are there realistic and operational alternatives for a reorganisation of the structural policy within the CAP?

This paper deliberately renounces enumeration of statistical and historical facts as well as reproduction of EC-decisions. Its purpose is to outline a frame of reference for the analysis of economic conditions which have to be taken into consideration in designing an efficient agricultural policy and in facilitating the adjustment process of agriculture.

In this respect, this presentation contributes to the field of *economic theory* of agricultural *decision making*, rather than to the efficiency analysis of instruments for changing agrarian structures.

## 2. *Reasons for the Incorporation of Agricultural Structural Policy into the CAP*

The signing of the Treaty of Rome implied the decision also to integrate the internal and the international trade of agricultural products into a common market. Since the end of the 19th century the signatory states had adopted different policies for the protection of domestic agricultural products. The prices for international homogeneous agricultural goods widely apart as a result of such different degrees of state intervention (e.g. low price countries: France, Netherlands; high price countries: Italy, Germany). The agricultural markets had therefore to be integrated *institutionally* (i.e. political decisions on a common price level) rather than *functionally* (i.e. tariff reductions).

This concept of the institutional integration of the agricultural sectors reflected the diverse views of the member states; the "optimistic" versus the "pessimistic" approach. The question was by what means persons engaged in agriculture could be enabled to obtain a fair standard of living equivalent to that in other sectors of the economy.<sup>2</sup>

The conflict arising from this question is obvious. Article 39, (1)a is defined in a positive way.<sup>3</sup> This approach could be associated with the

<sup>2</sup> Beginning with Germany 1955, all member states subsequently created a legal basis for securing politically the income goal of the agricultural community.

<sup>3</sup> "to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour."

Dutch view of agriculture. The “pessimistic” approach was reviewed<sup>4</sup> in Article 39, (2). This resembles the German agricultural policy approach. It most probably was a concession made to the ministers of economic affairs or to agricultural economists when it says appeasingly: “agriculture constitutes a sector closely linked with the economy as a whole”. In the following period, the ministers of agriculture emphasized the important role of agricultural structures with special reference to family holdings, especially at the Stresa Conference (1958).

The political decision making process of the institutional integration had originally intended to create a “common agricultural policy by degrees during the transitional period”. In reality, however, these steps were completed earlier than had been established in the Treaty. The reason? At the end of 1961, member states with a particular interest in a common agricultural market would not agree upon proceeding with the next stage of the custom union for industrial products, unless CAP progressed.

This conflict could only be resolved by commonly financing the excess production, especially to the advantage of exporters (decree 26/1962). However, since countries with a larger extent of backward areas (especially Italy, and France, too) took an interest in curing the imperfections of their agricultural structures, they attempted to apply this instrument also for such purposes. Here again, a starting point was provided in the Treaty (Article 40,4), now, however, on the basis of a different interpretation.<sup>5</sup>

This extended stipulation to the contents became evident in decree no. 17/1964 by which practically the whole range of so-called “classic” (or, for this purpose, “old-fashioned”) national policy measures could in part be re-financed by the EC Government subsidies and community disbursements for agricultural marketing facilities were novel instruments in some countries. This way of financing is definitely problematic with respect to competitive distortions.

Under the pressure of having to agree on a common liberal platform for the GATT negotiations in 1964, the EC made a political decision upon a common price level for grain. France made agricultural protectionism of the EC a precondition for a liberal GATT-approach. As regards the agricultural structures, this led to a competitive advantage of the—then—low-price-countries. The subsequent substantial increase in production created no serious uncertainties for the producers in lieu of an “open-ended financial intervention by the community” (Agricultural Guarantee Fund).

Analysing the political decision making process, the following conclusions can be drawn as interim results:

<sup>4</sup> “the particular nature of agricultural activities. . . the social. . . and natural disparities. . .” should be considered.

<sup>5</sup> The common organisation of agricultural markets should be enabled by the establishment of “one or more agricultural guidance and guarantee funds”.

- 1) In the beginning, the CAP was perceived as a common organisation of agricultural *markets* (Article 40, 2), which eventually resulted in an all-protectionism for agricultural products against third countries (*e.g.* equivalent protection for grain and animal produce on grain basis). It was designed as an instrument “to ensure a fair standard of living for the agricultural community”.
- 2) From this policy there arose a double conflict of goals:
  - a) domestic production was given priority over imports (*e.g.* full protection via variable tariffs). The frequently quoted Article 110, which states that the EC should “contribute to the harmonious development of world trade”, never actually counterbalanced Article 39. Comparative advantages in world trade were thus abolished, as was the external adjustment pressure that the supply from third countries would have put on European agricultural structures. Increased agricultural imports into the Community were largely due to a rapid overall growth and can by no means be taken as an indication of a successful agricultural structural policy.
  - b) The EC failed to combine market policy with structural policy in a way such that efficiency in agriculture provides for an equilibrium of supply and demand on agricultural markets, and, at the same time, incorporating “traditional” imports.
- 3) On the Community level, agricultural structural policy did not go beyond isolated and restricted measures. When the common market policy started in 1962, the Council’s decision at that time on the co-ordination of structural policies of the member states was rather a set token exercise that was of hardly any importance—just the opposite of the agricultural markets. To be fair, it must be mentioned that the Treaty does not provide a legal basis for a *common* structural policy. Neither “agricultural structural policy” nor “regional policy” are mentioned in the Treaty. However, nothing would have stopped the member state, in the course of the institutional integration, from elevating agricultural structural policy up to common responsibility on the Community level—a responsibility in accordance with the “positive” intention of Article 39, 1 (a).
- 4) It also seems that the chapters of the Treaty relating to the prevention of competitive distortions in agriculture as among member states, were not applied in the sense of an efficient structural policy on the Community level. There was, after all, a possibility (according to Article 42) to identify enterprises handicapped by “structural or natural conditions” and regions with severe adjustment problems for agriculture which then could be granted aid within the framework of economic development programmes on the national level. But there, too, the EC-Commission did not go beyond an (frequently incomplete) examination of isolated national measures. A consistent concept was not

achieved.

- 5) Finally, the Agricultural Guidance Fund served as a means of co-financing isolated measures for the improvement of agricultural structures at the national level. Before the early 70s, it was difficult to ascertain the relationship between these commonly financed measures and the goals of the CAP. The member states most probably would have taken these steps in any case, had there not been a common finance scheme. Moreover, the principle of *juste retour* of the funds to the contributing member states hardly improved the rationale of the agricultural structural policy.

The institutional integration as a whole, with respect to agricultural structural policy, shows only a low degree of attaining its goals—contrary to the perfectionist results on the agricultural markets. There are several explanations for this: among other reasons, the diverse interests of the member states, the strong shielding from international supply, and public forestallment guarantees for domestic production. What was lacking was the pressure from an effective price mechanism in agriculture and economic signals towards an optimal allocation of resources as within agriculture and as between sectors.

### *3. Relations between Market, Structural, and Regional Policies*

In agricultural economics much has been written on the relation between price policy and structural policy. With respect to the situation in the EC, it must be argued that neither can agricultural structural policy be rejected in favour of price policy, nor does the former make the latter redundant. Rather, an optimal combination of these two policies must be found.<sup>6</sup>

This question became acute in the European Community. It resulted from a rapid overall economic growth on the one hand, and from an increase in permanent agricultural excess production on the other, that had to be eliminated. The high-price policy in agriculture also confirmed two facts:

- a) *Price* policy in favour of agriculture is too expensive for the economy as a whole if it leads to non-marketable surplus production. It then still does not secure a fair *income* for the agricultural community. Internal income disparities worsen with increased differences in agricultural structures.
- b) With rapid economic growth and with large income disparities, as between parts of agriculture and the non-agricultural sector, a high-price policy for agriculture could not substantially influence migration out of agriculture.

These factors confirmed the necessity for a specific agricultural struc-

<sup>6</sup> H. G. Schlotter, "Agrarpreispolitik und Agrarstrukturpolitik—Gegensatz oder Einheit, *Agrarwissenschaft*, Juli 1964.



tural policy in the EC:

- a) After singling out the marginal producers, a rational price policy gets a better chance.
- b) Labour mobility does not automatically improve the man-land ratio. Frequently, the shortage of land is the reason for a production increase through structural policy measures.

The agricultural adjustment process is strongly influenced by the politically determined "agricultural enterprise". The agricultural policy in the EC puts special emphasis on the preservation of family farms (not in the Treaty of Rome, yet at the Stresa Conference). This draws narrow economic limits for the agricultural structural policy depending upon the definition of the concept of "family farms".

Agricultural structural policy not only strongly interrelates with market policy, but is also closely linked to *regional* policy. This interrelationship became visible already in the 60s in some member states, when steps towards the improvement of agricultural structures were combined with those of regional development. These linkages were designed to limit migration to urban agglomerates by means of industrialisation of backward regions of agrarian character. On the other hand, they should improve agricultural structures via a higher mobility of land.

Agricultural structural policy as well as regional policy depend on specific, coordinated measures which must also include a regionally oriented social policy, since the spatial adjustment process brings about social frictions (*e.g.* lack of vocational training, limitations to job mobility). Abolition of such constraints is a prerequisite for a structural adjustment process without creating another misallocation of resources.

#### *4. Policy Approaches in the EC-Treaty*

Though the EC member states are highly developed industrial countries, the internal levels of economic development as among member states and as between subregions are very different. The EC-Commission, in a study, computed the regional differentials of GNP per capita which ranged from Hamburg to Southern Italy. A regional integration, as in the EC, is always in danger of aggravating regional income disparities and thus creating a dual economy—vis-à-vis high overall growth rates.

One of the main constraints is a retarding agriculture in backward regions. The free movement of labour, capital, and services as it was envisaged in the Treaty and now has been realized, does not provide a sufficient basis for the integration of these backward regions. As had been observed before in the course of national integration of the member states, the Treaty anticipated such negative development in a political declaration of intent ". . . to ensure . . . harmonious development by reducing the differences existing between the various regions and the backwardness of the less favoured regions". It cannot be said that the Treaty did not provide

for instruments to facilitate regional adjustment processes for industry and agriculture. A European Social Fund has been established that serves to improve employment opportunities for workers by facilitating their geographical and occupational mobility; in the meantime it also covers agriculture.—The Agricultural Guidance Fund has been referred already. The European Investment Bank facilitates financing of projects for developing backward regions.

Thus, not so much the *instruments* of agricultural structural and regional policies are missing, but a *concept* on the supranational level. There is a lack of political will to declare common goals, to define common criteria for policy measures, and to develop a larger financial solidarity of the EC towards less developed regions.

### 5. Remarkable Re-Orientations

In 1972 there were some remarkable changes in structural policy in agriculture as well as in regional development.

#### a) Agriculture

The EC-Council passed three guidelines for financing programmes that reveal something of a "modern" approach in the following areas:

- 1) Modernisation of farms,
- 2) Termination of employment in agriculture and transfer of land towards improved farm structures,
- 3) Socio-economic guidance for withdrawal from agricultural employment and improvement of vocational training for full-time farmers.

The underlying rationale of these interrelated guidelines follows along the lines of economic reasoning: only viable farms with an efficient management are to be supported in order to avoid misinvestment; improvement of the man-land ratio requires both a substantial reduction in the number of farms and phasing marginal land out of production.

Intersectoral occupational mobility can be facilitated by timely dissemination of information about the socio-economic situation, and intra-sectoral qualifications has to be improved by management training for full-time farmers.

In addition to these guidelines, there is a fourth one of a different nature. Assistance for agriculture in less favoured and mountain regions was decided upon in 1974. Direct income transfers and management services as outlined there, are clearly social and ecological measures. This policy, however, reinforced already existing market disequilibria, especially in milk production.

#### b) Regional Policy

At the Paris summit meeting in October 1974, the EC-minister presidents discussed the steps toward a currency and economic policy-union, at a time, when political disintegration of the EC had reached

its peak. For neither Article 103 nor 104 had substantiated the institutional integration.<sup>7</sup> The minister presidents' conclusion that such a manifestation was hampered by structural and regional imbalances, put the true relationship between general and regional economic policy upside-down: coordination of general economic policies (*i.e.* growth and stabilization policy *etc.*) is a precondition for acquiring a clear conception of regional policy—not the other way round as in the EC!

In March 1975, a European Regional Development Fund was installed that provides for 1.3 Billion units of account over a period of three years (1975–1977). The Fund operates on the principle of intervening in regions where structural shortcomings are greatest, so that countries with severe regional adjustment problems receive higher quotas of assignment (Italy 40%, Great Britain 28%, France 15%, Ireland 6%). Thus, four countries of the Nine account for 9/10 of the total Fund-assignments. This demonstrates a larger financial solidarity, rather than a readiness for a coordinated economic policy, in favour of agricultural or regional structural problems.

#### IV. FINAL REMARKS

The analysis of the political decision making process with respect to structural policy in agriculture prompts the following results:

- 1) Political institutions of the Community were not pressed for the adoption of efficient decisions on structural policy in agriculture. Without underestimating the recent trends, a consistent concept, to this day, has yet to come.
- 2) An optimum combination of price policy and structural policy in the framework of CAP has not been reached. On the contrary, a protectionist market policy even diminished the pressure for a rational structural policy for agriculture.
- 3) Agricultural structural and regional policy measures are put forward in a more or less isolated and uncoordinated way. Most of all, national advancements are a prerequisite for proportionate common financing.

Now the “good years” of industrial boom have been wasted without approaching a common economic policy and a more liberal agricultural policy. With a prolonged economic recession in Europe, and with growing imbalances vis-a-vis high public expenditures on important agricultural markets, the non-existence of a concept in the EC on agricultural structural policy and regional policy clearly is a severe disadvantage.

Yet, these problems rather increase than diminish. For one thing, it

<sup>7</sup> “Member states shall regard their economic policies as a matter of common concern . . . pursue the economic policy needed to ensure the equilibrium of its overall balance of payments. . . coordinate their economic policies.”

can hardly be assumed that countries encountering the Community's *agricultural* protectionism, will accept, at the same time, the liberal EC position towards *industrial* world trade. For another, Spain, Portugal, and Greece seeking to join the EC, can hardly, in the long run, for political reasons be turned down. Their integration into the EC would multiply structural and regional disparities.

From this point of view, the recent success set forth above, in the area of agricultural structural policy and regional policy, though encouraging, does not elevate the urgent problems of the CAP and of the European economic integration.

## BASIC FACTS: EC-AGRICULTURE

### 1. NUMBER AND AREA OF AGRICULTURAL HOLDINGS (with 1 ha AA and over)

#### a) Number

Year	EUR 9	F. R. Germany	France	Italy	Netherlands	Belgium	Luxemburg	Great Britain	Ireland	Denmark
1960	7,269,000	1,385,250	1,773,500	2,756,336	230,312	198,706	10,358	443,100	278,000	193,700
1967	6,444,000	1,206,308	1,575,900	2,477,325	203,178	147,183	7,870	393,000	271,000	162,567
1970	5,702,000	1,083,118	1,420,924	2,173,463	164,119	130,397	6,939	312,485	266,934	143,400
1973		967,809	1,300,000		149,566	113,902	6,106	287,384		135,923
1974		927,906	1,256,000		146,864	110,098	5,872	277,440		132,662
1975	5,176,000	904,732	1,209,000	2,146,247	143,801	105,557	5,596	271,543	260,083	129,833
1976		889,016	1,169,000		140,635	102,175	5,376	269,490		126,744

#### b) Area (Agricultural area in use)-in 1000 ha

Year	EUR 9	F. R. Germany	France	Italy	Netherlands	Belgium	Luxemburg	Great Britain	Ireland	Denmark
1960	x	12,935	30,162	18,658	2,383	1,635	139,2	14,191	4,760	3,093
1967	x	12,772	30,042	17,595	2,228	1,549	135,2	13,711	4,735	3,011
1970	88,681	12,645	29,823	16,807	2,133	1,517	134,9	17,925	4,732	2,964
1973		12,591	29,649		2,091	1,491	132,4	17,786		2,975
1974		12,508	29,541		2,083	1,479	131,6	17,806		2,927
1975	87,451	12,462	29,426	16,183	2,074	1,462	131,5	17,451	5,325	2,936
1976		12,425	29,310		2,065	1,453	131,1	17,437		2,932

c) *Number of holdings (20 ha and over) in relation to the total number (%)*

Year	EUR 9	F. R. Germany	France	Italy	Netherlands	Belgium	Luxem- burg	Great Britain	Ireland	Denmark
1960	14.7	10.0	26.0	4.4	11.5	7.3	23.7	41.1	26.0	25.8
1967	17.0	13.1	30.5	4.8	13.8	12.2	35.1	41.9	27.0	32.2
1970	19.8	16.3	34.5	5.4	18.5	15.1	42.0	53.0	27.9	36.8
1973		20.4	38.6		21.7	18.9	46.9	55.4		38.9
1974		21.7	40.1		22.4	19.8	48.0	56.8		39.4
1975	22.8	22.4	41.4	5.8	23.2	21.0	50.2	57.2	33.5	40.4
1976		23.0	42.9		23.9	21.9	51.6	57.0		41.4

d) *Agricultural area in use per holding (ha)*

Year	EUR 9	F. R. Germany	France	Italy	Netherlands	Belgium	Luxemburg	Great Britain	Ireland	Denmark
1960	x	9.3	17.0	6.8	9.9	8.2	13.4	x	17.1	16.0
1967	x	10.6	19.1	7.1	11.0	10.5	17.2	x	17.5	18.5
1970	15.6	11.7	21.0	7.7	13.0	11.6	19.4	57.4	17.7	20.7
1973		13.0	22.8		14.0	13.1	21.7	61.9		21.9
1974		13.5	23.5		14.2	13.4	22.4	64.2		22.1
1975	16.9	13.8	24.3	7.5	14.4	13.9	23.5	64.4	20.5	22.6
1976		14.0	25.0		14.7	14.2	24.4	64.7		23.1

2. TOTAL MANPOWER ON AGRICULTURAL HOLDINGS (1 ha AA and over)

(1000 persons)

Year	EUR 9	F. R. Germany	France	Italy	Netherlands	Belgium	Luxemburg	Great Britain	Ireland	Denmark
1960	—	2,216	3,529	4,007	364	307	22.4	990	383 *	318
1966	—	1,777	2,940	2,929	300	194	15.5	770	320 *	232
1970	—	1,467	1,907	2,317	273	157	14.6	616	274 *	181
1973	—	1,101	1,753	1,830	264	128	12.6	626	252 *	166
1974	—	1,037	1,705		260	125	12.2	603	243 *	161
1975	—	984	1,659		245	120	11.5	582	242 *	157
1976	—		1,614		247	114	11.1	582	235 *	155

\* Males only

3. DEGREE OF SELF SUFFICIENCY (1975/76)—EC—EUR 9

Year	Soft Wheat	Hard Wheat	Barley	Grain Maize	Total Cereals	Rice	Sugar	Oleaginous Seeds	Vegetable Fats
73/74	107	72	103	59	91	90	92	28	24
74/75	116	82	107	55	95	88	87	27	23
75/76	101	99	103	53	87	72	105	29	26

Year	Skimmilk Powder	Cheese	Butter	Eggs	Beef and Veal	Pork	Poultry Meat	Total Meat
1974	132	107	93	100	100	100	103	97
1975	163	104	100	100	101	99	101	96
1976	109	102	107	100	99	99	104	96

## 4. CONTRIBUTION OF AGRICULTURE (%) TO GNP 1975/1976

Year	F. R. Germany	Italy	Netherlands	France	Belgium	Luxemburg	Great Britain	Ireland	Denmark
1975	3.3	9.5	5.0	5.9	3.2	3.8	2.7	18.2	8.2
1976	3.2	9.0	5.0	—	—	—	2.8	17.1	8.0

5. DEVELOPMENT OF INCOME (REAL TERMS) IN AGRICULTURE AND IN THE ECONOMY AS A WHOLE 1976  
(1970 H 100)

Sector	F. R. Germany	Italy	Netherlands	France	Belgium	Luxemburg	Great Britain	Ireland	Denmark
Economy, total	126.7	130.9	128.4	124.5	129.0	131.6	120.4	129.5	123.1
Agriculture	110.4	134.0	103.6	130.9	122.2	123.9	127.1	141.0	132.8

## 6. TRENDS IN HOURLY EARNINGS (PERMANENT MALE WORKERS) AND PRICES

	F. R. Germany	Italy	Netherlands	France	Belgium	Luxemburg	Great Britain	Ireland	Denmark
Earnings % increase autumn 76/77	8.3	28.5	7.3	13.8	14.5	19.5	7.8	16.5	15.5
Index of consumer prices % autumn 76/77	3.8	16.4	5.5	9.5	6.5	5.4	11.4	10.8	12.7