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Rural Development Policies in European Union Membership Process: Evaluation in case of Turkey and Albania

Abstract

This study examines situation of Turkey and Albanian rural areas and problems areas in the context of EU integration. The new policy instruments and their using to adopt CAP reforms in these countries were discussed in the study. Furthermore, Instrument for Pre-Accession Assistance (IPA) funds was review for both countries. As a result these funds will be carried out just four sector, milk, meat, chicken, and fruit-vegetable and aqua products for 2007-2013 period (290 million Euro) in Turkey. Albania look like as a potential member of EU, the limited efficiency of Albanian agriculture, the output and income generated from agriculture is low, as compared to EU standards. To promote EU standards, 1323 million Euro (the share of IPA is 4.6 % of total amount) will be used for 2008-2010 for integration to EU by Albania.

Introduction

In generally, "Development" can be defined such as increasing of communities' prosperity in each country. Also, the function of development in rural areas includes several kinds of services; it contains a process that have not only economical concept but also from education to health, infrastructure services, agricultural production, creating new additional income possibilities and to be organized.

In recent years, it is commonly seen regional disparities in every part of World, especially in developing countries and even different part of the same country, which

some of them are Turkey and Albania. Especially, this situation based on agricultural sector's value added to national economies and rural areas' situation in these countries. In Turkey, the share of rural population in total population, which was 75% in 1927, fell 40.9% in 1990, 35% in 2000 and 24% in 2007. On the other hand the portion of agricultural sector in general employments is yet very high (26.4% in 2007). Agricultural sector has a unique importance because 67.5% of these people, live in rural areas, make agricultural activities. In Albania the share rural population in total population in 1990 was 65% and about 50% in 2009. After 1990, the social and economical liberalization in Albania is causing and will continue to cause the migration of the population. Thus these countries' rural areas have serious problems such as losing labor force, migration of young population from rural to urban, also decreasing of agricultural productivity.

In Turkey, though the major portion of the population is engaged in agricultural activities, distribution of national income has been impaired unfavorably against rural sections due to their low lot in GDP. Since the continuation of divisions of agricultural territories via inheritance, the decrease in sizes of agricultural enterprises, and the occurrence of further problems in agricultural fields (infrastructure, education, health, organizational structure etc.), poverty has become a current issue in both countries. According to criteria of Organization for Economic Cooperation and Development, in Turkey, 14.8 % of population living in rural section, and 14.2 % of households in rural section are below poverty limit. (Pamuk, 2002). In 2002, 36.6 % of population living rural areas are below poverty limit (TURKSTAT, 2002). Furthermore it seems the same situation and in Albania, people that live in rural areas are the below poverty limit, in rural areas (especially in mountain areas). Different surveys indicate a large reduction in poverty in rural areas between 2005 and 2008. The rapid reduction in rural poverty means that poverty may no longer be essentially a rural problem. Broad areas of Albania continue to witness declining poverty rates. The Central areas have had the largest reduction in poverty rates since 2005. However, the data indicate a noticeable slowdown in the rate of poverty reduction in Mountain Areas, where the incidence continues to be the high

In last years, Regional and Rural Development Projects have come on the scene as a new model in rural development studies for last 20-25 years. National and international organizations gave place in their development programs. The majority of these projects aimed to reduce regional disparities basically. However there are also projects funded by International Organizations such as the World Bank, FAO, UNICEF, IFAD and EU.

Moreover, the beginning of relations between the EU and Turkey dates back to 1950s. It is foreseen that rural areas in Europe and in Turkey will be radically changed during the next decades. With EU enlargement allied to the fundamental

reform of the CAP (Lux., June 2003) and the further changes that will continue after a WTO agreement. It will be essential to have a proper balance between economic, social, environmental and sustainable development of rural areas in both Europe and Turkey which is the major challenge for the future (Allen and others, 2006). Especially, after 2000s there are new policy instruments have been carrying out in Turkey thanks to Turkey's candidacy process to EU by policy makers. The main aim of these implementations is reorganization of Turkish agriculture, increasing of agriculture competitive and ensuring sustainable rural development in rural sections.

On the other hand, Albania shares the same process on IPA – The Instrument for Pre-accession Assistance- like Turkey too. In the framework of regional and European integration, since 1990 many agreements have been signed by Albania with European Union. In 1999, Albania gets the trade regime of the autonomous measures with EU, while in September 2000, Albania becomes member of World Trade Organization (WTO). In 2001 Albania signed The Free Trade Agreement (FTA) with all regional countries. In June 2006 the Stability and Association Agreement was signed with EU, which came into force on December 1st, 2006, CEFTA , which came into force in May, 2007. (Ministry of Economy, Trade and Energy, 1990-2007).

The signing of stability and association agreement marks the beginning of a new phase of prospect in corporation with EU and certainly deepening the integration process of Albania. We believe the membership of Albania in WTO and FTA, signed with regional countries and EU is in general the most important challenges for Albanian economy and in particular for Albanian agricultural sector. Nowadays the trend of economy is to increase exports and to decrease imports. In the recent years some of imported agricultural products have been replaced with Albanian agricultural products, produced or processed in the country. Another objective is encouraging farmers to increase the investments in their own farms.

Taking part of Turkey and Albania as member in these international organizations: FAO; IFAD; CIHEAM; OIE; EPPO; ISTA; FEZ, IPGRI, OECD, is a good chance to profit from different projects that offer them. It makes easy these countries to integrate to European Community.

These agreements and programs release new perspectives about rural development and emphasis on multifunctional of rural areas. Recently, as a potential candidate country, Albania receives assistance under components I and II. The Multi-Annual Indicative Planning Document (MIPD) 2008-2010 for Albania under IPA allocates to Albania a total amount of EUR 245.1 million. Of this amount 88 % will be directed to projects under IPA component I; the rest will fund Cross Border Cooperation projects.

In both countries (Turkey and Albania), rural areas must face new challenges such as further reform of the CAP during the next years, further liberalization of world trade for agricultural products, demographic changes (migration, etc.), need for investment in knowledge and innovation, the continuous reduction in the number of full time farmers and in the numbers directly employed on farms.

To integrate to EU, facing new challenges summarized above, some policy priorities should be shared by these countries; reduce rural unemployment, improve income situation, improve agriculture efficiency and competitiveness, promote rural tourism, improve rural infrastructure and services, devote greater resources to training and preparation for employment, encourage opportunities for young people to rejuvenate rural society, need to promote women's role in rural society, adequate provision of healthcare and social security services.

Rural areas and rural development policies in turkey and Albania

General Overview of Agriculture Sector and Rural Areas

In general, Turkey can demonstrate some distinctive features in its development: an overall growing economy with frequent periods of economic crisis; a growing population with great disparities of income and capabilities, especially between urban and rural areas and different sectors of the economy; a rich endowment of natural resources strained by over consumption and poor management and more so concentrated in the agricultural sector and rural areas. The recent trends of the overall economy and its overall structural features manifest themselves in strong, distinctive and polarized ways, influencing the structure and evolution of the current socio-economic context. These trends are important for rural development policies as they have a major impact on rural areas.

Development disparities between urban and rural areas still prevail as a result of modernization efforts, industrialization and socio-economic transformation in the social and economic development process of Turkey to date. In this process, rural areas failed to catch up with the rapid development of the urban areas. Two of the basic reasons are the structural transformation of Turkish economy in favor of industry and service sectors and the migration between regions and from the rural to urban areas (IPARD Program, 2007).

The drivers of economic growth have been the manufacturing and service sector. Agriculture's share of GDP has been declining in relative terms (- 60, 5% in the last 25 years) although it has actually grown in absolute values. In 2007, average income per capita in Turkish economy is 9.333 \$ and also 2.433 \$ in agriculture sector (26.1 % of general level). The sector shares (%) of GDP for are shown in below.

According to table, two sectors have played an important role in economic growth and are relevant for agricultural and rural development: the food industry and tourism.

Table 1. The sector shares (%) of GDP for the period 1980-2006

Sectors	1980	1990	2000	2004	2005	2006
Agriculture	26,1	17,5	14,1	11,2	10,3	9,2
Industry	19,3	25,5	23,3	24,9	25,4	25,6
Services	54,6	57,0	62,6	63,9	64,4	65,2
Total	100,0	100,0	100,0	100,0	100,0	100,0

Source: TURKSTAT, various years

Agriculture sector has still important share of GDP in Albania, in spite of declining its share latest years. Industry and services sectors has 81,1 % of GDP and it shows that the share of agriculture will be less than recent value in future years (Table 2).

Table 2. The sector shares (%) of GDP for the period 1980-2006

Sectors	1996	2000	2004	2005	2006	2007
Agriculture	36.5	25.5	22.3	20.6	19,4	18,9
Industry	15	16.0	23.9	24.4	25,4	23,9
Services	48.5	58.5	53.8	55.0	55.2	57,2
Total	100,0	100,0	100,0	100,0	100,0	100,0

Source: ALBANIAN INSTAT, various years

Population movement is one of the most important indicator in rural areas in each country. Furthermore, it is seen second element, a growing population and fast urbanization. The "village" population (people living in settlements below 2.000 residents) has been considered historically as coinciding with rural population. In the long-term, two distinct phases may be observed in the rural-urban distribution (shown in table 3 below): the first from 1927 to 1950 in which Turkish society remains an agrarian one, with three quarters of the population living in rural areas and maintaining its share notwithstanding population growth, and a second phase, after the 1950's, in which a process of significant urbanization takes place and shifts the balance of the Turkish population, which now lives predominantly in cities of over 2.000 (64,9%) inhabitants.

In Albania, as we see in the table the share of rural population in total population, which was 79.5% in 1950, fell 63.9 % in 1990, 58.8 in 2000 and 51.3 in 2008, explained with the emigration of population from rural areas to the cities (Table 4).

Table 3. Rural-urban distribution of the population

<i>Census Year</i>	<i>Village Population (million)</i>	<i>Share of Village Population (%)</i>	<i>City Population (million)</i>	<i>Share of City Population (%)</i>	<i>Total (million)</i>
1927	10,3	75,8	3,3	24,2	13,6
1950	15,7	75,0	5,2	25,0	20,9
1960	18,9	68,1	8,9	31,9	27,8
1970	21,9	61,6	13,7	38,4	35,6
1980	25,1	56,1	19,6	43,9	44,7
1990	23,2	41,0	33,3	59,0	56,5
2000	23,8	35,1	44,0	64,9	67,8

Source: TURKSTAT, 2000 General Population Census

Table 4. Rural-urban distribution of the population

<i>Census Year</i>	<i>Village Population (million)</i>	<i>Share of Village Population (%)</i>	<i>City Population (million)</i>	<i>Share of City Population (%)</i>	<i>Total (million)</i>
1950	966.2	79.5	249.0	20.5	1215.2
1960	1133.0	70.5	474.3	29.5	1607.3
1970	1455.9	68,2	479.7	31,8	2135,6
1980	1773.2	66.4	897.3	33.6	2670.5
1990	2079.9	63.9	1176.0	36.1	3255.9
2000	1798.9	58.8	1259.6	41.2	3058.5
2008	1629.0	51.3	1541.0	48.7	3170.0

Source: ALBANIANSTAT, General Population Census

In the framework of EU membership, it is seen main differences on agro data between EU and Turkey. This situation shows that Turkey has some difficulties on integration to CAP because of amount of agr. population, in spite of this rate is 5-7 % in EU-25, the same figure is still very high (29.5 %) in Turkey. The same situation can be seen easily for agriculture enterprises, agr. employment too.

Table 5. Some Basic Indicators in EU and Turkey

Indicators	Albania	Turkey	EU-15	EU-25
Surface (million ha)	2,9	78	332	402
Agriculture Land (million ha)	1.1	39	134	169
Num. of enterprise (million)	-	2.4	7.4	13
Population (million)	3,1	80	372	452
Agr. Share in employment (%)	58,5	26.4	5.0	6.0
Agr. Share in GDP (%)	21*	7.7	1.9	1.8
Agriculture Population (%)	-	29.5	3.0-4,0	5.0-7,0

Source: TURKSTAT, Various Indicators, various years (2007), INSTAT, 2005

Regional and Rural Development Policies in Turkey

Turkey is one of countries that gave a special importance on issue early times, its studies go back 1930s. At the first, it was main purpose ensuring food security on this issue. Regarding of all these progress explained above, it has been given a particular significance to some extent since the initial years of planned development period to rural areas. Preceding the planned term, these studies were limited with coming into effect of Village Law, earliest economics congress, earliest village congress, abolition of tithe (Aşar tax), establishment of Village Institutes, getting titles to the lands; however, during the period of planned term, thanks to the model village approach, many-sided arrangements of rural sections, programs for society development, city-village model, and the projects of regional and rural development these studies have evolved (Gülçubuk, 2008). A great many development projects supported by foreign financing system like IFAD and national government were carried out in Turkey to eliminate local differences between the prosperity levels, to improve the living conditions of rural people, to impede the migration, and to minimize the problems causing cultural discrepancies. Among them the South Eastern Anatolian Project (GAP) is the largest one, also Eastern Anatolian Project (DAP) and Eastern Black Sea Development Project (DOKAP) are the main implementing regional development projects.

The principal rural development projects, completed recently or still on the process; Rural Development Project in Çorum-Çankırı (1976-1984), Rural Development Project in Erzurum (1984-1989), Rural Development Project in Ordu-Giresun (1996-

2004), Rural Development Project in Bingöl-Muş (1990-1999), Rural Development Project in Sivas-Erzincan -Tunceli (1993-2006), Rural Development Project in Yozgat (1991-2001).

Integration to Europe (Turkey's and Albanian potential candidacy to eu) and rural development

In EU countries, since its launch in 1991 the Leader Program has encouraged active involvement of local communities in Rural Development. Turkey started to adopt in rural development programs EU programs since mid 1990's by LEADER programs. Furthermore, in the beginning of 2000s there were made some legislative arrangements. In the EU membership process, there have been made new expansions against rural section in Turkey such as acceptance of EU regulation by Turkish Government (21 March 2001), against economic and social adaptation in EU, a national development plan, include 2004-2006 period, was accepted (22 December 2003/61). On the other hand, administration system reform studies have been accepted (23.07.2004 /5216), and also NUTS regulation made (22 September 2002/4720). According to this regulation, the regions were divided in three groups, in first group, there are 12, in second group, there are 26 and third group there are 81 regions (provinces). Therefore, regional development programs prepared for 12 regions, which are in second group, have been accepted by EU. Finally, regional development agencies, 26 numbers, have been established in Turkey (25.1.2006/5449) (Berk and Yasar, 2008).

In order to form a basis for a Rural Development plan and to establish the strategy for the rural areas in Turkey, the national Rural Development strategy has been prepared and it was adopted by the Supreme Planning Council and published in the Official Gazette (04.02.2006). The national rural development strategy has been prepared in conformity with the national development plans and within the view of harmonization for the EU's rural development policy. The strategy document constitutes a specialized guideline for rural development in which the quantified analysis of the rural situation, development opportunities, results of previous implementations, required strategies and priorities, have been identified (Allen and others 2006).

Recently, in order to make use of the IPARD funds. Turkey prepared a Rural Development Plan (IPARD Plan) for the years from 2007 to 2013 which will form the basis for financing the rural development measures under the IPARD and establish an implementing / paying agency (IPARD Agency). Total amount of this fund for Turkey is 290,5 million € for 2007-2013 periods. This plan was accepted by EU (19 December

2007) and includes just four sector, milk, meat, chicken, and fruit-vegetable and aqua products.

Table 6. Instrument for Pre-Accession Assistance Rural Development Fund of Turkey

Years	2007	2008	2009	2010	Total (Million Euro)
Payment Amount	20,7	53,0	85,5	131,3	290,5

Source: Ministry of Agriculture and Rural Affairs (www.tarim.gov.tr), 2009

It is still continuing establishing of IPARD Agency in Turkey. Because of administrative mistakes these funds couldn't be used desired level until now. In this step it is applied for accreditation process to EU. It is planning to be used these founds in 2010 efficiently.

Table 7. Instrument for Pre-Accession Assistance (IPA) of Albania

EC Assistance to Albania (1991-2007) in million €	
IPA	61
CARDS	330
Phare	635
Macro-financial assistance	150
ECHO	142
EIDHR	5
Total	1323

Source: Multi-annual indicative planning document for Albania 2008-2010

In the part of Albania, the strategic objective of pre-accession assistance IPA to Albania is to support the country in moving towards membership of the European Union. The objectives identified in the MIPD 2008-2010 respond to the European Partnership priorities, the 2007 Progress Report and the SAA/Interim Agreement requirements. Assistance will also support the implementation of Albania's 2007 National Strategy for Development and Integration, the 2007-2012 National Plan for the Approximation of the Legislation and the Stabilization and Association Agreement, as well as other relevant strategies in areas related to the EU integration process.

In this framework, Turkey and Albania has similar kind of agricultural problems to integrate CAP such as scale problems in agriculture. In turkey, high dependency of rural employment and income sources on agricultural activities is seen as a main problem area. Specifically, the problems can be seen such as small scale and fragmented agricultural holdings, Inadequacy of agricultural training and extension

services, and cooperation, standards and quality problems of agro products, inefficiency of marketing activities, insufficiency of capital and financial resources, situation of forest villages, low education level and low schooling ratio of female students, inadequacy of data required analyzing economic and social structures of rural areas. On the other hand, in Albania, it is based mainly on small farms (less than 1,2 hectares and divided into 3-4 plots in Albania). This division is a great obstacle for a sustainable development of Albanian and Turkish agriculture. Secondly, it is seen socio-economic difficulties on agricultural production, difficulties with regard to adapting the old mentality of farmers to the new circumstances of the market economy like production of traditional crops, not participating of agricultural education and extension programs desired level. Also, it is seen the difficulties in storage and distribution of agricultural products and low level of development of agro-processing industry in the both country. Also, there are some poor infrastructure and road network problems too. All of these problems can be seen a problem areas for integration to CAP. To solve this integration problem, EU funds like IPA have been tried to be used efficiently recent years.

Results and discussion

The integration to CAP needs new challenges for both countries. In this process, it is seen new opportunities to solve rural areas' problem to be facilitated of integration to EU. Turkey and Albania have basic advantages because of their position. These countries follow new policy instruments in rural areas thanks to EU funds such as IPA. Turkey has liberal market system since 1980s on the contrary of Albania. So Turkey has specific integration problems. IPA plays important role to integrate Turkish agriculture to CAP and adopted new rural development concept in Turkish rural areas. This concept consist of development trends of non-agriculture sectors, increasing consumer consciousness and demand for healthy, quality and organic products, development of food industry on the basis of domestic and foreign demand, increasing of demand of rural tourism, EU membership process and harmonization, accessibility to international resources-funds, enhanced opportunities to access foreign markets, progress in production, communication and information technologies, development in urban economies, stronger functional relations between urban and rural areas, increasing concern for the empowerment of local governments and improvement of public administration (SPO,2006).

Albania is still trying to adopt liberal market system in agriculture. So mainly it needs land reform including land distribution and registration. IPA and other EU funds can be used to make strong agro-land and registration system. Limited agro-investment possibilities (2 % of budget), level of agricultural production, insufficient of

using new technologies, application of quality management systems are other problem area for integration to CAP and EU standards. To facilitate integration, it should be increased fund for investment in agriculture by IPA. To increase agricultural production and farm incomes, farmers should co-operate with each other because of the surface of lands are too small and so they can't implement new technologies efficiently. Also, they need improve and strengthen veterinary and fitosanitary services, to strengthen food control and food security rules.

Necessary requirement for the integration of the Albanian society is the application of standards for quality management. Many Albanian companies are on the way of certification ISO, HACCP, CE. In the same time, it needs that business should to improve the marketing of its products.

Mainly, it is seen adaptation problem to liberalization in Albania. This situation forces the country critical making decisions on ownership of agricultural land, registration system, monitoring and evaluation of agro products from land to consumer, and also future challenges under new conditions of WTO and CAP reforms. On the other hand, in spite of liberal policies implemented latest years in Turkish agriculture, Turkey needs reorganization of rural areas and rural development concept with new instruments to increase productivity thanks to EU membership.

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