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Institutions and policy development for organic agriculture in Western Balkans Countries. A comparative analysis

Kanj HAMADE
(Lebanon)

Istituto Agronomico Mediterraneo di Bari

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Abstract

Michelsen *et al.* (2001)'s theoretical path for a successful growth of organic agriculture was developed for West European countries. Then, in a context of EU enlargement it was extended by Moschitz *et al.* (2004) to new member states. In continuity with these works, the present research, carried out within the framework of a Cooperazione Italiana project, describes and analyzes the institutional setting in Western Balkans countries. Using a comparative qualitative approach, it studies the dynamic of the institutional changes that occurred in the organic movement, the State agricultural institutions and policies, and in the organic supply chain. Research findings show that Michelsen *et al*.'s path, though originally developed for the old EU member States, is currently identifiable also in Western Balkans, but with a different sequence resulting from distorting factors slowing down or speeding up the accomplishment of the steps. Additionally, a number of common features and trends were identified in the organic sector of the studied countries leading to a converging trajectory in institution and policy development for organic agriculture.

Keywords: Europeanization, rural development, organic support policy, institutional setting, qualitative research

Développement des institutions et des politiques pour l'agriculture biologique dans les pays des Balkans occidentaux. Une analyse comparative.

Résumé

Le parcours théorique proposé par Michelsen *et al.* (2001) pour promouvoir le développement de l'agriculture biologique avait été mis au point pour les pays de l'Europe occidentale. Par conséquent, à la suite de l'élargissement de l'Union Européenne, Moschitz *et al.* (2004) l'ont étendu aussi aux nouveaux états membres. En continuant sur cette lancée, le présent travail, mené dans le cadre d'un projet de la Coopération italienne, se propose de décrire et d'analyser la donne institutionnelle dans les pays des Balkans occidentaux. En adoptant une approche qualitative comparative, on passe en revue la dynamique des changements institutionnels qui sont intervenus au niveau du mouvement bio, des institutions agricoles et des politiques publiques ainsi que sur le plan de la filière bio. Les données de la recherche révèlent que le parcours avancé par Michelsen et *al*., bien que développé initialement pour les anciens états membre de l'UE, est aussi identifiable actuellement dans les Balkans occidentaux, mais suivant une séquence différente déterminée par des facteurs de distorsion qui ralentissent ou bien au contraire accélèrent la réalisation des différentes étapes. De plus, dans les pays à l'étude, on a mis en évidence un certain nombre de caractéristiques et de tendances communes du secteur bio qui génèrent une trajectoire convergente dans le développement des institutions et des politiques pour l'agriculture biologique.

Mots-clés: Européisation, développement rural, politique d'appui à l'agriculture bio, donne institutionnelle, recherche qualitative

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Prof. T. MIANO, University of Bari, ITALY, *Chairman*
Prof. E. ONOGUR, University of Ege, Izmir, TURKEY, *Member*
Prof. U. KOEPKE, University of Bonn, GERMANY, *Member*
Prof. M. SHERMER, Center for Mountain Agriculture, AUSTRIA , *Member*

Supervisor: P. MIDMORE
Advisor: P.PUGLIESE

CIHEAM
Istituto Agronomico Mediterraneo di Bari

Director: Cosimo LACIRIGNOLA
Coordinator of "MOA" Division: Maurizio RAELI
via Ceglie, 9
70010 Valenzano (Bari) - Italy
Tel. 39/080/460611, Fax. 39/080/4606206
Email: iamdir@iamb.it

إلى أمي وأبي
رغم إنني لم أجد شيأءً أقوله بعد...

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List of acronyms and abbreviations

€	Euro
AL	Albania
BBM	Balkan Biocert - Macedonia
BETA	The Bosnian Environmental Technologies Association
BiH	Bosnia and Herzegovina
BiHOP	Development of Organic Agriculture in Bosnia and Herzegovina project
BIO84	Training of technical experts in organic agriculture, in support of rural development and of food emergency in the Balkans area
CAP	Common Agricultural Policy
CARDS	Community Assistance for Reconstruction Development and Stabilization
COFA	Croatian Organic Farming Association
ECON	The Economic Co-Operation Network
EU	European Union
F-BiH	Federation of Bosnia and Herzegovina
FiBL	Research Institute for Organic Agriculture
Fig	Figure
GMO	Genetically Modified Organism
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
ha	Hectares
HV	Croatia
IAMB	The Mediterranean Agronomic Institute of Bari
IFOAM	International Forum of the Organic Movement
IPARD	Instrument for Pre-Accession for Rural Development
LEAP	Local Environmental Action Plan
MAFWE	Ministry of Agriculture Forestry and Water Economy
MAFWM	Ministry of Agriculture Forestry and Water Management
MK	Macedonia
MNE	Montenegro

MOAN	The Mediterranean Organic Agriculture Network
NAP	National action plan
NATO	North Atlantic Treaty Organization
NEA	National Extension Agency
NGO	Non Governmental Organization
OA	Organic Agriculture
OAA	Organic Agriculture Association
OK	Organska Kontrola
PAB	Progetto finalizzato integrato per la diffusione e assistenza tecnica all'ampliamento dell'agrobiodiversità colturali e all'implementazione della produzione di prodotti biologici
RD	Rural Development
RS	Republika Sprska
SAP	Stabilization and Association Process
SAPARD	Special Accession Program for Rural Development
SDC	Swiss Agency for Development and Cooperation
SESMARD	Support to the Establishment of a State Ministry of Agriculture and Rural Development
SIDA	Swedish International Development Cooperation Agency
SPLED	Strategic Plan for Local Economic Development
SRB	Serbia
SWOT	Strengths, Weaknesses, Opportunities and Threats
UKCO	United Kingdom Cabinet Office
UNDP	United Nations Development Program
WB	Western Balkans
WBC	Western Balkans Countries

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Chapter 1

Introduction

1. Background and justification of the research

Organic agriculture (OA) represents a challenge for conversion to both institutions and individuals involved in agriculture (Michelsen, 1997). It is a societal expression within agriculture; therefore as a social movement, its expansion cannot be separated from overall societal changes.

For the most part of its history, OA developed independently of mainstream agriculture institutions. Then, through political activism and pushed by overall changes in Western Europe societies, it is currently recognized and supported by the European Union (EU) institutions. In support of OA, a mix of policy measures, combined in action plans, have been established at EU, member States, and regional level. Today, OA is a prominent policy field of the Common Agricultural Policy (CAP) of the EU (Lynggaard, 2006).

The EU enlargement toward Central-Eastern Europe highly influenced agricultural policy in Europe. Today, the enlargement agenda is directed toward Western Balkans (WB). The following countries are undergoing a process of EU integration: (i) Albania (AL); (ii) Bosnia and Herzegovina (BiH); (iii) Croatia (HV); (iv) Macedonia (MK); (v) Montenegro (MNE) and (vi) Serbia (SRB). They are the focus of the present research (figure (Fig) 1).

Figure 1: Map of Western Balkans

In regard to OA, individual decisions about conversion are promoted or hampered by political decisions and the way they are implemented – in short how they are institutionalized (Michelsen, 1997). Therefore institutional and policy development has become an important field of research.

Two major works have used institutional theory combined with a comparative approach in order to study the development of OA.

Michelsen *et al.* (2001) studied a group of original EU member States, and identified a six-step path which required completion in order to achieve flourishing development. Moschitz *et al.* (2004), using the same methodology, extended the geographical coverage of the research to include new EU member States from Central and Eastern Europe. The present research focuses on a group of countries not studied before. It is in continuity with Michelsen *et al.* (2001) and Moschitz *et al.* (2004)'s works in time (political process of EU enlargement to WB) and space (geographical coverage).

Therefore, study of the development process of OA is justified by both the importance of institutional and policy environment for its development and by its continuity with previous literature works.

2. Research objectives and questions

Against this background, two research questions were developed, linked directly to the research objectives, as presented below:

First objective: investigate and describe the institutional setting of the organic sector in Western Balkans Countries (WBC).

First research: question: is the six-step path leading to successful organic farming growth, as identified by Michelsen *et al.* (2001) and extended by Moschitz *et al.* (2004), applicable in WBC?

Second objective: compare institutional and policy development aspects linked to the development of OA across WBC.

Second research question: can any common trajectory in organic policy elaboration be identified in WBC?

3. Research framework

In the area covered by the research from November 2006 and to October 2007, the Mediterranean Agronomic Institute of Bari (IAMB) promoted and coordinated the "training of technical experts in organic agriculture, in support of rural development and of food emergency in the Balkan area" project (BIO84).

The project was funded by *Cooperazione Italiana* and had as main objective to develop OA in the partner countries by implementing specific training for officers and specialists of local institutions and by technically assisting the ministerial extension services. It came under the Italian cooperation law L.84/01 – Balkan, which defines the outline of the provision of the Italian participation in stabilization, reconstruction and development of the countries of the Balkan area. The ministries of agriculture of the WBC are BIO84 partners.

BIO84 had two components. The first component is technical and aims at creating guidelines for the production of vegetables and others for fruit crop in each country. The second component is related to organic policy development and aimed at launching, supporting or complementing (depending on the country specific conditions) the process that would lead to the elaboration and the implementation of a National Action Plan (NAP) for the development of OA.

The present research work was carried out in close association with the activities of BIO84, particularly the second component. This allowed a direct contact with local stakeholders. In other words, it gave the inquiry privileged access to key organic stakeholders, as well as to key institutions and policy makers in WBC.

4. Research methodology and thesis outline

The methodology adopted is based on a qualitative approach to research. In order to frame a rigorous qualitative research, the methodology used was divided in three steps.

The first step aimed at understanding the research context, it consisted of a study of the literature related to OA in the European social and institutional context. This review is described and discussed in chapter 2. The understanding of the historical development of OA and the current EU institutional context, helped in setting the research objectives and questions.

The second step was a reflection on the philosophical research assumptions and their practical implications, which is essential in order to develop the research design (data collection and data analysis). This assimilation of the theoretical research context and the design of the investigation strategy are developed in chapter 3.

The data analysis, done by coding and triangulation of different sources of data, led to analytic findings and to the elaboration of comparative themes. The results of the data analysis are presented in chapter 4, divided into three parts: the organic movement, the State institutions and policies and finally the organic supply chain.

The final chapter presents the answers to the research questions.

Chapter 2

A social and institutional review on the evolution of organic agriculture in Europe

1. Plan of the literature review

The aim of this review is to relate the origin and development of OA as a foundation for the understanding of the process in the specific WB context. The first section is a description of the factors that historically influenced the organic movement and the European mainstream agricultural institutions. The subsequent section provides an analysis and explanation of this evolution through the theoretical approach of Michelsen *et al.* (2001) and Moschitz *et al.* (2004).

2. Organic agriculture: an expansion linked to social changes

2.1. Background

Which factors contributed to the growth and the development of OA since Steiner's *agricultural course* (1924) and Lady Eve Balfour's *Living soil* (1943) up to the new EU regulation that should be adopted in 2009 (EU commission, 2005)? Although the first pioneer's writings and the new EU regulation, and beforehand EU regulation 2092/91(EU Council, 1991) aim at defining OA, they are indeed quite different. The contrast between those documents shows the shift in the definition from the purpose and principles to the inputs, practice and methods (Ikerd, 2006), and reflects the evolution of OA in the European context.

As a social movement, OA is characterized by being wider than just being a farmers' movement (Tovey, 1997), it includes professors, students, environmental activists, etc. Given the broad social basis of organic farming, its development is strongly influenced by developments in society at large (Michelsen, 2001a). To an extent, the growth of OA is representative of the way social values and norms have spilled over into agriculture. In a context of social changes, OA grew as an attempt to develop radical alternatives to mainstream agriculture (Michelsen, 2001a). However, it then became an EU policy instrument offering answers to EU agricultural problems, because it combines and integrates solutions to so many of the pressing issues affecting agriculture (Michelsen, 2001b; Dabbert *et al*, 2004; Rundgren, 2006).

Therefore OA is more and more taken into consideration and support is being embedded within the EU CAP's Rural Development Plan (Nilsson, 2004; Häring *et al., 2005*; Lynggaard, 2006). EU adoption of OA influenced the agricultural policies in all member States, as well as in States willing to access the EU, which have to adopt the *acquis communautaire* – the EU legislative corpus - in all its aspects (Gorton *et al.,* 2005). However OA

evolution is not just going toward institutionalization. If social justice has not been an integral part of the construction of the organic movement (Guthman, 2004), today a new movement, or perhaps a rejuvenation of existing movements, is emerging seeking to promote social justice (Pyburn *et al.,* 2006).

2.2. The early development, a soil-health-food discourse: 1930-1950

The history of the OA movement began in the middle of the twentieth century, when the biodynamic soil-health-food based discourse emerged in England. At that time, the dominant environmental emblem was the soil, its destruction in the dust bowl and soil erosion was a source of huge anxiety (Reed, 2001). This British environmental concern led to the formation of the Soil Association in 1946. According to Reed (2001) the creation of the Soil Association also finds its root in the role played by extreme British nationalists influenced by the overall growth of fascism in mid-1930's Europe. The British far right took the soil as an emblem and mixed it with the blood of racial determinism. Conversely, Moore-Colyer and Conford (2004) have an alternative perspective and consider that the main protagonists were predominantly romantic ruralists, and although their ethos was exploited by British fascists it was certainly not synonymous with or even dominated by them.

Regardless of the literature debate on the role of far right role in the creation of the Soil Association, soil together with health and food were the early three elements of the organic discourse. They were its biodynamic and philosophical basis, as presented by Balfour (1043): "My subject is food, which concerns everyone; it is health, which concerns everyone; it is the soil, which concerns everyone – even if he does not realize it – and it is the history of certain recent scientific research linking the three vital subjects".

Most of European organic movement started with biodynamic components that then became secondary, leading their own, rather isolated, life (Kaltoft, 1999). Globally there are about 3,720 holdings in 35 countries certified under the Demeter label on a total surface of 104,000 hectares (Leiber and Speiß, 2006).

2.3. The green revolution break: 1950's - mid 1980's

It was only in 1972 that the Soil Association together with the Swedish Biodynamic Association, the Rodale Press (USA), the Soil Association of South Africa and Nature et Progrés (France) gathered the founding assembly of the International Forum of the Organic Agriculture Movement (IFOAM). Except this single event, OA is not mentioned in the literature as influencing mainstream agriculture institutions, during the period going from the early pioneers up to the late 80's and early 90's. In point of fact, in the post World War II up the late 80's, the agricultural policies and the agricultural dominant discourse were focused on the green revolution concepts.

According to Aksoy (2005), world population increase was the major factor that affected agriculture. The main objective in agricultural policies at national

or international level was to produce more food to feed the increasing world population and prevent hunger. In Europe this translated politically with the treaty of Rome in 1957, that set up the first objective of the CAP, those objectives, as reported by Nilsson (2004), were:

- To increase productivity by promoting technical progress and ensuring the rational development of agricultural production.
- Thus to ensure a fair standard of living for the agricultural population.
- To stabilize the markets.
- To guarantee a secure supply of foods.
- To ensure reasonable retail prices to consumers.

Food production was increased though the development of high yielding varieties especially of staple food which in turn led to vast monocultures of these varieties. In breeding programs, these varieties were tested under high input (as fertilizers, irrigation water, pesticides, and growth regulators) conditions and proved to be better compared to other varieties or types. This approach was not limited to food. The production of cotton, a non-food commodity tripled between 1945 and 1995 although the area under cotton was not enlarged. This was achieved only by intensification of agricultural practices (Aksoy, 2005).

In the third world the "green revolution" came as a historical phenomenon that did not appear suddenly in 1960s simultaneously with the change of attitude concerning foods. The mainstay of the green revolution is the application of modern technology, centered on high-yield yielding varieties. For such application there are many prerequisites and therefore, the long preliminary period after World War II was necessary. In the latter half of the 1960's, the speed of the revolution accelerated. This acceleration was mainly due to the rise of a worldwide sense of crisis in food, after the bad harvest of rice in Pakistan and India. (Saito, 1971).

2.4. The late break of the 60's social change into agriculture: the formation of the organic movement

The rise of OA is part of the general social and political change which took place since the late 1960's (Michelsen, 1997). Those changes are often labeled as a shift from materialist to post-materialist values and political styles, in other words from hard to soft values (Inglehart, 1990).

At that time environmental issues started to rise, together with this social shift in values. Nevertheless, in addition to social concern there was a science base in the rise of environmental concern. One of the first book which introduced ecology as an academic science was Carson (1962)'s *Silent Spring*, particularly because it provided the first scientific proof of the ecological pollution due to the use of DDT.

However, this "greening of societies" was translated into agriculture much afterward, in the late 80's. At that time it witnessed a similar shift in values, from maximizing and optimizing agriculture production (respectively in the

50's and the 70's) to adapting sustainability in the late 1980's (Sorensen and Kristensen, 1992). This change in agriculture was led by a new category of activists (Michelsen, 1997) from which emerged OA.

Therefore OA should be seen as a social movement with radical views on environmental issues (Kaltoft, 2001) attempting to develop radical alternatives to mainstream agriculture (Michelsen, 2001a). OA represents an attack on both theory and practices on the level of both the individual farmer and institutions connected to agriculture, it expresses a challenge for conversion (Michelsen, 1997), aspiring at producing foods that is not only "good to eat" but also "good to think" (Beardsworth and keil, 1992).

A Social movement can be defined as a new kind of social actor based on values rather than on material interests, focusing on meaning as a source of societal power and hence of social changes (Michelsen, 1997). According to Foucault (1969), power is exerted through the monopoly of the truth, by means of discourse, by the predominant actors. However changes in society happen when different discourses are in competition (Laclau and Mouffe, 1985). This competition opens the door for change of the dominant discourse. A discourse is a link between the language and the social action; it is the prerequisite material for action (Foucault , 1969).

Although the start of OA is credited to the early century pioneers, the real diffusion did not start before 1985. In that year, despite the long historical development, the area of European organic production accounted for just 6,300 holdings on 100,000 hectares (ha) (Padel, 2001). Today the total number of holdings in Europe is above 185,000 on an area of almost 7 million hectares (Willer *et al.,* 2007).

In the early 90's the organic movement won the battle of language (Michelsen, 2001), pushed by the overall change in societies, and the institutions of the organic movement were recognized by the State as agricultural stakeholders and OA was recognized by the CAP. The development of the OA sector was then boosted by those two elements: the struggle of the organic movement and the political recognition of OA. These also opened the door for lobbying of the organic movement and cooperation with public institution, thus leading to support policies.

2.5. The European political recognition of organic agriculture

In 1991 organic farming was "authorized" by the European Agricultural Council through the Council regulation 2092/91. The term authorization as used by Lynggaard (2006), to reflect the political meaning of the EU regulation. The regulation is an authorization for OA to participate in the reorientation of the CAP, a process in which OA has a role. It "may contribute towards the attainment of a better balance between supply of, and demand for, agricultural products, the protection of the environment and the conservation of the countryside" (EU Council, 1991). The regulation was established during the preparation of the 1992 CAP reform. This came within the ideological debate in the late 1980's that included a continuous belief that

agriculture serves important national and supra-national goals (Skogstad, 1998), like sustainable and rural development, and/or the protection of the environment. Since then OA has been recognized at the EU level as a production system delivering public goods.

According to Lynggaard, and since 1993, OA became a policy field within the CAP as a system of problems and solutions. This system creates links between OA and the CAP, and offers a framework within which disputes take place. These disputes evolve in the form of consultation between representatives of the organic sector and the EU commission.

Within this context Lampkin's (1994) definition, which is seen by Michelsen (1997) as "an abstract for action", characterizes OA as an "approach to agriculture where the aim is to create integrated, humane, environmentally and economically sustainable agriculture production system, which minimize reliance on farm-derived renewable sources and the management of ecological and biological processes and interactions, so as to provide acceptable levels of crop, livestock and human nutrition, protection from pest and diseases, and an appropriate return to the human and other resources employed", is in fact a post-recognition discourse definition. It defines an organic movement that has begun to recognize the need to respond to the political influence of OA on policy makers (Dabbert *et al.,* 2004). It is a definition of OA that allows the movement to consolidate its discourse in the conflicts and disputes within the CAP policy field.

The authorization of OA within the CAP and the awareness of the OA movement of its influence on policy makers allows a series of support measures to OA. However those support policies are implemented by EU member States at the national level, and therefore might differ from country to country.

2.6. The European support policies to organic agriculture

The introduction of subsidies for organic production through the agri-environmental programs of the council regulation 2078/92 (EU council, 1992), has helped to rapidly increase the organically farmed area and the number of farms. This policy support was provided in recognition of OA environmental benefits (Dabbert *et al.,* 2004; Stolze and Lampkin, 2006). In 2003, almost 54% of the certified organic land are in the EU 27 and Switzerland was supported, at a cost of 635 million Euro (€) (Stolze and Lampkin, 2006). The EU regulation also helps the market by applying legal restriction to the description of organic products. However, as the support measures were "supply-pushed", the increase of supply forced policy makers to consider a broader mix of measures to increase demand including research, training, advice, consumer promotion and market development. Many countries have then adopted an integrated in NAPs approach to optimize the policy mix of demand-pull and supply push measures (Lampkin and Stolze, 2005; Stolze and Lampkin, 2006; Stolze *et al.*, 2006).

Goals and objectives of a NAP are usually based on a *status quo* or a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of the sector, the most common problem in the European context are (i) the unbalanced expansion of supply and demand, (ii) the insufficient consumer information, awareness building and trust, (iii) problems in marketing development, and (iv) lack of research and development. (Stolze *et al., 2006).*

The European Action Plan for organic farming came in the context of the EU "Agenda 2000" that aimed at reforming the CAP. The plan did not fulfill expectations in term of additional support for OA. However it was considered as a milestone where the Commission makes a clear reference to the importance of organic farming in the context of EU agriculture policy (Stolze, 2005).

This reform followed the Amsterdam Treaty of 1999 that aimed to integrate environmental concerns into all policy area of the EU (Nilsson, 2004). The last step in this process was the decision reached at the Luxembourg Council meeting on 26 June 2003, which introduced the single farm payment scheme, from which OA farmers can benefit. After the 2003 reform, the CAP can be divided into two separate 'pillars'. The first, and biggest, deals with the farming production, that focuses on the financial support for agricultural output. The second pillar is considerably smaller and covers restructuring measured and rural development (RD), though both forms of payment take into account environmental criteria. This reform introduced a more market oriented and entrepreneurial approach. The organic sector may benefit from shift of resources to the second pillar; therefore support for OA is considered to be embedded in the Rural Development Plan (Nilsson, 2004; Stolze, 2005, Häring *et al.,* 2005).

2.7. Institutionalization: the effect of support policies on organic agriculture

Institutionalization refers to a process through which organics is transformed from a politically and ecologically innovative social movement that is highly critical of conventional agriculture to yet another sub-sector within conventional regulatory paradigms and agency (Tovey, 1997; Michelsen, 2001b; Pugliese, 2001; Lockie *et al.,* 2006a).

According to Kaltoft (1999), the process of institutionalization in the Danish case started in 1988 when the State established an organic regulation and subsidies in support to OA. Definitions and rules were negotiated and formulated. The broader, value-laden, and ideological formulations of the Danish Association of Organic Agricuture were reduced to technical and quantitative definitions and rules. Kaltoft (1999) suggests that this process of institutionalization has a tendency to reduce diversity in practices and philosophies.

The other aspect of this institutionalization is found in the dualism of the CAP and of the two pillars of support that were defined in the 2003 reform, but that

existed *de facto* from before. Tovey (1997) argues that OA is in fact contributing to the institutionalization of structural dualism. The organic movement, in spite of its strong critique of conventional farming, is becoming incorporated into a system which precisely allows that form of farming to continue.

Furthermore, Tovey (1997) finds that the institutionalization process has pushed OA toward land conservation, influencing the movement's identity, as in its essence OA aims at producing food. "From the point of view of the organic movement, the idea that the job of the contemporary farmer is not to produce food but to "produce the countryside", which State policy makers and environmental lobbyist take for granted, makes little sense". The word food is missing as well in Lampkin (1994)'s institutionalized definition.

Taking in consideration the assumptions of both Tovey (1997) and Kaltoft (1999), it seems that that the organic movement responded to its institutionalization by connecting the role it is given within EU policies to its general essence, which is to produce food. Nowadays the organic discourse is focusing on the fact that as an agricultural alternative system, OA is producing food locally and participating in the development of the countryside. For example the Soil Association fostered local food initiatives, were buying organic food or any local food is encouraged (Reed, 2001).

The organic farming movement is also trying to recreate its role as the owner of the value of the organic standards, through the campaign against Genetically Modified Organisms (GMO) that is today one of the main causes pursued by the organic movement (Reed, 2001; Kristiansen *et al.,* 2006). In this conflict, OA has to reposition itself as an agriculture that aims to produce food, because of main argument for GMOs regards the need to increase food production in order to fight hunger.

In fact, the diversity of philosophy and practices that are sources for the future development of environmentally and sustainable forms of agriculture are not, as Kaltoft (1999) argues, lost because of institutionalization. The spreading of organic farming methods and initiatives for sustainable development are converging in multifaceted and innovatively formulated frameworks (Pugliese, 2001). Even though many initiatives are emerging within the dual institutionalized structure of the CAP, others are not and come as a direct answer to the conventionalization of OA, which is a process driven by the involvement of big food market operators.

2.8. The involvement of the food market and the bifurcation of the organic sector: conventionalization and movement initiatives

Consumer demand for organic product is increasing across the globe, and many sub-organic sectors are reported to be undersupplied. Organic retail sales were estimated at 25.5 billion € in 2005, and were expected to have reached 31 billion €in 2006, an increase of 60% compared to 2002 (Sohata, 2007). In contrast, Central Eastern Europe has not yet developed a significant organic market. According to Zakowska-Biemans (2007), the lack

of processing units and the reliance of organic producers on export are acting as barrier for the development of Central Eastern Europe organic markets.

Lockie *et al.,* (2006b) summarize the findings of international literature on the attributes of organic products most likely to influences positively consumers as follows: (i) health; (ii) environment; (iii) animal welfare; (iv) minimal processing; (v) novelty and (vi) fashion. Negative influences are reported as being: (i) high price; (ii) limited availability; (iii) skepticism about the credibility of product claims; (iv) poor appearance; (v) non-awareness of organic and (vi) contentment with existing products.

In an effort to increase the productivity and profitability of organics, to make organic foods more accessible to more people, OA is being transformed into industrial agriculture (Ikerd, 2006). The motivations for involvement in the processing and/or retailing of organic foods are the price premium and the rapid growth of the market. In fact, this growth in sales volume has only been possible as a result of transformation of the organic supply chain, through the take up of organic product by supermarkets and involvement of large agribusiness firms. This situation may result in a bifurcation of the organic market between one conventionalized market and a market based on the organic movement initiatives (Midmore, 2006).

In discussing the "agrarian question" Kautsky's (1899) main argument was that agriculture's basis in land and its specific economic and ecological condition creates obstacles to capital accumulation. These drive capital to seek off-farm activities, as the natural risk due to seasonality of on-farm production is too high (Mann, 1989). These natural hazards are also one of the factors that push government to intervene in the agricultural sector because of the importance of the output in term of national food security (Santucci, 2006).

Buck *et al.* (1997) were among the first to discuss the penetration of the capital into near- (direct post-harvesting activities) and off-farm (processing, distribution, and retailing links of the commodity chain) activities of organic farming. They suggested that "the organic sector is providing ground for its own capitalization", and is therefore becoming conventionalized. Conventionalization is the process through which OA Is becoming a slightly modified version of modern conventional agriculture, replicating the same history, resulting in many of the same basic social, technical and economical characteristics – smaller farms become bigger, debt loads increase with increasing capital intensification, labor is replaced by mechanization and other industrial outputs, and marketing became export-oriented rather than local (Hall and Mogyorody, 2001).

In opposition to this phenomenon, on-farm processing is advocated widely by organic farmers and activists as a strategy to reduce food miles, develop closer relationship between producers and consumers, and promote development of an alternative food system that challenges the monopolies of businesses and retailers (Lockie *et al.,* 2006a). The organic movement,

together with other environmental and social activists is introducing concepts like chain transparency, food chain awareness, food miles, and others (Pyburn *et al.,* 2006).

In fact these initiatives in reaction to conventionalization are in a way similar to the movement's reaction to institutionalization. Actually, the movement in Europe and world wide is reacting in two directions: (i) a battle against GMO; and (ii) struggle for social justice. These two elements seem to form an attempt by the movement to retake the formulation of the standards from the State.

Organic principles, as revised and reviewed by IFOAM (2005), introduce two new components, in addition to health and ecology, as basic principles: (i) care and (ii) fairness. The principle of care States that: "Practitioners of OA can enhance efficiency and increase productivity, but this should not be at the risk of jeopardizing health and well-being. Consequently, new technologies need to be assessed and existing methods reviewed. Given the incomplete understanding of ecosystems and agriculture, care must be taken." In other words it says no to GMO as a new technology.

The principle of fairness is a direct response to the involvement of big business companies in organic farming, but it also a reminder that OA is fisrt of all a fair food production system: "those involved in OA should conduct human relationships in a manner that ensures fairness at all levels and to all parties - farmers, workers, processors, distributors, traders and consumers. OA should provide everyone involved with a good quality of life, and contribute to food sovereignty and reduction of poverty. It aims to produce a sufficient supply of good quality food and other products."

According to Giovanucci and Ponte (2005), in the current age of global capitalism, new actors such as Non-Governmental Organizations (NGO), industry associations and public-private partnerships provide the normative framework that corporations use for social legitimacy. The problem of the organic regulation scheme in the eyes of the movement is that it did not include provision for respect of social issues. Therefore it was exploited by multinational companies in order to obtain social legitimacy without applying any social standards. Many of the world's largest food processing companies have recognizable organic brands (Lockie *et al.,* 2006).

As the previous development of the organic movement was linked to social changes in general, the new involvement of organic farming in social justice parallels social changes occurring in a context of globalization of the economy. In that way, the introduction of fairness as basic IFOAM principles is an attempt to catch up with social standards, such as the Fair Trade standard. However, officially recognized standards still lack social components.

3. The theoretical path of the development of European organic agriculture institutions and policies

3.1. The concepts of political institutions

Several recent studies related to the development of political institutions involved in organic farming policy are based on two theoretical concepts: (i) the concept of institution playing an important role in the policy process; and (ii) the concept of societal domains in which institutions operate. Those concepts elaborated by Michelsen *et al.* (2001) and Michelsen (2002) are reported in this section. A more detailed description of the concepts and their theoretical basis can be also found in Michelsen (1997; 2001a and b; 2002); Lynggaard (2001); Michelsen *et al.* (2001) and Moschitz *et al.* (2004).

In the context of this research, an institution is defined as a social or political public or private structure with a social purpose. It gathers individuals sharing common rules, customs and habits. An institution can be a structure that enforces a dominant social coherent system of norms and dominant discourse on individuals. Conversely, it can also be a social structure carrying an alternative system of rules. Institutional changes reflect changes in the dominant system of norms and in the dominant discourse.

Farmers are surrounded by three types of institutions: (i) the farming community institutions, (ii) the agricultural policies institutions and (iii) the food market institutions. Those institutions interact in the institutional setting (Fig. 2).

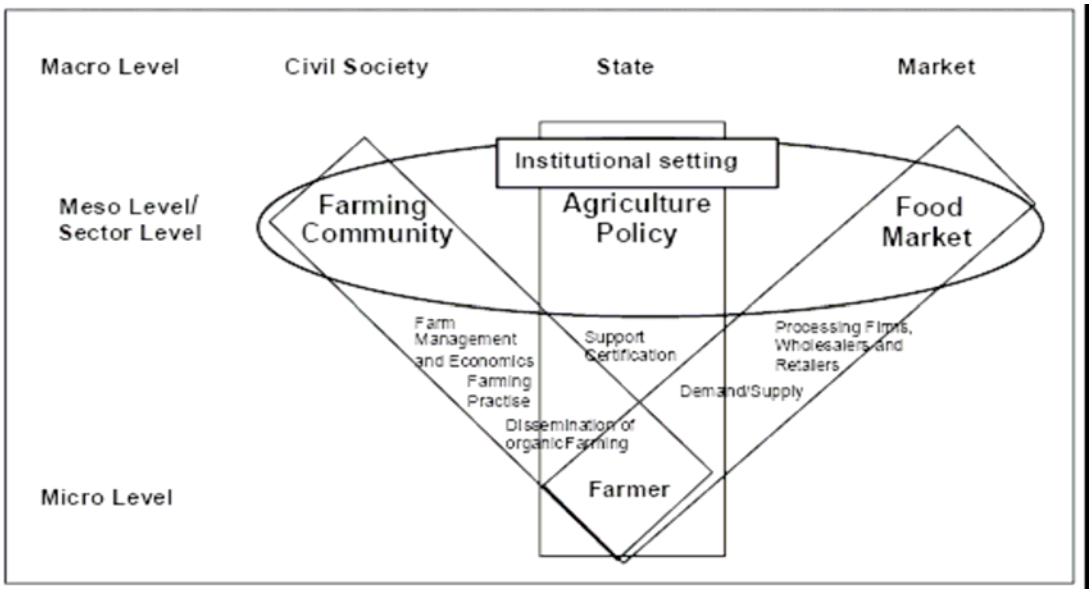


Figure 2: The farmer within an institutional environment
Source: Michelsen, 2001a

OA, as an alternative model of production, and as a social movement carrying an alternative system of coherent rules, constitutes a direct challenge to the existing agricultural practices and institutions. It represents a challenge for conversion both at the level of the individual farmer and of the agriculture mainstream institutions.

However, the farmer's decision on conversion depends mainly on the interaction he/she has with the surrounding institutions.

In the theoretical hypothesis of a complete absence of OA (or any other alternative form of production) institutions will monopolize the agriculture sector and exercise power by mean of a dominant discourse. This discourse will be translated in the form a coherent system of norms, rules, customs and habits and then enforced on the farmer. As no alternative is present no institutional change will happen.

Therefore studying institutional changes and relating them to their causality will enable an understanding of the development of the sector and of the policy support for OA, assuming, of course, that the changes are due to OA.

3.2. Michelsen's *et al.* (2001)'s path for the successful growth of organic agriculture and following research works

Based on the study of the following:

- (i) the change in the farming community (emergence of organic movement institutions); and as the OA movement is primarily part of the farming community there is a need to study its the interactions[1] with the conventional farmers institutions[2];
- (ii) the change in the agriculture policy (regulation, support policies);
- (iii) the change in the food market (involvement of market operators, market initiatives);
- and (iv) after comparing the organic sector in six EU countries[3]; that Michelsen *et al.* (2001) elaborated path of six steps.

These steps are presented as being the necessary elements that have to be achieved in order to have a successful growth the OA sector. They are:

[1] Those interactions can be of three kinds: (i) pure cooperation, no difference is made between conventional and organic, the organic farming community is too weak to present it self as an alternative and therefore it not seen as a competitor; (ii) Pure competition: organic farmers are perceived as competitors by the general farming community; (iii) Creative conflict, it is the kind of interrelationship that includes both cooperation and competition. This situation may be expected to help and promote the development of OA by keeping its issues on the agenda.

[2] Institutions of the conventional farming community are for example conventional farmers' unions, conventional farmers' cooperatives, etc. Mainstream agricultural institutions are for example: the national extension services agency, the ministry of agriculture, the national public bank for agricultural credits.

[3] Austria, Belgium, Denmark, Germany, Italy and the United Kingdom

Step 1: the establishment of an organic farming sector with a formal framework for organic farming.

Step 2: the political recognition of organic farming through recognizing organic standards.

Step 3: the introduction of financial support to organic farmers.

Step 4: the development of non-competitive interrelationships between organic farming and the general farming community through the establishment of *fora*.

Step 5: the development of functioning organic food markets governed by market mechanisms.

Step 6: the establishment of an institutional setting committed to promoting organic farming.

Using the same methodology and extending the geographical area, Moschitz *et al.* (2004) studied 11 countries, within which were 5 new EU States[4]. The authors elaborated a series of conclusions, which can be considered as a *de facto* criticism of Michelsen *et al.*'s (2001) path. These recommendations are based upon the fact that "for any development of the organic farming sector, a critical mass is necessary. The sector needs to attain a certain size so that institutions can develop successfully".

The authors also came to the conclusion that a seventh step should be added to Michelsen *et al.*'s (2001) path: the creation of creative conflict between the OA and the conventional agriculture communities. This seventh step has to be managed in two phases: (i) a building up phase (building up an organic identity, and building up for a potential conflict); and (ii) a phase of maintaining of the organic sector (maintaining a climate for creative conflict, institutionalization of the potential for internal change of the organic farming community, institutionalization of creative conflict with mainstream farming institutions).

Moschitz *et al.* (2004) enlargement of the geographical the area of study to include Central and Eastern European States did not only changed the typology of the country by introducing countries with a smaller OA sector, but also the historical background of agriculture was much different.

This research aim at exploring the institutional setting in relation to OA in WBC that till now were not study within this perspective.

[4] Countries were divided into three groups: New EU States (Czech Republic, Estonia, Hungary, Poland, and Slovenia), countries with a large organic sector (Austria, Denmark, Switzerland), countries with an average size organic sector (Germany, Italy and the United Kingdom).

Chapter 3

Theoretical context and investigation strategy

Part A: The theoretical context

1. Introduction: the qualitative research interconnected circles

> *"Qualitative designs follow a completely different logic than quantitative research. Completely different." (Patton, 2002)*

According to Creswell (2007), a good qualitative study should include three interacting theoretical circles. These circles include the research philosophical assumptions, the approach to the research, and research design procedure. It is the "interplay" of these three factors that contribute to a complex, rigorous study (Fig.3).

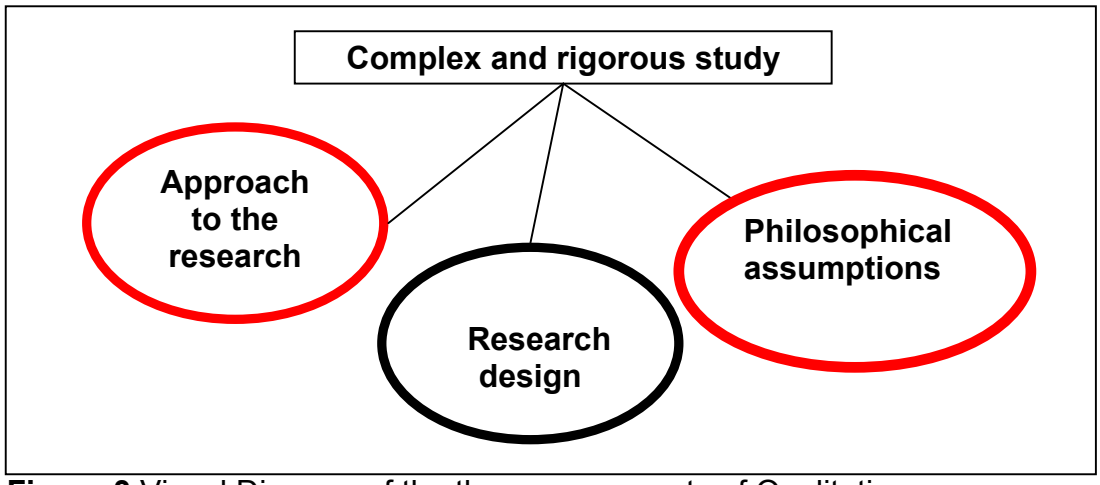


Figure 3 Visual Diagram of the three components of Qualitative Research, (Creswell, 2007, adapted)

Choices made concerning these elements will have an impact on the inquiry praxis; in fact, the theoretical context and the investigation strategy can not be dissociated. Creswell's (2007) elements are interacting and interconnected; they constitute a sequence that a researcher wishing to engage in a qualitative inquiry has to follow.

The researcher begins with taking stance toward the philosophical assumptions, and then has to choose a research approach. These two elements constitute the research theoretical context, on the basis of which the investigation strategy (or research design) will be elaborated.

It is following this pathway that the present chapter is structured.

2. The philosophical assumptions

2.1. Assumptions and related questions

Assumptions consist of an answer to philosophical questions (Table 1), the researcher has to ask her or himself and therefore conclude on practical implications for the study:

Table 1: Philosophical assumptions with implication for practices (Creswell, 2007,adapted**)**

Assumptions	**Questions**
Ontological	What is the nature of reality?
Epistemological	What is the relationship between the researcher and that being researched?
Axiological	What is the role of values?
Rhetorical	What is the language of the research?
Methodological	What is the process of research?

Those assumptions should be clearly acknowledged in the study.

2.2. The ontological assumption: the justification of the methodology in regard to the research question

What is the nature of reality? The answer to this question is linked to the research questions (Table 2); moreover it is a justification of the choice of qualitative research methodology.

Table 2: Recall of objectives and research questions

	Objectives	**Research questions**
1	Investigate and describe the institutional setting of the organic sector in WBC	Is the six-step path leading to successful organic farming growth, as identified by Michelsen *et al.* (2001) and extended by Moschitz *et al.* (2004), applicable in WBC?
2	Compare institutional and policy development aspects linked to the development of OA across WBC	Can any common trajectory in organic policy elaboration be identified in WBC?

One of the research aims was to understand and explain how public institutions came to develop support policies for OA. However, the promotion of OA cannot be detached from the political and institutional context.

In WBC, the agricultural sector is undergoing a long process of restructuring, which is due to a series of reasons: (i) economical transition from a State planned to a market economy; (ii) accession process to the EU; (iii) accession to the World Trade Organization; and (iv) an international environmental awareness. In this situation reasons to develop OA can be diverse and in contradiction with other economic and/or agricultural priorities. Therefore there was a need to achieve a deep understanding of the context in order to evaluate WBC agricultural institutions and policies. This supports the importance of the qualitative research approach, which as a method is distinguished by its ability to explore issues in depth, to capture diversity and elements of the context. It means that it can bring real depth to the understanding of the contexts in which policies operate, and their implementation, processes and outcomes (United Kingdom Cabinet Office (UKCO), 2004).

Also, the literature review shows that development of OA is a process that includes a series of prerequisites (regulation, organic movement pressing, consumer demand and others). Qualitative research is also useful in evaluations which require an understanding of the processes and mechanisms. It can, for example, generate a detailed description of which interventions were involved in a service or policy (regulatory framework, stakeholder involvement, subsidies, extension services to farmers), who provides them (the State, private entities or the organic movement associations), what constitutes their share, how they are delivered, and how they are interpreted, understood and used by participants and by those who deliver them. It can provide an in-depth understanding of the decisions, choices and judgments involved, how they are made and what shapes them. This is particularly important where the policy or intervention is itself highly process-orientated (UKCO, 2004).

Nevertheless, if the choice of the qualitative approach is justified, the research still needs to acknowledge that reality is likely to be subject to some irrationalities, especially in the case of institution developments and policies, where, according to Midmore (2005), the identification of what is a problem is determined by two powerful but not totally rational influences: the media and other influences on decision-makers like their own ideologies, networks of vested-interest lobbyists, and administrative imperatives. Therefore, it is essential to translate the ontological assumptions into practical implications.

In the case of this research, the main practical implication was related to the choice of interviewees, and participants to the workshops during data collection. It was essential to choose people with diverse views in order to have a broad picture and to be able to correctly relate, and then interpret, the point of view of the participants, and their role in the institutional building and policy design, as well as in the development of the organic sector in the cases studied. During the reporting/writing phase of the study, the use of transcript citations was then important as confirmation of the ability to

highlight existing different perspectives[5]. In addition to that it was also essential to have access to the maximum number of official and non official documents, in order to cross-check (triangulate) information.

All these practical requirements would not have been possible without the BIO84 project. In a timeframe of a year, the project was essential to guarantee access and contact with the different stakeholders involved in OA in six different countries, as well as access to documents.

2.3. The epistemological assumption: the constraints of the project

As noted in chapter 1, section 1.3, BIO84 allowed access to key stakeholders; the research would have been much harder outside the project framework. Nonetheless, this subsection is discussed of the constraints implied by the project.

The BIO84 project framework, in which the researcher was a collaborator, created a multi-faceted relationship between him and the participants[6]. On the one hand, the researcher might have been seen by them as a person providing help and participating in the policy process by providing a consultancy input. This view might influence their responses, as they may have expectations about the project's outputs. On the other hand, the research was carried by a complete outsider, and participants might not be willing to acknowledge this, and to share the reality of the situation of the organic sector in their country.

One other aspect is the language barrier existing between the researcher and the participants, as both were interacting in a language (English) that is not their mother tongue. Therefore the interpretation might have been mistaken when the participants were not able to express themselves fluently in English, and when the researcher is not able to understand the cultural background of each expressed opinion or individual phrase. Consequently this aspect was given a specific attention.

However the main constraint of the project was the fact that the relationship with participants in the study was mediated through the project coordination team. Even though the team was dedicated to the success of this study, it still did not represent a priority. The priority was the achievement of the project objectives. Therefore the overall research design had to be shaped according to the project timeframe. Still the impact of the project has to be seen as having influenced the process of the study, and to a certain extent, the result of the study could be considered as a project output. Therefore the evaluation of the totality of the policy process also inevitably included the researchers influential role (whether intentional or otherwise) within it. Researchers have the potential (and often make use of the) ability to act strategically within the policy process (Midmore, 2005).

[5] For that purpose, each quote (in italic in the text), will be linked to a footnote in which the interviewee's characteristics will be coded as follow: country- interviewee's general typology – number code. Example: MK-Organic movement – 1

[6] Some participants to the projects activities were as well interviewed for the research.

Therefore the first practical implication was to include the researcher role in the comprehensive evaluation of the process, and the impact this study can have in the process of development of organic farming in WBC. The other implication was related to the understanding of the cultural background. As the time spent in each country during country missions was not enough to be able to have a cultural understanding, it was compensated by readings and consultations with the project BIO84 collaborators, who understand well the complexity of the region, its history, political and cultural context.

2.4. Other assumptions

The organic movement shares a common set of values. As an alternative way of production, and in more general terms, an alternative way of thinking agriculture, most people involved in organic production have made a choice. Therefore values related to OA should be openly discussed. Participants and researcher interpretations and views should be acknowledged; not taking them in consideration would be a denial of a strongly influencing reality.

Rhetorical and Methodological assumptions are presented in part B of this chapter. However their practical implications are presented in the summarizing below (Table 3) along with the precedent described ones.

Table 3: Practical implication summary

Assumption	Implications for practices
Ontological	Choice of participants with different backgrounds and interests. Use of quotes to highlight existing different perspectives. Gathering a maximum number of documents
Epistemological	Study the role of our research in influencing the process of development of organic sector. Reading and consulting experts in order to understand the cultural and political background of the region.
Axiological	Explicitly discuss the values related to organic farming. Take into consideration those values when interpreting participants' views.
Rhetorical	Employ a narrative style using qualitative terms and interviewee quotes
Methodological	Describe the study context in details Design the research in deep relation with the research framework (BIO84).

2.5. Qualitative research and policy evaluation

According to Creswell (2007), after researchers make their choices (on assumptions), they then further shape their research by bringing to it inquiry paradigms or worldviews. A paradigm or worldview is "a basic set of beliefs that guide action" (Guba, 1990).

Qualitative social research has its roots in the late nineteenth-century reaction against positivist methods of social sciences and the attempts of the

latter to emulate the principles and procedures of natural sciences. (UKCO office, 2004). The critics of positivism focused on the fact that natural science methods could not be applied in social research, as they did not allow a deep understanding of the social phenomena.

The post-positivist paradigm, even though based on a scientific approach to qualitative research, is different from positivism. The difference is that the post-positivists recognize that all observations are fallible and have errors, and that all theory is revisable. In other words, it is critical about the research ability to know reality with certainty.

The post-positivists emphasize the importance of multiple measures and observations, each of which may possess different types of errors, and the need to use triangulation across these multiple fallible sources in order to try to get a better bead on what is happening in reality (Trochim, 2006). Post-positivists believe in multiple perspectives from participants rather that a single reality (Creswell, 2007). This characteristic of post-positivism is in line with the ontological assumption made earlier. Post-positivists will also structure their study in the form of scientific reports, resembling the quantitative approaches (Creswell, 2007).

Another important element of post-positivism, when dealing with policy analysis, is its emphasis on the manner in which political actors assemble together information in the form of “discourse coalitions” (Howlett and Ramesh 1998). This element is essential when studying political aspects and dealing with OA that is seen by sociologists as a social movement carrying a certain set of values that take form in a coalition with a set discourse (Michelsen, 1997).

The choice of a post-positivism paradigm is therefore justified by both the need to have a scientific structured approach and by the requirements of the subject in itself (OA sector as both a social movement and a political subsystem).

3. The research approach choice: a case study

Different approaches to qualitative research exist. The ones used more often are the narrative research, the phenomenology, the grounded theory, the ethnography and the cases studies. Each approach or tradition has a different focus as summarized by Creswell (2007) (Table 4).

Yin (2003), commented that the study approach is the logical sequence that connects the empirical data to a study’s initial research question and, ultimately, to its conclusion.

Table 4: Inquiry tradition focus

Tradition	**Focus**
Narrative research	Exploring the life of an individual
Phenomenology	Understanding the essence of the experience
Grounded Theory	Developing a theory grounded in data from the field
Ethnography	Describing and interpreting a culture-sharing group
Case study	Developing an in depth description and analysis of a case or multiple case

The case study tradition is the best way to approach and to answer the present research questions. It is an approach to qualitative research in which the investigator explores cases through detailed, in depth data collection involving multiple sources of information (e.g., observations, interviews, audiovisual material and documents and reports) (Creswell, 2007) (Table 5).

This research is based on a case study approach.

Table 5: The case study approach characteristics (Creswell 2007, adapted)

Type of problem best suited for	Providing an in depth understanding of a case or cases
Discipline background	Political sciences, law
Unit of analysis	Event or program. one or many individuals
Data collection forms	Multiple sources of data collection
Data analysis strategies	Through description of the cases and theme of the case as well as cross-case theme
Written reports	Detailed analysis of the case(s)

Part B: The investigation strategy

1. Data collection

The research was carried out from November 2006 up to September 2007. The first two months were dedicated to the literature review and to the design of the research strategy and methodology. Data collection and data analysis were carried out between April and September 2007.

The data collection was divided into three steps as described by Padoileau (1982): the harvesting (*la cueillette*), the fishing *(la pêche)* and the hunting *(la chasse).*

The "harvesting" consisted of a collection of all available documents on agricultural institutions and policies of WBC, in particular documents related to OA. According to Patton (2002), documents provide the evaluator with information about many things that cannot be observed. They can reveal things that have been taken place before the evaluation began and they can reveal goals or decisions that would be otherwise unknown. The harvesting step is summarized in (Table 6). Some of these 98 documents are quoted as references in the text.

The "fishing", the second step of the data collection, consisted of semi-structured interviews and workshops carried out during the country missions.

Semi-structured interviews were essential in exploring the actors' perceptions and visions; their actions and interactions; and their influences. They were carried out as open-ended interviews that offer the interviewees the opportunity to respond with their own words and to express their own personal perspectives (Patton, 2002). The list of interviewees and their typologies are presented in (Table 7).

Case specific workshops were also carried out during country missions. The type of workshop and topics addressed were adapted to the country situation. Workshop results and reports were added to the data base of information collected. In some cases they constituted an opportunity for national stakeholders to meet for the first time together or in a meeting with public institutions. A description of the workshops carried out is presented in (Table 8).

The country mission also included the possibility to participate to national events related to OA. These events helped understanding the sector situation through the direct contact with the actors. It was as well an opportunity to collect information through observations, brochures. It also allowed informal "talks" with the people attending the event. A list of events attended is presented in (Table 9).

The hunting was carried out during all the research time line. It consisted on information gathering through informal discussions, personal communication, informal interviews, and confidential documents. Apart form confidential documents all other information was written down as notes on a diary research notebook.

Table 6: "Harvested" documents

Source	**Type of document**	**(a)**	**(b)**
The Mediterranean Organic Agriculture Network (MOAN)	Surveys on the OA sector	6	All
	MOAN country representative's presentation (first meeting Bari – November 2006)	6	All
	MOAN country representative's presentation (second meeting Izmir Turkey – April 2007)	3	AL MK SRB
Strengthening of services to farms and institutional support for the development of OA- SIAB Project (promoted by IAMB)	First draft country report (January 2007); second draft country report (July 2007); then Published version published in El Moujabber *et al.* (eds) (2007)	5	AL BiH HV MNE SRB
EU website http://ec.europa.eu/	Report on accession process	6	All
Food and Agriculture Organization	FAO related country documents	2	BiH HV
Bibliographic research	Academic papers	3	AL, BiH, HV
BIO84	Historical timeline	7(*)	All
	Survey on policy and regulatory framework	7	All
	Stakeholder analysis	7	All
	Institutional mapping	6	(**)
	SWOT analysis	6	(**)
	Statistical organic data collection	6	(**)
	Country mission reports	5	(***)
Ministry in charge of agriculture in the different countries	Official documents like: Agricultural and/or strategy(ies) Agricultural laws NAP for OA (AL, draft MK) Agricultural budget, laws, environmental plans	11	All
Other sources	Different documents	9	All

(a): number of document collected, total number: 98
(b): countries covered
(*): Within BIO84, the BiH team produced 2 documents, one for each entity.
(**): all countries with the exception of AL.
(***): all countries with the exception of AL, one report was done for BiH.

Table 7: List of interviewees

Interviewee typology	AL[7]	BiH	HV	MK	MNE	SRB
Representative of public institutions (national level)	2	5	2	1	1	3
Representative of public institution (local level)				1		
Representative of Public extension services			1	1	1	1
Representative of agricultural faculties and/or agricultural institutes		2		1	1	2
Representative of OA associations		4	4	1	1	2
Representative of national certification bodies		1		1	1	1
Company involved in organic medicinal herbs production and/or wild collection		2		1	1	
Organic producer (as individual, not as an association representative)		1			1	
Representative of foreign governmental organizations and NGOs	1			3		
Total number of interviewees / country	3	14	7	9	7	9
Total number of interviewees	49					

Interviews were carried during the country missions that took place:

- In AL, one day, on September 23rd, 2007;
- In BiH, 4 days, between May 29th and June 1st 2007;
- In HV, 4 days, between April 14th and April 17th 2007;
- In MK, 4 days, between April 24th and April 27th 2007;
- In MNE, 2 days, June 5th and 7th 2007
- In SRB, 4 days, between June 26th and June 29th 2007.

[7] The number of interviews in AL is limited to three, as data collection relied on the transcripts of interviews carried out in 2006, in the framework of the cooperation project PAB: "Progetto finalizzato integrato per la diffusione e assistenza tecnica all'ampliamento dell'agrobiodiversità colturali e all'implementazione della produzione di prodotti biologici", funded by the Community Initiative Interreg IIIa Italy-AL 2000-2006 and implemented by IAMB. These interviews were done with the major organic stakeholders, and aimed to capture the main elements of organic sector in order to produce a NAP.

Table 8: List and description of national workshops

AL	In Tirana; on September 20th, 2007; 17 participants
Typology	Plenary discussion
Details	Participants were asked to comment on the NAP document and to propose further steps for its improvement and implementation.
BiH	In Teslic; on May 31st , 2007; 15 participants First national stakeholders meeting(*)
Typology	Focus group / Brainstorming and Visioning
Details	Visioning exercise: Participants were also asked to write down, individually, on coloured stickers, 5 good reasons to justify public support for the development of the organic sector. Group categorisation and discussion of elicited reasons concluded this first section of the workshop. Issue prioritisation: An open list of critical issues was proposed to participants. The list had been pre-drafted on the basis of information and impressions gathered through the individual interviews carried out in the two Entities. Participants were divided into two smaller groups and asked to discuss the list, integrate/revise it, prioritise the proposed issues and, eventually, present the main outcomes of the group work to the other participants.
HV	In Zagreb; April 17th, 2007; 19 participants First national stakeholders meeting(*)
Typology	World café
Details	Participants were asked to look for the required measures in order to develop three elements of the supply chain: 1- Production expansion (subsidies and inputs) and diversification (harmonizing with typical products, tourism, and protected areas management. 2- Processing, packaging, storage, transport and quality testing. 3- Distribution and promotion (domestic and exported products). Discussion was carried out following a world café workshop design.

In MNE	In Podgorica, June 1st, 2007, 15 participants First national stakeholders meeting(*)
Typology	Focus group / Brainstorming and Visioning
Details	Similar to BiH workshop. In addition to a Plenary discussion on selected issues, there was discussion focused on possible actions to be undertaken (and responsible actors/institutions) in order to address the most urgent needs and seize available opportunities for the development of the organic sector in Montenegro
In SRB	In Sombor; on June 28th, 2007; 22 participants
Typology	Focus group / SWOT analysis discussion
Details	It consisted in a plenary session aimed at discussing in detail the SWOT analysis produced by the project country team in the framework of the on-line assistance of BIO 84 project. Paper copies (both in English and in Serbian) were circulated. In a round-table talk each participant was asked to indicate and discuss the ideas he/she disagreed with.

(*) First formal meeting between several organic movement stakeholders and public institutions involved in OA.
No workshop was carried in MK as during the country mission the MAFWE was organizing a presenting the first draft of the NAP document to the organic stakeholders (Table 9).

Table 9: List of attended events

In AL	"Agricultural fair - Tirana" Tirana, on September 20th, 2007
Details:	Albania organic producers and organic association were presenting their production within the "Agricultural Fair – Tirana", which is an important exhibition event organized every year.
In HV	Conference on OA in College Linen Sever Zagreb county, April 12th, 2007
Details	College Linen Sever provides a specialized course on OA. It organized a conference where Croatian OA specialists presented their experience to the College's students.
In MK	Presentation of the NAP draft to OA stakeholders Skopje, on April 25th, 2007
Details	The MAFWE organized an OA stakeholders meeting and presented the first NAP draft. It was an occasion to meet most of MK, organic stakeholders and to listen to their comments on the NAP document.

Pictures of the workshop in SRB, and a photo of BioAdria (one of the Albanian organic association. A list of stakeholders organized by country can be found in the annex) stand in Tirana agricultural fair are shown below (Figs. 4 and 5).

Figure 4: Picture of the workshop in SRB

Figure 5: Picture of BioAdria stand at Tirana's agricultural fair

2. Data analysis

> "*Qualitative analysis transforms data into findings.*
> *No formula exists for that transformation." (Patton, 2002)*

2.1. First coding of data

Developing some manageable classification or coding scheme is the first step of analysis (Patton, 2002). The aim is to group data into homogenized categories. It is a process of pulling the data apart and putting them back together in more meaningful ways (Creswell, 2007).

This first coding was done in a *similar way* and *separately* for *each data base* and *each country*. As there are three types of data base (harvesting, fishing and hunting) and six countries the coding operation was repeated 18 times. It was completed in two steps (Fig. 6)

- In the first step data were coded into three themes:
  - data related to the organic movement,
  - data related to the State policies and institutions related to OA,
  - data related to the organic supply chain.

- In the second step data were each new categories was recoded into two categories of data:
  - descriptive data,
  - interpretative data.

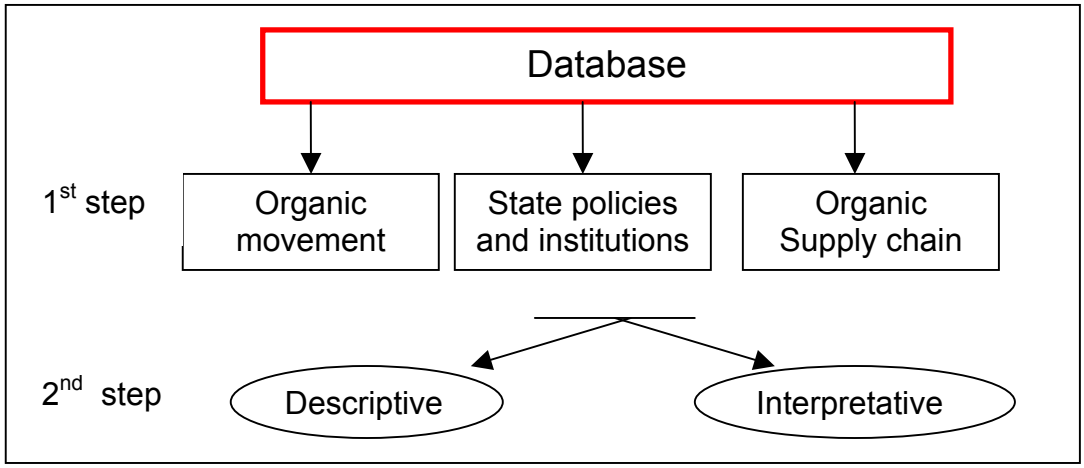


Figure 6 : First data coding

From the descriptive data category *primary findings* related to facts, actors and changes were identified. As from the interpretative data category *primary findings* related to interactions and influences; logical sequences; driving forces; and perceptions and visions were identified.

The coding was completed separately for each database in order to be able to triangulate between different sources of data

2.2. Triangulation of data sources and elaboration of country reports

Triangulation strengthens a study by combining methods. This can mean using several kinds of methods or data. The literature has identified four basic types of triangulation: (i) data triangulation the use of a variety of data sources in a study; (ii) investigator triangulation, the use of several different researchers or evaluators; (iii) theory triangulation; and (iv) methodological triangulation (Patton, 2002).

The present research uses both data and methodological triangulation design based on the three different types of data, as harvesting, fishing and hunting data collection differ by the methods and by the type of data collected (Fig 7). The triangulation allowed comparing and contrasting the primary findings identified from the first coding. The triangulation was done six times, once for each country.

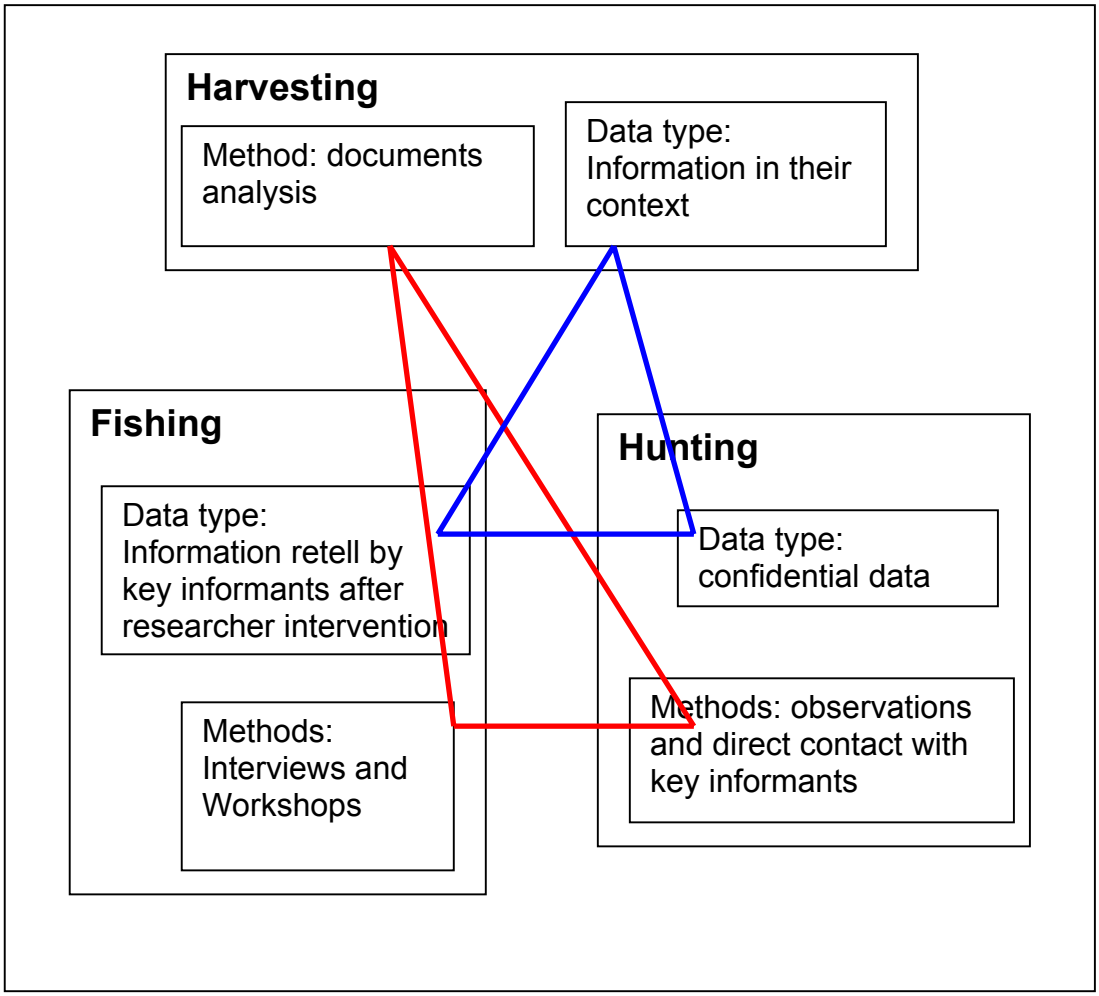


Figure 7: Data and methods triangulation

After the triangulation, six country reports were elaborated. The country reports are detailed descriptions of the organic movement; the State policies and institutions related to OA; and of the organic supply chain.

2.3. Second coding and elaboration of the comparative analysis

The six country reports were considered as a second data base, and were recoded in a second coding, which was comprised of two steps. As country reports were already elaborated into three sections (organic movement, State institutions and policies, and organic supply chain).

The second coding was done cross-case (country), according to Michelsen *et al.*'s (2001) theoretical setting as described in chapter 2 section 3.2. It led to the elaboration of the research reported findings (chapter 4).

In the first step of the second coding:

- Data present in the organic movement section of the country reports were coded according to the following:
    - changes related to historical and political events,
    - changes related to the emerging of new structures within the organic movement,
    - changes related to the organic farmers social capital.

- Data present in the State policies and institutions section of the country reports were coded according to the following:
    - Changes in the laws and legislation;
    - Changes in the national institutions;
    - Changes in agricultural and RD strategies and policies;
    - Changes in decentralized public institutions.

- Data present in the supply chain section of the country reports were coded according to the following:
    - changes in the production base,
    - changes in the processing unit,
    - changes in the organic food market.

In the second step of the coding data were coded into two categories: why? And how?

This coding finally allowed reporting of the findings, as presented in the following chapter.

The data analysis is summarized below (Fig. 8).

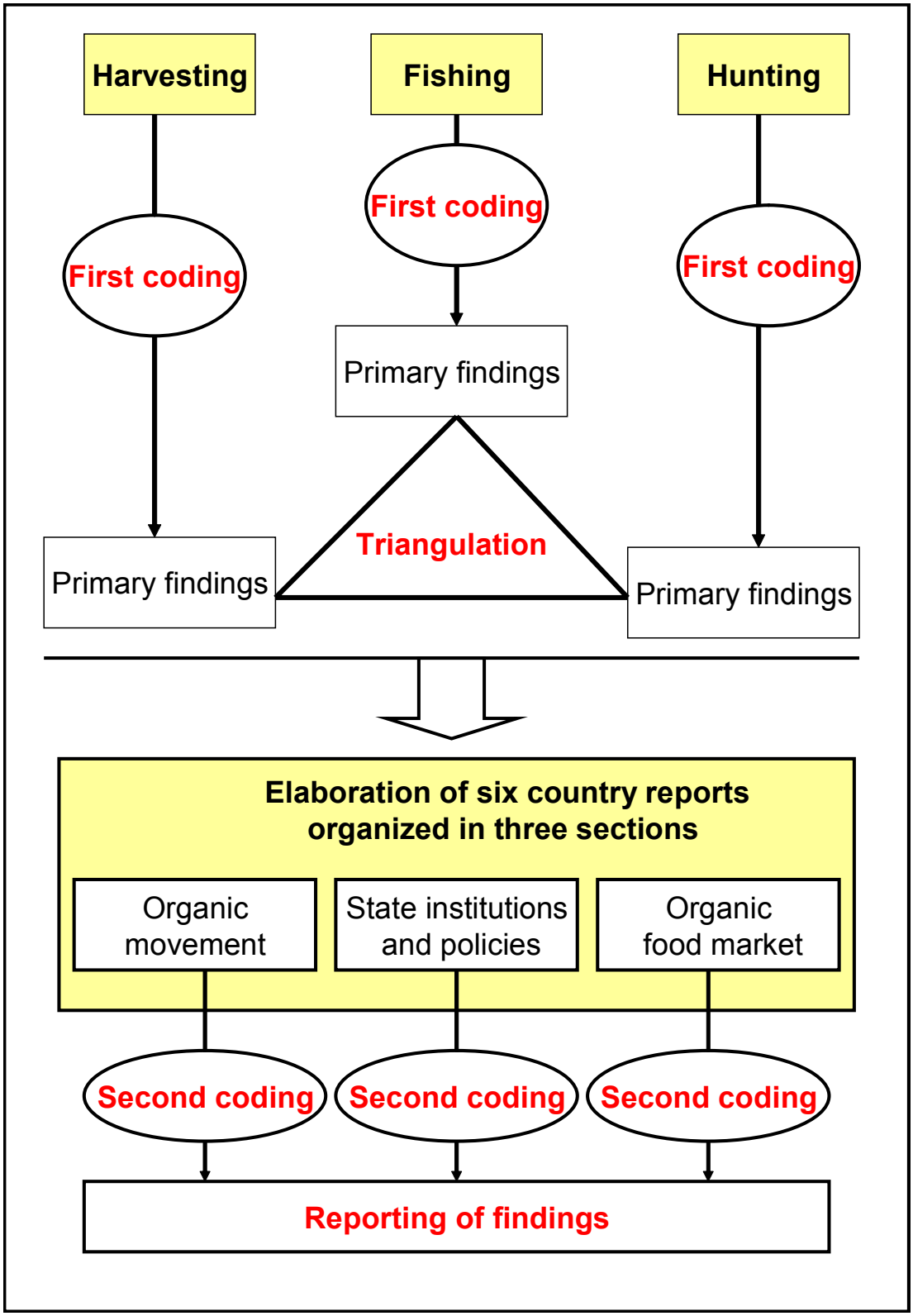


Figure 8: Data analysis –summarizing scheme

Chapter 4

The institutional setting in Western Balkans countries

Part A: The organic movement

1. Introduction

The following part aims to describe the main historical and current trends of the development of the organic movement in WBC. Its purpose is to examine the movements' institutions and interacting structures, in order to be able to assess whether the achievement of Michelsen et al.'s (2001) first step which corresponds to the establishment of an organic movement and fourth step which corresponds to the interrelationship between organic and conventional farmers' institutions have been achieved. This chapter will also look in detail for similarities and differences between WBC.

The grouping of the actors takes into consideration their historical involvement but also their links to donors and supportive organizations, their focus and their operating mechanisms.

2. Biodynamic pre-war/ pre-EU regulation pioneers

In the late-1980's three parallel biodynamic based initiatives took place in former Yugoslavia. Although not connected between each other, they were initiated at the same time in Slovenia, HV and SRB.

It was in 1988 that Zlata Nanic and Bernada Orehovec, two pioneer women established biodynamic farms in HV. In the same year a group of farmers "Microkozmos society" started biodynamic production in Slovenia. In 1991, just after independence, the Slovenian biodynamic association "Ajda" was formed. Bernada Orehovec, who stayed linked to the Slovenian movement, became a member of Ajda in 1997. In 1995, after the Croatian independence war, Zlata Nanić funded "Živa Zemlja" (Alive Earth) biodynamic association (Fig 9).

In SRB, in the mid 80's under the influence of Micio Kusi's lectures on macro-biotics, a group of farmers established biodynamic production on small farms.

In 1988, Verlo, an association was founded by professors in the Agriculture faculty of the University of Novi Sad (Northern SRB) was formed. The association's members mainly traded their food production among each other. In the period between 1989 and 1996 a series of associations was formed in SRB. They established pilot farms, research centers and alternative marketing channels. The first certified farm began conversion in 1994 and its certificate was issued according to EU regulation 2092/91 in 1996. From the associations formed in that period, in SRB, only The Nature Food Association TERRAS founded in 1990 still exists (Fig. 9).

Živa Zemlja (member of IFOAM) publishes a magazine with the same name, which aims at increasing awareness of consumers on health issues, as well as promoting organic/biodynamic ways of production. Ziva Zemlja's farmers market their products mainly through alternative channels. The yearly fair organized in Zagreb by the association also helped to link the producers to regular buyers that would therefore buy directly from the producers on the farm or through a delivered box scheme. In 2004, Ziva Zemlja, opened a specialized shop in Zagreb through which mainly processed products, biodynamic snacks are sold, as well as fresh products. The shop receives support form Zagreb County.

TERRAS (a member of IFOAM too) is a non profit organization based in Subotica (Vojvodina, region of North SRB) area. It started working on promotion of OA and on marketing activities through fairs; direct marketing basket schemes; demonstration farms. TERRAS activities should not be considered as separated from the overall dynamic present at that time (1988-1996) in Vojvodina with important involvement of the Faculty of agriculture in Novi Sad and the other organizations.

Figure 9: Text box - activities Živa Zemlja(starting from 1995) and of TERRA (between 1990 and 1996)

In WBC, TERRAS and Živa Zemlja are the only associations started by pioneers prior to the EU regulation dynamic which are still active today. They both carried out the same kind of activities, although the time line is different (Figs 9 and 10).

The pioneers' dynamic was broken in HV in 1992 with the start of the Croatian Independence War, and in SRB in 1995 with the United Nations sanctions, the Kosovo war (1998-2000) and the North Atlantic treaty organization (NATO) intervention (2000). In Slovenia, the pioneer movement was able to follow a natural dynamic and today the Slovenian organic sector is considered to be a success story.

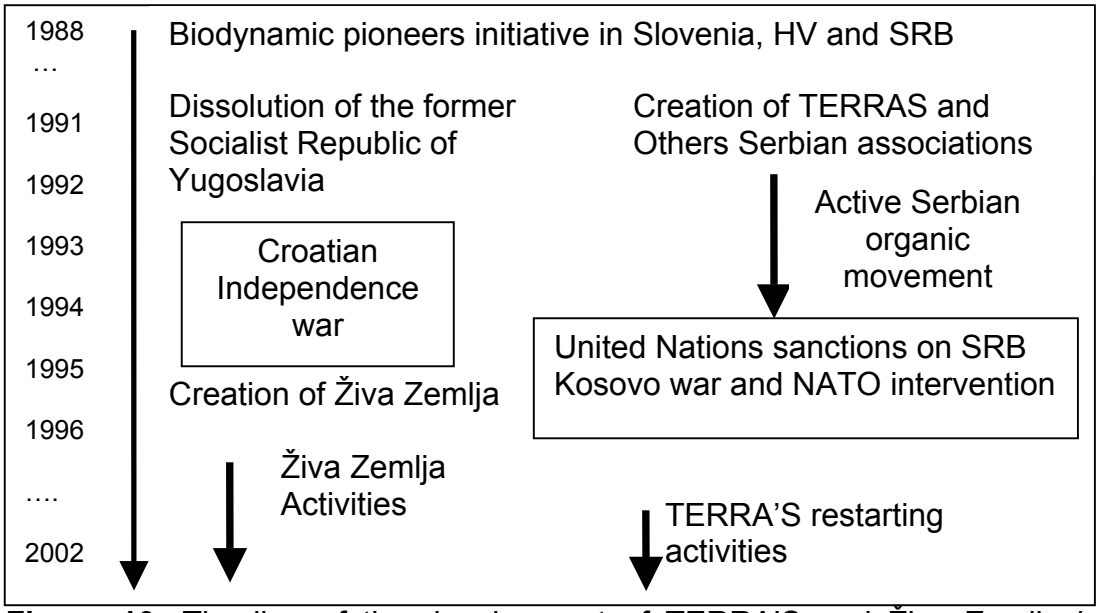


Figure 10: Timeline of the development of TERRA'S and Živa Zemlja in relation to the political events occurring in the Balkan region.

Today the biodynamic dimension of the organic movement in WBC confined to HV and although demand for biodynamic products exists it is on a small scale.

BioVega imports biodynamic food to HV under a private label, since 1994. Those products are sold on the market through specialized franchising shops: "Bio & Bio", in Zagreb, Split and Dubrovnik. It also supplies Ziva Zemlja shop. Officially a private operator, Biovega has to be seen as a bit more than this, as an association promoting biodynamic values. It is linked to an organic producers association "Eko-Kultura", to which it provides training and "*assures a secure market for their organic products from a non animal origin*"[8].

Živa Zemlja, with BioVega, continued their development independently from the components of the Croatian organic movement that emerged influenced by donors' activities. Post-war TERRAS had to cope with the new situation that materialized in WBC with the involvement of foreign donors and State institutions. It is almost as if it had to start again from the beginning.

3. FiBL assisted structures

3.1. The structure's components.

In 1997, the Organic Agriculture Association (OAA) was created in AL, and BIOPA in Osijek region in HV. Both institutions were found by farmers and non-farmers involved in OA. They evolved in a dynamic which characterizes The Research on Organic Agriculture Institute (FiBL)[9] action in WBC.

In HV, BIOPA worked on the training of technical experts in OA. This expert team (14 peoples paid by the association through FiBL funds), offers free extension services to organic farmers. BIOPA also developed its own private standards, certification scheme and label. In 2002, it established the "BIOPA certification body". However due to the specific conditions of the Croatian regulation it had to split into two organizations. The "BIOPA certification body" provides the certification; the new legal organization BioInspekt provides the inspection. Nowadays, BIOPA is the main organic association in HV.

In AL, OAA became a member of IFOAM in 1998 and in 2002 started collaboration with FiBL on the implementation of the project "Sustainable Agriculture Support in Albania", funded by the Swiss agency for Development and Cooperation (SDC). In 2005, the project led to the creation of BioAdria, which has 70 members working on research and extension services; and Albinspekt, the Albanian certification body. Albinspekt carries out

[8] HV-Organic movement-4

[9] FiBL is an NGO carrying out research and consultancy on OA. It has three research centers (in Switzerland, Germany and Austria). Numerous FiBL projects in Eastern Europe, India, Latin America and Africa promote the development of organic research services as well as advisory and certification services. www.fibl.org.

inspectionand issues certificates according to OAA private standards and according to the EU regulation on a contract basis for a foreign certification body.

In MK, FiBL started to work in 2004. What is now known as the “FiBL project” is implemented by Probio-SDC; it delivers and monitors SDC funds and provides consulting services. The project led to the creation of an inspection body, Balkan Biocert – MK (BBM), and to the support of the Macedonian umbrella organization of the organic producers BIOSAN.

BIOSAN was established in 2005, it currently comprises seven organic producer associations. Its activity is concentrated on extension services and training of advisors. It has a group of nine “multiplicators”, paid through the project’s funds, providing free advice to organic farmers. Initially they were called multiplicators as they are supposed to train other advisors, in a training of trainer approach. BIOSAN wants now to extend its team by including experts in animal husbandry and wild product collection.

BBM is an independent branch of Balkan Biocert Bulgaria that certified organic producers in MK before 2005. Both are members of the FiBL supported group of certification bodies (in AL, Bulgaria, HV, MK, Romania, and Lebanon). BBM certifies all Macedonian producers according to the EU regulation 2092/91.

3.2. The structure’s interactions

The structure created by national organic movements, financially supported and technically assisted by FiBL (Fig.11) creates a dynamic leading to a sector development. It allows interaction and coordination within the movement and with market operators and public institutions. The structure is composed of: (i) *a federating association*, representing the farmers to public authorities, providing marketing assistance and market development research.; (ii) *alternative extension services*, providing assistance to farmers and coordinating with the certification body in order to facilitate the certification process; and (iii) *a national certification body*, which certifies farmers according to the EU regulation (AL, HV, MK), to the local regulation (HV), or according to private national standards (AL).

The interrelation between the three components of the structure differs from country to country.

In HV, the association is directly linked to the inspection and certification bodies, (even having the same address), and the extension services, which are composed of a team from within the association.

In AL, the three components are autonomous and interrelations are institutionalized. The creation of an independent extension services association will allow faster development. It will boost BioAdria, which created the BioAdria Research and Extension Network, which organizes Albanian researchers and specialists. The research efforts are accomplished

in cooperation with foreign donors and projects implemented by IAMB; they focus on composting and biological control in grapes and olive orchards. However this situation also created conflict between OAA and BioAdria, as well as confusion among farmers, and also created competition for foreign funds (Kullaj, 2007). Nowadays cooperation between FiBL and OAA stopped. BioAdria is acting as a farmers association and as research and extension services network.

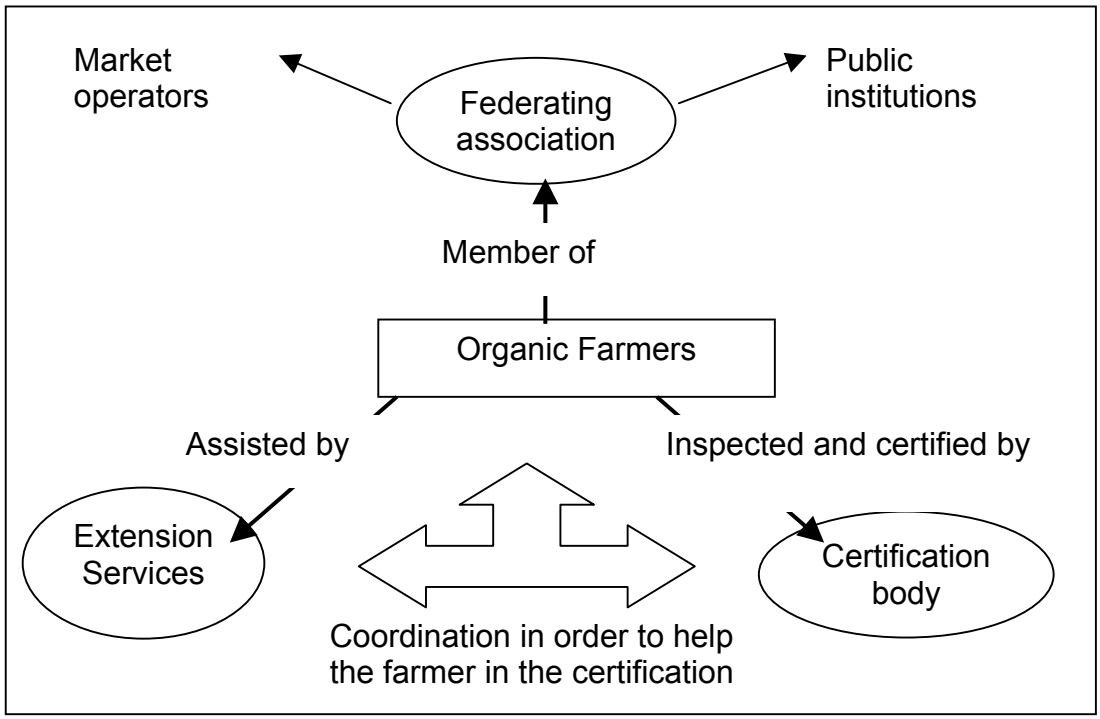


Figure 11: FiBL assisted structure in AL, HV and MK

In MK, FiBL indirectly played a role in strengthening the movement's internal coordination. FiBL's intervention and the expectation of the coming project led to the restructuring of the former organic association and its reorganization (Fig. 12). FIBL's action in MK is also very closely linked to the Ministry of Agriculture Forestry and Water Economy (MAFWE), as it is providing important technical assistance in the drafting of the Macedonian NAP.

FiBL had a positive impact on the organization and on building the capacities of the organic movement in AL, HV and MK. Data show an increase in the number of farmers since the creation of FiBL structures in AL and MK, where the FiBL supported associations are the only ones which exist (Fig.13).

FiBL aimed (as one of its objectives) to "*establish the framework*"[10] that will be able to benefit from State support policies, and to represent the movement in front of the public institutions. In other words, it worked on capacity building

[10] MK-International Organization-2. (see footnote 5)

in a context where State policy will follow (or is supposed to follow) in support of the sector, and therefore the sector has to create its own institutions.

The first attempt to promote the organic method of production in MK started in 2000 with an Agricultural Cooperative Development International and Volunteers in Overseas Cooperative Assistance project, funded by the United States Agency for International Development.

The project aimed to create pilot organic farms in the region of Ohrid (South of MK). The few farmers involved in the project mainly produced organic products for American missions present in MK at that time. In 2002, when project's activities stopped, the farmers involved in the program stopped producing in an organic way and did not join the Swiss ecological organization Pro-Natura.

With funds from the Swiss agency for Development and Cooperation (SDC), Pro-Natura developed a partnership program with individuals involved in ecological action in MK. The project aimed at supporting local initiatives in MK for the development of organic farming. The project started in 2001 and ended in 2003. It resulted in the creation of an organic producers association: "Bio-Mac". The project was successful overall, and SDC decided to extend it, although with a different structure.

This extension of the project started in 2004 with FiBL. However, all the structure changed and focus switched from an initial ecological scope, to greater focus on agriculture. The Bio-Mac association also ceased to exist due to internal "*structural problem, they preferred to start from the beginning again with the FiBL project"(MK-International organization-1). A*lthough, other less "diplomatic" explanations were given, Bio-Mac was restructured and reformed in parallel with the restructuring and change of the project funds sources and implementers. They *"formed an umbrella association to get the FiBL project funds, it was Bio-Mac and then BIOSAN "(MK-State Institutions-2).*

Figure 12: Text Box –The first attempts of the Macedonian organic movement

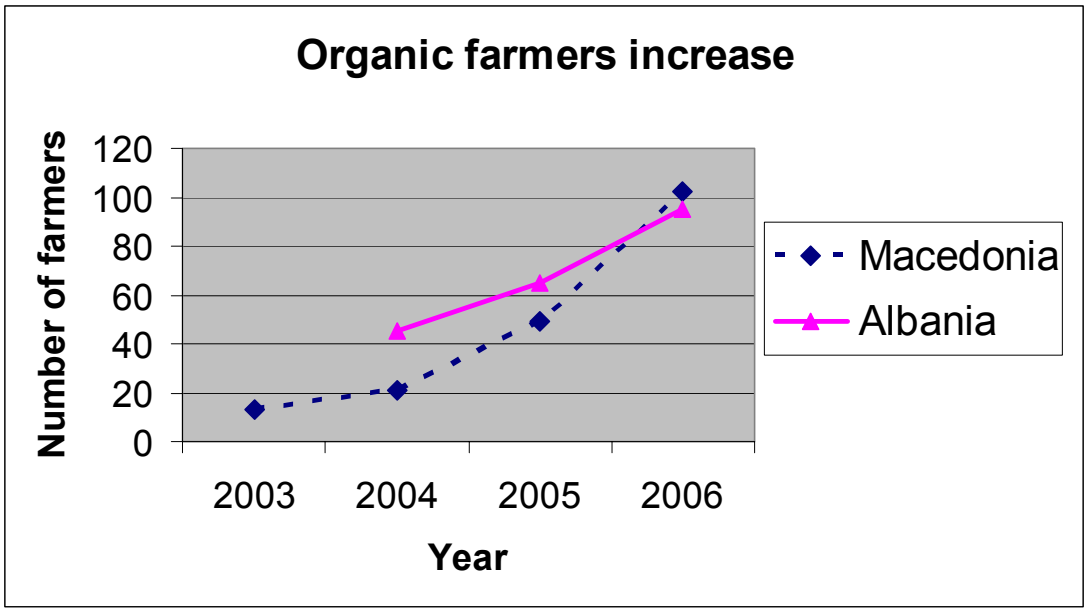


Figure 13: Increase in the number of organic farmer in AL, and MK, from 2003 to 2006. (Sources: BIO84, see Table 6).

4. A different kind of pioneers, a new dynamism

4.1. The Bosnian and Croatian association of organic farmers

The post-war period witnessed the emergence of a new kind of pioneer involved in the development of OA. In contrast with the pre-war biodynamic pioneers, the new pioneers are not farmers. However, they are one of the main driving forces of the organic movement in WBC. Most of them are women, university professors, agronomists, or experts in agricultural policies.

The Bosnian association of organic farmers "Organsko" was created in 2002, by an organic producers' initiative supported by one of the pioneers of OA in BiH, a female professor of agriculture working at the Agriculture Institute in Sarajevo. Organsko is a voluntary association, consisting of 96 members. As in many organic associations, it include producers (60 members, certified and in conversion), traders, processors, as well as experts in the field. The association receives support through the Swedish International Development Cooperation Agency (SIDA) and has a team of experts which gives support to organic producers.

The association is *de facto* divided into a "producer" and an "expert" components. The steering committee is chaired by an organic producer, while agronomists and experts are in charge of all administrative work. This division of tasks reflects two important facts.

First, the farmers concede the leadership to the "expert" component of the association, showing the inability of organic producers to create organizations that will directly represent their interest. Farmer conversion in the WBC is still project based[11]. To grow and develop, an organic association has to go through a process in which it applies to foreign donors to obtain funds. As the association is not self–funded, it needs a bridge with foreign donors. This social bridge is guaranteed by non farmer having contact with funding agencies.

Second, the new pioneers, because they are value driven, give a role to the organic producers in the process by creating a democratic form of representation. Through the steering committee, farmers, even if not leading, are in a way in charge, and in control of (or at least monitoring) their interests.

In HV, a similar situation is found with the Croatian Organic Farming Association (COFA). Created in 2005, it is chaired by one of the first organic farmers in HV, who started production in 1995, ten years before the creation of COFA. The association is closely linked to Ecologica, which pushed for and participated in its formation.

[11] Conversion of farmers is simulated by access to foreign funds and done through the implementation of projects.

Promoted by experts' initiatives, Ecologica was established in 1999. It positions itself at "*the edge between agriculture and environmental protection*[12]". Led by a female expert in agriculture policies and RD, it started its work focusing on OA, but then moved to more general environmental and RD issues.

Even if it states that it *"is not a producer association and does not represent organic producers"*[10] it did lobby for the creation and implementation of the Croatian national organic regulation and the creation of a unit for OA in the Ministry of Agriculture Forestry and Water Management (MAFWM) and the national extension services, in addition to the implementation of direct payment for organic producers. It interacts with policy making institutions at the national level, and also at the European level. It was involved in 1995 with the first attempt to develop an action plan for OA at Zagreb County level, and in 1996 with the FAO project on the elaboration of a strategy for OA for HV. It is also involved in the national consultation for EU pre-accession funds programs.

Ecologica is *de facto* representing organic producers to the MAFWM and other institutions. This situation, where farmers need to be linked to the meso and macro societal level through non-farmers (individuals or organizations) is evident throughout the organic movement of the WBC.

4.2. The organic movement's social capital linkages

COFA and the producers' part of Organsko are associations working on strengthening the bonding social capital[13] of organic farmers. Linking organic farmers to the outside world and with the public institutions is the task of other, non-farming social groups. The associations provide a single channel of interaction which is the one between the farmers and the new pioneers. This exclusive interaction is justified as the bonding link created among themselves by organic farmers has been organized and facilitated by the intervention of the new pioneers (as individuals or as institutions).

[12] HV-Organic movement-2

[13] Social capital refers to the social networks and relations every human being is part of. Within a livelihood assessment approach, the literature differentiate three kinds of social capital: the bonding social capital (within social groups), the bridging social capital (with similar groups), and the linking social capital (with public institutions). According to Schermer (2006), OA enforces the three kind of social linkages. Bonding capital since as a shared values systems leading to group formation, OA is often associated with learning in groups. Conversion to organic means opposition to conventional structures, this enforces the building of group consciousness. Bridging capital, because it is knowledge sharing between different organic groups. Linking capital, because organic organizations lobby with public institutions.
Moreover it is important to understand the structures or organizations, and the processes. An understanding of structures and processes provides the link between the micro (individual, household and community) and the macro (regional, government, powerful private enterprise). Such an understanding helps to identify areas where restrictions, barriers or constraints occur and explain social process that could impact on livelihood sustainability (Scoones, 1998).

This is also present in the FiBL supported structure. In fact it is even clearer as in their essence these structures are frameworks in which organic farming has to evolve. If the farmer is at the center of the framework (as previously shown in Fig. 11), none of the organizations supported by FiBL is farmer-led. These frameworks are created for the farmers but not by the farmers, even though several efforts have also been made to involve farmers in decision-making. Nevertheless, up to now these efforts have not led to a point were the movement's leadership has moved to the producers (Fig. 14).

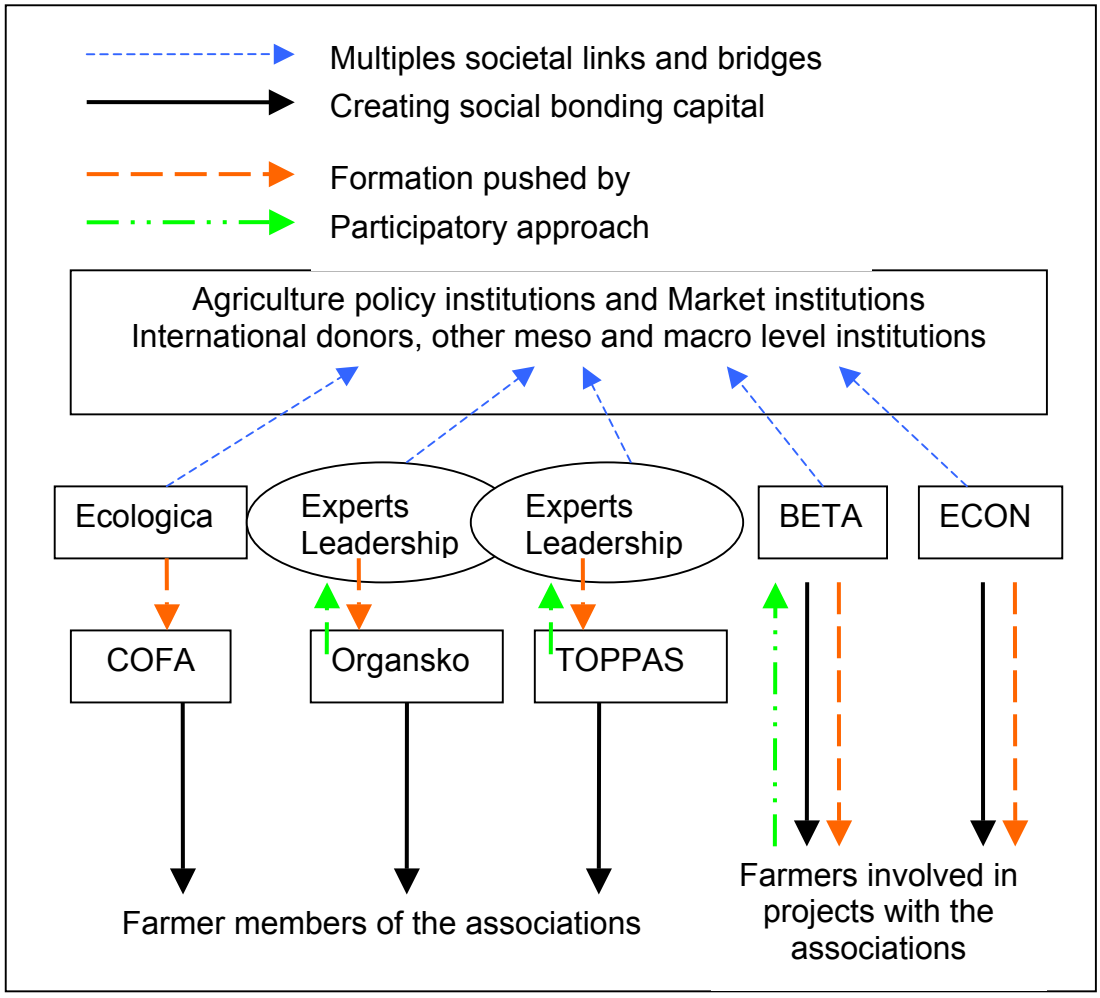


Figure 14: Farmers' social capital links
BETA: The Bosnian Environmental Technologies Association
ECON: The Economic Co-Operation Network

Živa Zemlja is the only association contradicting these rules. It is farmers led, and still in a pre-EU regulation dynamic evolution. On one hand this evolution is slow (Živa Zemlja just organizes 8% of the Croatian organic farmers, source BIO84, see Table 6), and has slow mechanisms (alternative market, organization of fairs, no access to export markets) and little relation with the State institutions. On the other hand it is building cooperation with local institutions (Zagreb counties and municipality), and it is not dependent on foreign funds and projects.

4.3. BETA (BiH), Ecologica (HV), and TERRAS (SRB)

The Bosnian Environmental Technologies Association (BETA) was created in 1993, (and has been a member of IFOAM since 1996) under the female leadership of the president of the association, a professor at the Faculty of Agriculture of Sarajevo (see Fig. 15 on the gender dimension of the organic movement in BiH).

From 1996 up to 2000, BETA had a series of small projects *"to introduce this idea (OA) in BiH"*[14]. The first project "Standardization in Organic Farming" was implemented in cooperation with an NGO form Slovenia, and Ecologica. It was supposed to focus on organic standards. However, BETA acknowledges that introduction of standards was not its goal or its priority at that time, but it used the project to "*promote the idea of OA."*[14]

The link created with Ecologica continued with the "Introduction of Low Input and Organic Agriculture in South-East European Countries" project, which started in 2000, and was implemented in AL, HV, MK, SRB and BiH by AVALON. No information on the project activities in AL, HV and MK was available during the field work. BETA was the local partner in charge of the coordination in BiH, TERRAS was the Serbian partner. It seems that Ecologica, which was the Croatian partner, played a leading regional role in the implementation of the project. However the three associations Ecologica, BETA, and TERRAS developed relationships and interacted together, and developed the conviction that *"the NGOs sectors have done a lot for the development of the organic sector, it is the turn of the State to intervene now"*[15].

The project succeeded in launching organic production with a group of farmers that became deeply involved in the movement. People involved in production acknowledge the fact that OA has other externalities apart form food production. As in addition to widespread arguments in its favor, in the BiH context OA, was also seen as a way to restore severely damaged inter-ethnic and inter-personal relations and as a way for war refugees and displaced people to return to their villages (Fig 15).

These producers are today acting as promoters of this alternative method of agriculture. The reason behind this was the ability of the projects to link education, a participatory approach, refugees, and environmental externalities of OA to the production on their own. *"At the end we had an organic movement deeply rooted in BiH"*[14].

The other success is in the participatory approach taken by BETA. The NGO was able to involve its partners in the design and the progress of the work. It resulted in a re-structuring of the association and reorganization of its membership. The project's partners; individual producers, small producers association, as well as educational centers, became members of the association.

[14] BiH-Organic movement-2
[15] Idem, similar statements were made in HV and SRB.

All organization involved in organic agriculture in BiH are ed by women.

It has been reported in the literature that women as women often opt for alternative forms of political mobilization. It argues that this type of activism has an important potential for conflict resolution and should be recognized in a fundamental way in any attempt to build peace in conflict zones (Korak, 2006). Korak also reports that rebuilding broken trust and social networking at community level were generally initiatives taken by women.

In the context of BiH, this was achieved with the perspective of refugee return, giving the OA movement in BiH another dimension. Moreover, the idea of trust in OA is generally a central theme, in BiH and also in the rest of the Balkan region. The movement's (female) leaders worked on building trust, and many producers remained in organic production because of their trust in the leadership.

All organic movement organizations also insisted on the fact that they are cross Entities, participatory and post-war bridging organizations. This dimension in the OA movement discourse in BiH is authentic and clearly expressed at the political decision level. However, in the context of a very small, not to say marginal, political sub-system like OA, it is very hard for the movement to push for political change. In other words, it may be premature to conclude that the OA movement in BiH can push for a common organic policy at the State level and overcome the Entities' political will and agendas.

Figure 15: Text box - The gender dimension of the organic movement in Bosnia and Herzegovina

The Project was restructured in three working groups, on the basis of their approach to OA, regardless of the partner's ethnical and/or regional identity. These groups were: (i) leading organic producers, producing for the market; (ii) producers in need (refugees and displaced), who established OA as a way to get out of their difficult economical situation; and (iii) partners working in education and promotion of OA, (agricultural schools and specific institution such as the "village of peace" involved in helping children who lost their parents during the war). (BETA, 2006)

As much as it created links between Ecologica and BETA, the project also created cooperation between BETA and TERRAS. Visits to Subotica (North SRB) were organized and BETA participated in the yearly Serbian fair of "Bio-fest". Even though TERRAS's work has changed since the late 1980's it is still seen, in a way, as the pioneer organic association in the region.

It was mentioned in the first part of this chapter that today's TERRAS had to cope with the new development trend of OA in the region. It seems that no work can be done without money from outside. The hegemony of project based development of organic farming gets to the point where a pioneer association like TERRAS "complains" about the *"shortage of projects"*[16], and the lack of interest of donors.

There is a common feeling within the organic movement in WB that it is now the role of the State to step in, meaning essentially regulation and support payment, but also extension services and marketing assistance.

[16] SRB-Organic movement-3

4.4. The Economic Co-Operation Network (BiH) and Grolink

The Economic Co-Operation Network (ECON) oscillates between working as a private company and as an NGO. It is a female led organization that found in OA an export opportunity and therefore a way to increase farmers' income and competitiveness in BiH. *"Find the market, see possibility and organize the production"*[17]. ECON has a dual role. On one side it is developing an export market for BiH's organic production, helping organic farmers to sustain their production. On the other, it is one of the main actors working on the creation of a local OA movement and market in BiH.

In 2001, ECON implemented a SIDA funded project in cooperation with Grolink[18]. The "Development of Organic Agriculture in Bosnia and Herzegovina" project (BiHOP) was executed in three phases from 2001 up to 2007. Within the project framework, ECON created connection with the European market, which allow the establishment of raspberries and strawberries, as well as wild collection operations with an export value of approximately 1 million € (source: BIO84, see Table 6). The project also provides training to farmers on a 15 hectare education farm located in Mostar, and connected to 16 farmers producing vegetables in greenhouses, marketing the produce locally.

For Grolink BiHOP was also an opportunity to unite the Movement in BiH. In the third and last phase (2005-2007) the project was expanded to include BETA and Organsko. This cooperation led to the creation of Organska Kontrola (OK) (Fig. 16).

BiHOP's final phase provided the dynamic, together with local political will, that resulted in a unified and relatively strong organic movement in BIH, which is now recognized at the political level. Nowadays many of the actions are undertaken through shared agreement, such as the conference on the development of OA in BiH: "Actual moment of OA in BiH" Sarajevo (Organized by the movement in cooperation with the Agricultural Institutes of Sarajevo, Banja Luka and Mostar) and the first IFOAM International Conference on Organic Wild Production, in Teslic. Both events took place in 2006.

In SRB, Grolink gave technical assistance and funds to a project in Topola. The idea was the same: *"develop organic through trade"*. The project "Topola Organic Production and Marketing" aimed at launching organic production through a competitive export crop with important marketing assistance from Grolink. The organic certified plums and raspberries were exported to Sweden. "*When the project stopped, only few farmers continued on their own*".[19]

[17] BiH-Organic movement-3

[18] Grolink (member of IFOAM, www.Grolink.se) is a private company, although it works like an NGO, (ECON is similar). It publishes an internationally recognized magazine: *Organic Standards* (www.organicstandards.com). It offers consultancy services in OA, environment and social development. Grolink's chief executive officer is Gunnar Rungren, who was IFOAM president from 2000 up to 2005.

[19] SRB-Organic movement-2

During the same period Grolink attempted to initiate an elementary networking process among Serbian organic stakeholders, but this initiative failed. Today, the need for a Serbian umbrella association is expressed by stakeholders, including policy makers. However, it still seems hard to establish.

In MNE, Grolink was involved in the training of inspectors for the official certification body "Monteorganica", created in 2005. The training was an opportunity used by Grolink to launch an initiative in order to create a network among different inspection bodies present in WB, it was not followed up.

OK was established in 2002, in the framework of the BiHOP project. OK was co-founded by BETA, ECON and producers from F-BiH and RS as a company (without any official registration as a certification body). "*As it is the only legal way to collect fees from producers, as there is no organic legislation at the State level yet"* (BiH-organic Movement-4). OK is cooperating directly with KRAV and ICEA (respectively Swedish and Italian certification bodies), in both BiH's entities, it sees itself as a national certification body.

OK developed private standards and a logo in accordance with IFOAM basic standards and the EU regulation. It is accredited by IFOAM and ISO65 since June 2007.

Today, OK certifies producers according to its private standards. It also carries out inspection according to EU and National Organic Program (organic standards in the United States) standards through cooperation with KRAV, and ICEA. (OK does not certify according to the RS legislation). The total number of operators was 49 in 2006, including group and wild collector's certification.

At the beginning, the first operators certified by OK were supported by the BiHOP the whole cost. However producers have others sources of support, but *"it really depends from case to case"* (BiH-Organic Movement-4)

Figure 16: Text box - OK activities

4.5. The Montenegrin organic association "Poxivodjna Zdreve Hrane"

This is a student initiative that was able to gather a number of Montenegrin producers and involve them in OA. The organization's name "Poxivodjna Zdreve Hrane" could be translated into "healthy food production". However, the manager of the organization prefers the translation, "production of organic food". It was established in 2002, and set organic food production and development of rural tourism as objectives. It organizes about 106 members, producers, students, professors, and environmental activists, 13 of their producers are engaged in a program for conversion to OA and now are included in the inspection scheme of Monteorganica.

In cooperation with municipalities and schools, the association is providing an educational program to children and the local population. "Poxivodjna Zdreve Hrane" publishes a monthly magazine which carries the same name. It is distributed through mainstream press channels and focuses on OA production, and news. However, the association is mainly lacking expertise in OA and this is weakening its work and makes conversion of farmers much more difficult in the absence of adequate extension services.

5. TOPPAS reflecting the characteristics of the organic movement

TOPPAS[20] was formed in April 2002, as a farmer association/cooperative in southern SRB. However, the idea of launching organic production came when, in 2000, agronomists (including women) from the area got in contact with a German humanitarian organization "Diakonie Emergency Aid". The German association was providing help to the local population, which had suffered from repercussions of the NATO intervention in SRB.

In 2002, TOPPAS had 40 members, who in the period 2003-2005 implemented a three year project funded by the German organization for development "Hope for Eastern Europe". The main objective was to promote organic fruit production, with a predominance of raspberries (46.86 hectares out of a total of 69.27 of fruit production in addition to 1000 hectares under wild collection, in 2007). Certification is done by a German certification body in a group certification scheme.

After the end of the project, TOPPAS funded a private company called "Belis Top (Ltd.)", through which products are being exported to Western Europe

Production is organized at the local level, through a system where neighboring farmers work together in order to gather their production in collecting points. From those points the production is transported to processing and warehouses. The entire chain links are members of the association.

Today TOPPAS account for 263 members, most of them being producers, processors or distributors of organic products, but it also includes a number of non-farmers.

In a way TOPPAS, reflects all of the characteristics of the OA movement in WBC, as presented in (Table 10) below.

[20] Detailed information on TOPPAS was provided thanks to Nikola Damljanovic's research activities carried during the academic year 2006/2007 within the Sustainable Agriculture and Rural Development training course at IAMB (Damljanovic, 2007)

Table 10: Comparative Table of the social characteristics of some OA organizations in WBC

Characteristics /association	TERRAS	Ecologica	Organsko	ECON	BETA	TOPPAS
Focus on a high value competitive crops				√		√
Group certification scheme				√		√
Private company created after positive development of the activities				√		√
Formation of the association pushed by expert / new organic pioneers		√	√	√	√	√
Leadership divided between experts and farmers			√		p	√
Association establishment is linked to foreign funds			√	√	√	√
Social bonding capital between organic farmers members of the association	√		√	√	√	√
Social bridging links with other organic groups	√	√	√	√	√	√
Social linking capital with political organization	p	√	√	√	√	√
Social linking capital with export market operators				√		√
Female leadership and/or a gender dimension		√	√	√	√	√
Element of and poverty reduction linked to a post war situation				√	√	√

Legend: √: yes, p: partially, (blank): no. source: (data collection).

6. Elements of answer to the research questions

The study of the organic movement characteristics allows conclusions to be drawn on the accomplishment or the non-accomplishment of the first (establishment of an organic farming sector with a formal framework for organic farming) and the fourth (development of non-competitive interrelationships between organic farming and the general farming community through the establishment of *fora*.) steps of Michelsen *et al.*'s (2001) path.

The conclusion on the fourth step was relatively simple, as no interaction between the organic movement and the general farming community was observed throughout WBC.

A series of qualitative indicators were then extracted from the findings in order to assess if the first step has been accomplished. Those indicators are presented in the comparative table below (Table 11).

Table 11: Comparative table on qualitative indicators related to the organic movement in WBC

Qualitative indicators	**AL**	**BiH**	**HV**	**MK**	**MNE**	**SRB**
Pre-EU regulation pioneer(s)			√			√
Important role of female pioneer(s)		√	√			p
Farmer led association(s)		p	√			
Expert led association(s)	√	√	√	√		√
Youth led associations				√	√	
Umbrella association	√			√		
Market oriented association(s)(i)		√	√			√
National certification body (private)	√	√	√	√		√
National certification body (public)					√	
National private standards	√	√	p			
Alternative(ii) extension services	√	p	√	√		p
Alternative training/education facilities		√	√			
Alternative research facilities	√					
Alternative market channel	p	√	√			√
Promotional campaign/media	√		√		√	√
Private products logo(s)		√	√	√		
Coordination within the movement	! +	+++	-	+		!++
Interaction with public authorities	+	(iii)	-	++	+	!+
Political lobbying activity	+	(iii)	+	++	-	+
Influence of FiBL	+++		++	+++		
Influence of Grolink		+++			+	-!

Legend: √: present, p: partially present, (blank): absent
(+++) high; (++) medium; (+) low; (-) weak; (!): conflict
(i) Similar to ECON and Biovega.
(ii) Owned by the movement and/or created by movement associations.
(iii) With the public authorities in FBiH: +++; In RS: lacking with potential high conflict.

These indicators allow accumulation of elements of the answers to the research questions. Conclusion on the accomplishment of Michelsen steps will be presented in build-up tables as this chapter develops (Table 12).

Table 12: Build-up table on the accomplishment of Michelsen *et al*.'s (2001) steps - A

Michelsen *et al.*'s (2001) steps	**AL**	**BiH**	**HV**	**MK**	**MNE**	**SRB**
Step 1: Organic movement	√	√	√	√	i	√
Step 4:Non competitive interaction						

Legend: √: accomplished, p: partially accomplished, i: initiating accomplishment (blank): absent

Part B: State institutions and Policies

1. Introduction

1.1 Preface on the WBC and EU cooperation framework

WBC witnessed a period of war and political instability that started with the collapse of former Yugoslavia in 1991 and ended in 1999 with the NATO intervention in Kosovo. Although political tension still exists to a certain extent, the area is undergoing a process of stabilization and accession to the EU.

In November 2000, the final declaration of the Zagreb summit launched the Stabilization and Association Process (SAP). In a context of political changes, “the way is now open to all the countries of the region to move closer to the EU” (Zagreb summit, 2000).

The SAP has three main components: (i) The Stabilization and Association Agreements, which are similar in principle to the Europe Agreements signed with the Central and Eastern European countries in the 1990s, they create a framework for co-operation and are based on the Acquis communautaire; (ii) the EU Financial Assistance, between 2000 up to 2006 financial support was given within the Community Assistance for Reconstruction Development and Stabilization (CARDS) program; and (iii) Autonomous Trade Measures, they applied to the whole of the Western Balkans allowing duty free access to the EU market for practically all products originating from the region (EU Commission, 2003).

WB countries statuses regarding EU accession process are different. HV has been a candidate country since 2004, MK since December 2005. Four other countries are potential candidates. This status reflects the degree of development of relations between WBC and the EU, but also the status of compliance with the *aquis communautaire*.

1.2. Plan and purpose of the chapter part

The purpose of this part of the chapter part is to describe and analyze public institutions with regard to OA. The political recognition of OA by public institutions and the establishment of public support policies are essential basic steps toward the development of the sector. In practice, they translate into the implementation of a legislative framework regulating organic production, and support payments to farmers. They correspond to second and third step of Michelsen *et al.*’s (2001) path.

In the following, the different public institutional changes related to OA are described. Areas related to legislation, ministerial administrations and public extension services are explored and the processes that led to changes analyzed. Study of the place of OA within agricultural and RD strategies will allow understanding the degree of its political recognition and its link to national policy objectives. This approach will help in understanding the reasons behind the implementation of measures introducing financial

support. Finally, a section is devoted to the study of decentralized forms of support.

The grouping of countries and the comparative themes are chosen for the purpose of highlighting similarities and differences, in order to progressively build the comparison.

2. Major institutional changes related to organic agriculture

2.1. The legislative framework for organic agriculture

One of the steps of the State political recognition of OA is the enactment and implementation of a legislative framework. Except in BiH were it exists only in Republika Sprska (RS) and is being drafted in the Federation of Bosnia and Herzegovina[21] (F-BiH), laws regulating organic production have been enacted in all WBC. The study of the process and reasons behind the establishment of the law is essential in understanding the political views and intentions towards OA.

The first law in WB was passed by the Parliament of the Federal Republic Yugoslavia in 2000. At that time it included SRB and MNE. In 2003 when the Federal Republic was transformed into the State Union of SRB and MNE, agriculture responsibilities were moved to the new entities of the State Union. A MAFWM was created in Podgorica with responsibilities identical to the Belgrade one. Since then both ministries evolved and were reformed with a clear political awareness that secession would soon come.

The new MAFWM in Podgorica adopted a law on organic production in 2004 (official gazette 75/04), two years before independence. In 2005 all Montenegrin by-laws had also been passed, making the new State the first WB country to finalize the legal setting for OA. This setting also includes well Monteorganica, the national certification body. It is owned and financed by the MAFWM and offers free inspection and certification services according to the Montenegrin law on organic production.

In 2005, a significant reform was undertaken in the MAFWM in Belgrade. A department for agriculture and RD was created, which included a division for OA. One of the tasks of the division was the creation of a new law. A drafting group, gathering different organic stakeholders and representatives of several Serbian ministries, was formed to draft a law that was passed in 2006 (official gazette 62/2006). The main concern of the organic movement is that the process of accreditation of local certification bodies which *"takes too long"*[22] and is, in fact, still pending as the national accreditation body is not yet established.

Although they could have legally adopted the law enacted in 2000, both ministries decided to change it. Actually, the 2000 regulation was reviewed in

[21] BiH is divided into two political and administrative entities F-BiH and RS with large executive power.
[22] SRB-Organic movement-1

order to be harmonized with the EU regulation. Furthermore, in SRB the law takes into consideration the new EU regulation (to be adopted in 2009) and by-laws are being drafted within this perspective. The Yugoslavian parliament's 2000 law was dropped and forgotten.

In 2001, the Croatian regulation was passed (official gazette 12/01) followed by several by-laws in the period from the adoption of the regulation up to 2007, so that all by-laws have now been adopted and are harmonized with the EU legislation.

In 2004 all of AL, MK, RS adopted a law on organic production (respectively, official gazette 20/2004, 16/2004 and RS65/04). In MK and RS the adoption of by-laws is still required in order to implement the regulation. Regulations have been drafted according to the EU regulation; in the Albanian case, although the OAA was its main promoter, it opposed its approval. The association did not agree to the embrace of EU standards without adapting them to the specific conditions of Albanian farmers (Kullaj, 2007). Nevertheless the law was passed as the arguments and the political will in favor of the harmonization were stronger.

However the adoption of the law in AL did not result in significant change in the sector. Farmers are still certified and inspected by Albinspekt and by foreign certification bodies according to the EU regulation.

In fact the adoption of the legislation and the development of the sector are two processes which are developing independently. Nevertheless, they do affect each other, such as in the case of the development of a local market in HV, or of an institutionalized development as in MNE.

In HV, the legislation had, on the one hand, a direct legal consequence as it forced the movement's regulatory component to split into two different entities: an inspection body and a certification body[23]. On the other hand, it had an impact on the market by the introduction of the national logo. As far as a local national market exists, regulation implementation becomes important. In HV, where the market exists even if on a very small scale, the "EKO" logo and therefore the regulation are used by 48% of the producers (source: BIO84, see Table 6). The use of a logo is considered by OA associations in WB as having a positive effect on the development of the sector, particularly on the recognition of the organic products by consumers.

In MNE the development of the sector is pushed by the State through support policies. Moreover, OA is not seen as a traditional export opportunity but as a system of production that will offer products for invisible export development[24] and therefore the ministry is pushing for the development of a local market. The inspections are free of charge and carried out by the national certification body. When Monteorganica was established all producers undertaking a conversion period entered into the official inspection

[23] See chapter 4, part A,section 3.
[24] See chapter, part B, subsection 4.2.

scheme. Thus the implementation of the legal scheme helped speed up development of the sector. By the end of 2007, the first products carrying the organic Montenegrin logo will be available on the local market. As a result of the MNE legal setting for OA, which was developed when not a single farmer was producing organically, it is not only used, but is at the center of a general public development policy.

In AL, MK and BiH, certification bodies affirm they do not use the national regulation. They will do so "*when a local market will be developed*"[25].

In fact the view and the objectives of the State and the organic movement are quite different regarding the regulation. The State needs to develop it in order to meet the requirements of the *aquis communautaire,* as OA is included in the chapter on agriculture (chapter 7) and pre-accession countries need to fulfill this in order to accede to EU membership. In comparison, the organic movement sees it as a step required to develop further support policies and institutional changes.

2.2. Ministerial changes

The laws regulating OA were adopted between 2002 and 2006. Except for HV (2002) and SRB (2006), all other countries' regulations have been adopted in 2004. During that period WBC benefited from CARDS funds. These funds are one of the instruments of the SAP, which is the policy framework established by the EU in order to assist WBC through the process to their eventual accession.

CARDS[26] program includes five sectors of cooperation, one of which is related to administrative capacity building. In that framework assistance has been given in order to draft new legislation and to reform public institutions. It is hard to say if those funds have been directly used to finance reforms and institutional changes related to OA. However, they did create an overall reform dynamic in all WB governmental institutions. Furthermore, reforms and institutional changes are pre-requisites in order to acquire candidate status and then to have access to the Instrument for Pre-Accession for Rural Development (IPARD) funds. Currently, only HV[27] has access to IPARD funds and a proposal is being drafted. MK, which now has candidate status, will have access to it from 2008. It is in that reform dynamic that institutional changes occurred.

The ministries in all countries studied have created a department for RD. It is under the section for RD that organic units were created in HV, SRB and MNE in 2005. In F-BiH and RS there is no specific unit, as yet; it is the department in charge of RD which is responsible for issues related to OA. In

[25] MK-Organic movement-1, similar statements were made in AL and BiH.
[26] Today the CARDS program has been replaced by the Instrument for Pre-Accession (IPA) program, which will keep financing institutional reform and administrative capacity building for potential candidate countries (AL, BiH, MNE, SRB).
[27] Before the implementation of the Instruments for Pre-Accession funds, HV also had access to the Special Accession Program for Rural Development (SAPARD) funds.

MK the unit in charge of OA is independent of the RD department; it is link to the agriculture department[28].

Finally, in AL no specific unit yet exists. In 2005, the government created a "State Commission on Organic Production". It has four main tasks and responsibilities: (i) the recognition of certification bodies; (ii) the supervision of bio-products of the import/export's procedures; (iii) the supervision of the whole production sector; and (iv) the elaboration of relevant measures to be taken. Its mandate is similar to that of the ministerial organic units present in other WBC.

In contrast with the adoptation of the regulations, the institutional changes at the administrative level had an important impact on the development of the sector.

2.3. Changes in the national extension services

In HV, the National Extension Agency (NEA) national extension agency has undertaken a reform. This consists of the reorganization of all its structures, and the creation of 9 different departments, one of which is dedicated to RD and another to OA, the later is composed of 12 organic advisors. A ministerial decision has been taken to employ at least one advisor, and establish one demonstration farm, per county (the total number of counties is 21). This decision has not been implemented yet, due to the lack of human and financial resources.

In MK, the does not have a specific department for organic farming. However, it carried out training on organic production methods in 2006, and participated in BIOSAN trainings of advisors. The NEA is also involved in the NAP process.

It is the first contact of organic producers, or producers wishing to convert, as it provides help to farmers preparing their applications, in order to have access to the policy support scheme. NEA's advisors manage the organic ministerial registry at the local level, and serve as mediators between the MAFWE and the farmers. They "*deal with the paper work, and send it to the ministry"*[29]*.*

The NEA is also the first contact of the farmer wishing to convert and the organic producers associations, as by law a farmer has to be member of an association, *"if there is no association in his city, the farmer is guided toward the nearest one"*[27]*.* In addition to its official tasks, the agency is to be involved

[28] This had a direct influence on the drafting of the Macedonian Rural Development Plan. The document is being finalized and includes three types of measures: (i) farm investment; (ii) processing; and (iii) farm diversification. It is nor including neither mentioning OA. Subsection 3.2.4 of this chapter part, describes that OA is mentioned in the Macedonian Agricultural Strategy, and this was used as a starting point in order to start the NAP drafting process.

[29] MK-State Insititution-1.

in design of local action in order to promote OA, even though it is based on individual initiatives.

Apart from the structural changes in HV and the involvement in MK, other countries have not witnessed any important evolutions in public extension services.
In SRB, the agency is still looking for a *"specific task to do for OA"*[30]. In F-BiH the Institute of Agriculture in Sarajevo employs one advisor for OA. In AL, the advisors trained in the framework of cooperation projects contribute to the training of other agriculture advisors using a training of trainers approach. In MNE, the lack of extension services is one of the main problems mentioned by producers.

3. Political recognition and related policies for organic agriculture

3.1. Agricultural strategies: the competitiveness and sustainability dilemma

Agriculture in WBC has to handle a double challenge. On the one hand, it has to undergo a transitional period from State planned to free market agriculture. This involves important efforts in terms of increasing competitiveness, adopting new technologies and re-structuring the agricultural sector. Furthermore, this transitional period came in a context where WBC had to cope with war devastation and social changes in rural area, including refugee and displaced persons issues. On the other hand, it has to fulfill the *aquis communautaire* related to agriculture, like OA and agri-environmental measures.

In other words, policy makers have to create a hybrid policy, where some measures are designed in order to increase production and others in order to regulate surplus of production and to decrease the environmental impact of agriculture. It has to adopt the initial objectives of the CAP as defined in the Rome treaty of 1957, and at the same time adopt the reform expressed in the Amsterdam treaty of 1999, without either experiencing the process of development that agriculture in Western Europe went through between these years[31], or having a surplus of agriculture production.

This hybrid policy is resulting in a dilemma between competitiveness and sustainability. In that context OA, as well as agro-tourism oriented agriculture, can find a place as it is recognized as accommodating both poles of the dilemma. However, it is not a simple question of political will but also a question of the situation and the needs of the agricultural sector. In fact the place given to OA in the agricultural and RD policies will depend on the each country's policymaker position in relation to the trade-off between competitiveness and sustainability.

[30] SRB-State Insititution-1.
[31] See chapter 2, sections 2.3 and 2.6 in relation with Rome (1957) and Amsterdam (1999) Treaties.

3.2. Place of organic agriculture in the agricultural and rural development strategies

3.2.1. Background

Using the rational approach developed by Dabbert *et al.* (2004), assuming that "that policy objectives and instruments are closely linked", allows understanding of support policies for OA. If OA can help in meeting the national objectives it will be used as a tool, if not, the tool and the objectives will be dissociated: OA will appear in the texts as a requirement for the *aquis communautaire* but will not obtain the public support and backing to be effectively widespread.

3.2.2. Montenegro and Albania: strategic choices

In MNE, the agricultural and RD policies are being harmonized with the EU model, focusing on the environmental pillar of the CAP. The need to increase the competitiveness of agriculture *"*in view of the forthcoming integration process, membership of the World Trade Organization and accession to EU" is mentioned in Food Production and Rural Development Strategy (Republic of MNE, 2007). Nevertheless the way MNE responded to the challenge is to closely focus its strategy on sustainability and ecological management. This choice was essentially pushed by the country's agricultural situation as agricultural land covers 38% of the total area, with a total of 518, 067 ha, from which 87% are permanent pastures and grassland (Republic of MNE, 2007). Therefore the only way for the agriculture to be competitive is to opt for a development based on multi-functionality. MNE is the first State in the world to include the protection of the environment in its Constitution and where *"tourism and agriculture are the strategic sectors, and policy makers do not want to go for intensification"* [32]. Within this perspective, OA is finding a good ground for public policy support.

In contrast, the actual Albanian agricultural budget does not allow a place for support to OA. This is despite the views of certain agriculture policy specialists, such as Kullaj (2007), who advise a strategy similar to the Montenegrin in both policies and market development strategy towards OA.

In fact, the situation of the agricultural sector in the two countries is quite different. The average land per capita in MNE is 0.84ha, in AL it is 0.2 hectares per capita, the smallest in Europe, furthermore in AL 54% of the farms areas are less that one hectare, and 89.6% are less than 2 hectares (Republic of MNE, 2007; Tarelli and Dano, 2007). Those indicators show that there is an urgent need for intensification of the agricultural production in AL. Even though arguments could be made in favor of OA as a tool to increase production in a situation where most of the farms are still producing in a very traditional way, policy makers have chosen to go for intensification through conventional means.

[32] MNE-State Insititution-1.

As a result, the key elements of the agricultural strategy prepared in the framework of the National Strategy for Socio-economic Development (Republic of AL, 2003) include: (i) agricultural land administration; (ii) land irrigation and drainage; (iii) mechanization, (iv) increase of crop and livestock production; and (v) access to credit. Although sustainable management of natural resources, forestry and pastures is also mentioned, the priority is clearly given to the maximization of production.

Therefore in the case of AL, OA does not fit with the policy priorities and is not supported from the national budget. Nonetheless a document towards a NAP elaborated in the framework of PAB project (funded by the Community Initiative Interreg IIIa Italy-AL 2000-2006 and implemented by IAMB) (Pugliese *et al.* 2006). The document does not included concrete measures in support to OA, because of the lack of funds. Nowadays, Albanian policy makers are in the process of drafting a RD strategy which will be funded by IPARD and includes OA.

The NAP document and the drafting of the RD strategy might lead to a new dynamic regarding OA in AL. However, up to now OA is not a priority and the difference in the strategic choice translates into the support policies given to OA. AL and MNE can be seen as two extreme examples: in AL no financial support is implemented, whereas the development of OA in MNE is State-promoted, not to say State-created.

In MNE, since 2002, funds have been earmarked for OA in the agro-budget. The first intervention of the MAFWM was in collaboration with the United Nations Development Program (UNDP). It focused on awareness rising of consumers and producers. The MAFWM also supported a pilot project in Moraca. However the project failed due to unsatisfactory advisory, inspection and certification services. *"This is the reason why national experts got involved in producing national standards for OA"*[33].

There is no direct payment per hectare or per unit of production given to organic producers. The measures of support to OA are within the framework of the agro-budget under the RD measures / program for the development of OA. The program has three budget lines.

The first is on the "strengthening capacities for development of OA, education and marketing activities", present since 2002, and mainly related to awareness raising activities.

The second is in "support to producers in gaining certificates for the exporting products". The WAFWM pays 50% of the cost of certification by a foreign inspection body when the production aims at being exported. For products to be certified according to the Montenegrin law, the services of Monteorganica (the State funded certification body) are free of charge.

[33] MNE-State Insititution-1.

The third is related to "support to producers in adjusting technologies to demands of OA production". It is a project based payment that goes up to 3000 € / year / project. This support is given to producers or/and to producers associations regardless of whether they are in conversion or already certified. A direct payment scheme is envisaged for 2009, *"after EU pre-accession period"* [27]. The WAFWM also supports the single organic association "Poxivodjna Zdreve Hrane" financially.

3.2.3. Croatia and Serbia: structural problems

In HV and SRB, the main problem faced by agriculture is the farm structure resulting from the former socialist agrarian reforms and land nationalization. This problem is common to all WBC, but it constitutes the base for designing agricultural policies in HV and SRB. Farms are divided into three types, as described in (Table 13).

Table 13: Farms structure distribution in HV and SRB

Farm types	**HV**		**SRB**	
	% of agricultural land	Average size in ha	% of agricultural land	Average size in ha
Agricultural companies (1)	20%	160	15 %	1,600
Agricultural households or subsistence farms (2)	16.8%	1.9	N/A	N/A
Commercial family farms (3)	63.2 %	5.1	N/A	10.6

(1) Large farming companies, that derived from previously stated own agrokombinats or cooperatives. In HV some of those farms are still State owned but the majorities are now working as private companies. In SRB 75% of those companies are still State owned and in process of privatization.
(2) Small agricultural households are mostly subsistence farm that only market a small proportion of their production.
(3) Relatively bigger size farms that are market and profit oriented but family owned.
(Sources: BIO84 see Table 6, Acimovic *et al.* 2007)

The Croatian strategy pursues two main objectives: boosting competitiveness, and harmonization with EU regulations (Zanoli and Jukic, 2005). HV developed an agriculture policy which indirectly differentiates between commercial farms and agricultural households. Agriculture benefits from State financial support laid down in the law on agriculture (Official Gazette 87/02). It is also supported through EU funds within the Special Accession Program for Rural Development (SAPARD) program. From 2008, HV will have access to EU IPARD funds.

The State financial support is divided into two pillars: the direct payment scheme and the structural policies scheme. Commercial family farms are in the area direct payment scheme, whereas agricultural households are in the structural policy scheme, under RD financial support measures on a project basis. However, commercial farms can also use the financial support present in the structural policy measures. This separation is not explicit, but the eligibility conditions set for direct payments clearly give advantage to

commercial farms because of the minimum volume of production required. OA is under the direct payment scheme, therefore considered as a competitive sector (but organic farms do not require a minimum volume of production to be eligible for subsidies).

There is no real differentiation between organic farmers and conventional farmers, OA is considered as just another form of production (as animal husbandry, arable farming, fishery, plantations, and game birds, which are the other forms of agricultural production that benefit from the direct payment support). In theory OA has higher subsidies payment and a minimum volume of production is not required. "*Actually it comes out that the organic producers get less incentive than the conventional producers, in counties that are not returning the cost of certification"*[34]*.* The other issue raised by organic producers is related to the overall payment framework.

Besides the administrative problems where procedures *"are not transparent and producers do not know how much they will get"*[35]*,* receiving *"fragmented"*[34] subsidies*,* the main issue to be addressed by the organic producers' association is the budget linkage with conventional subsidies. When "*the budget is cut, the first ones to suffer are organic producers "that do not receive any more the theoretical 30% additional payment"* [36]*.* This issue was the main issue of conflict between the organic stakeholders and the represent at the ministry during the field work. The workshop organized in Zagreb (Fig. 17) was the first formal meeting between the organic associations and of the sector and the ministry (refer to Table 8).

Figure 17: Picture of HV workshop

[34] HV-Organic movement-1.
[35] HV-Organic movement-1.
[36] HV-State Insititution-1.

A strategy for OA was also prepared by the MAFWM, setting as a goal a 10% organically managed agricultural land by 2010. This document was never followed up or adopted; it stayed as a draft. Actually, when the Croatian government decided to support OA in the direct payment scheme together with conventional production, it indirectly stated that it is not a priority.

Therefore it seems that OA is included in the second part of the Croatian strategy as described by Zanoli and Jukic, 2005, "Harmonization with the EU regulation". OA does not receive support through EU funds, the official reason given is that OA is *"already supported"*[37], it is not eligible for anymore support in the framework of EU pre-accession funds[38], which are now directed towards agri-environmental measures *"where no priority to organic farmers is given"*[39].

In the SAPARD program HV opted for three measures: investment in agriculture holdings; processing and marketing; and rural infrastructure development. These measures are *"basically connected to aquis related standard in the implementation and raising competitiveness of the agriculture producers and farmers"*[39]. Within IPARD program HV has opted for agri-environmental measures. *"It was not the case in SAPARD, but now the European Commission asks us to implement these measures in our plan, and they will be implemented as pilot actions"* [39].

In SBR, the policy objectives are similar to the Croatian: increasing competitiveness; and reducing production cost. SRB is using two different approaches towards both competitive commercial farms and agricultural households, where the first receive direct payment per hectare while the second receive support in the framework of RD and structural measures, the same as in HV, and in line with the CAP and the EU Rural Development Plan.

According to a high ranked Serbian official[40], agriculture households then have three choices: expand the production through investment and land procurement (including newly privatized land); diversification of the activities by introduction of on-farm non agricultural activities (like eco-tourism); or simply cease activity. In contrast with HV, and in addition to direct payments, OA is also receiving subsidies on a project basis under the RD measures adopted in 2006. It is important to note that this scheme of support is not limited to organic producers but also includes other diversification projects. Nonetheless, OA is not dissociated from the general policy objectives, as it serves as a tool for RD, and a means to diversified activities.

[37] HV-Organic movement-2 (involved in policy making).
[38] It will be described in sub-section 3.2.4., how regardless of the fact that OA is already supported in the national budget, MK is planning to support it through IPARD funds as well.
[39] HV-State Insititution-2.
[40] SRB-State Insititution-2.

However, this approach is under discussion, and actually policymakers would like "*to switch from a project base support to direct payment by area"*[41], following HV and the CAP's 2003 reform which introduced direct payments and price support for OA. In that context, OA is accepted if it is competitive. Organic producers have to "*seize market opportunity"*[40] and *"not consider themselves as different"*[40], by investing in crops that are already uncompetitive in the conventional market. *"Organic cannot justify the existence of some crops since added value and viability/competitiveness are not automatically linked"*[40].

Actually, the problem of competitiveness and choice of crops is emerging due to the absence of a local market for organic products in SBR. If the CAP policy in correcting markets failures is working and applicable in the EU country context, where State intervention pays for positive externalities of OA: environment protection and reducing surplus of production. This policy is not applicable in WB context as organic products are primarily export products opportunity that the country "*farmers have to seize them before other countries' farmers do it".*[40] In that context those crops have to be competitive.

3.2.4. Macedonia: when organic is making its way through a ministerial unit's dynamic

The situation where OA is seen as an important tool in making agriculture a multifunctional activity has been described in the case of MNE. However, despite all the efforts and attention the Montenegrin government gave, the sector did not yet achieved a real expansion. This, as in the case of HV and SRB, shows once again that a single policy action (payment of any kind) can not lead to a real development, when the sector by itself is not strong enough. Hence, if governments want to support the organic sector, they have to associate their payment policies with a NAP (Fig.18).

OA is in its essence an alternative method of agricultural production. It is a direct challenge to the dominant production system. The mainstream conventional method of production is strongly in place. It has the required political and financial support. It has established and well known market channels. Universities have been training extension services since the "green revolution" in conventional production methods.

In order to develop OA, government has to produce a parallel policy offering OA all services and market support from which conventional agriculture already benefits. This policy basket (or action plan) has to be constituted of relevant measures in all domains related to the sector: (i) information; (ii) training and education; (iii) research and development; (iv) supply and production support; (v) processing; (vi) extension services; (vii) certification and inspection; (viii) market development; (ix) administrative and institutional capacity building, and (x) all other possible needs depending on each case specific conditions. The designing and implementation of those measures need a real and good stakeholder's consultation and monitoring.

Figure 18: text box - The importance of the implementation of a NAP

[41] SRB-State Insititution-3. High rank policy maker.

In MK, OA is associated to the general strategy aiming at raising agriculture's competitiveness. It is seen as an agricultural opportunity, potentially *"an internationally competitive sub-sector in Macedonian agriculture"* as viewed by the MAFWE. The ministerial vision can be summarized as follow: there is demand in the European market for fruit and vegetables; MK has an opportunity to reach this market, in addition to other niche markets. Supporting this sector will also allow the development of a local demand and finally led to an increase in farmers' income.

This approach is quite similar to the one some policy makers would like to implement in SRB, through the support of competitive organic production. Nevertheless, in MK, there is a clear will to give organic producers specific support, translated into a specific line of budget that differs from and is not mixed with other payments. Moreover, the adoption and the funding of a NAP are in progress.

The document being prepared is a strategy and a NAP for OA. "*The Agricultural strategy of MK stated that a separate OA strategy will be written and support will be given to it"*[42]. In a country in transition, it seems that all public institutions are working under pressure in order to finish all the necessary action for EU accession. It seems as well that *"hidden agenda"*[43] within the different public administrations exist. There is an institutional race, which administration will *"be ready first when the pre-accession fund will arrive"*[42]?

The OA unit at the MAFWE created good relations with FiBL[44], and with other donors present in MK. Starting from that point, the ministerial unit will play a central role in the development of the sector. It is its main driving force. The MAFWE dynamism was shown when it pushed to have the fourth General assembly of IFOAM Agro-bio-Mediterraneo, and the first conference on soil fertility in the Mediterranean agro-eco-system, held in Ohrid (South MK) in 2005.

In addition to the regulation work the ministerial unit was also able to obtain a budget for subsidies for organic producers in 2005. In 2006, due to "*an overestimation of the size of the sector resulting in a low uptake"*[45] the subsidies were cut. The OA unit at the MAWME convinced FiBL to support the farmers to not discourage the fragile leading group. FiBL supported the MK farmer; covering 45.6% of the total Macedonian farmers' certification fees at a total cost of 3,990€[46]. In 2007 subsidies for organic farmers were restored by the government. This withdrawal and re-implementation of measures for financial support of OA should be seen as an indicator of the inter-institution lobbying done by OA ministerial unit.

[42] MK-State Insititution-1.
[43] MK-International Organization-1.
[44] See chapter 4, part A, section 3, on FiBL influence in MK, but also AL and HV.
[45] MK-State Insititution-2.
[46] Source: BIO84 see Table 6, currency rate used: 1€=61.8MK Denar

The National Strategy and Action Plan for Organic Agriculture (Republic of MK, forthcoming) is the fruit of the cooperation between FiBL and the WAFWE, with the participation of the German cooperation agency (Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)). It is undergoing a process of drafting and stakeholder consultation (Fig. 19), and the document will be "*adopted by the parliament and not the government, to have a long term perspective*"[44] by the end of 2007. The time between the first workshop held in December 2006 in Ohrid and the final document's potential adoption is of one year.

Figure 19: Picture of the presentation of the Macedonian NAP draft

The document strategic goals are:

- Socio-economic development of the sector (increased added value, employment, reaching 2% of arable land under organic way of production by 2013).
- Increased competitiveness, stronger market orientation and more efficient income support.
- Improved food quality and safety, towards RD and environmental sustainability.

In order to achieve those goals, objectives are divided into 6 sections (production; processing and trade; market development (domestic and export); education; research; policy, legislation and inspection) and linked to specific proposed measures. (Republic of MK, forthcoming). Those measures will be funded by international donors, MK national budget and IPARD program that are supposed to start for MK in 2008. The OA ministerial unit should have finalized the document with clear measures, in time for when the IPARD funds will be available, and maybe before other public institutions.

3.2.5. Bosnia and Herzegovina: when politics start to matter

Political and related administrative problems are the major obstacle for the development of agriculture in BiH. According to Kieth (1999) land boundaries are arbitrary and confused, owing a little to geography and everything to the ethnic origins of the population and to war outcomes. The agricultural governing structures are complex, fragmented and not adapted to the needs of the sector (World Bank, 2004).

The other important problem is related to low land use, as little attention was given to agriculture there was almost the same amount of uncultivated arable land in 1990 compared to 1950. (Markovic, 2007). This is due to a mix of geographical (important mountainous area) and historic/political factors combining, and resulting in low productivity and competitiveness of the agricultural sector.

The first factor is related to the pre-1990 Yugoslavian State planning when BiH role was to provide industrial (heavy, military and raw) materials and energy, leading to important environmental degradation of agricultural land. The second is related to war loss, an almost totally destroyed infrastructure, more than two million landmines throughout the country, thousands of hecta of forest destroyed or cut, and large areas of high quality agricultural land and pastures polluted. Finally, land ownership and the slow process of privatization resulted in a structural problem, in a situation similar to HV and SRB (small average size and fragmentation of farms); even though contrasted by the absence of large agricultural companies and deepened by low land use.

In 2001, 50% of the arable land of F-BiH and 33% in RS were unused. The proportion of unused land is also related to the slow process of refugee return, and still ongoing lengthy process of cleaning landmine contaminated areas since the end of the war in 1995. The agriculture sector covers only 35 to 40% of needs; BiH is not self-sufficient in any major agricultural products. The reliance on imports has acted as a barrier for the development of the sector (Markovic, 2007).

Therefore, and taking in consideration all these factors, agricultural development has to be planned in a RD and land management perspective. Within this approach OA can find a place, and can play an important role. Conversely, implementations of RD and land management policies have been shown to be quite difficult.

Until now, agriculture is under the responsibilities of the entities (F-BiH and RS). There is no Ministry for Agriculture at the national level. The EU commission is pushing for its establishment. For that purpose the commission is funding the “Support to the Establishment of a State Ministry of Agriculture and Rural Development” (SESMARD) project.

SESMARD is also in charge of drafting a State law on agriculture and RD strategy, which included support for OA under the framework for RD. It is not yet adopted, as "*People opposed the law in the parliament and it was stopped"*[47].

This situation is common to WBC where, according to Noutcheva (2007), the perceived lack of legitimacy of certain EU demands opens political space for domestic actors to contest the positions taken by the EU. BiH politicians' response to SESMARD is similar to the response mechanism outlined by Noutcheva (2007), where countries give preference to internal sources of legitimacy and assert domestic reasons for fake compliance, partial compliance or non-compliance with the EU's conditions. These response mechanisms have been found in areas related to national sovereignty.

In point of fact, the SESMARD is likely to face a high political opposition. Peace in BiH was established with a fragile equilibrium. Although,the EU accession process is acting as an important stabilization factor, it is very difficult for the EU Commission to force policies or institutional changes that might disturb this equilibrium. One of the elements of the carefully balanced Dalton peace agreement was to give substantial legislative and executive decision power, including issues related to agriculture, to the entities' governments. Changing this situation needs more that an EU funded and supported project; when, at the national level, political will to unify agriculture policies does not exist, or is very weak.

In a situation where "*politics comes always prior to agriculture"*[48], the organic sector development is likely to be highly influenced by conflict over executive power distribution. This is resulting in different support policies towards OA.

In RS, priorities related to OA are set in the agricultural strategy of 2005 (RS, 2005) as follows: (i) focus on the building of an institutional setting and the creation of a local certification body; (ii) registration of farmers; (iii) creation of specialized extension services; (iv) inspection of seeds; (v) International and European cooperation; (vi) development of mid-term projects; and (vii) the designation of protected zones suitable for organic production. The RS law on agriculture incentives also includes measures in support of OA.

FiBH does not have yet a law or strategy on agriculture. The annual law/plan for agriculture includes support for OA within RD measures. These measures have been designed in cooperation with the organic movement and are project based. Both producers and associations are eligible for the payment.

The aim of the movement is to push the State to intervene in promoting the sector, mainly by developing laws, support programs and action plans at the national level. NGOs consider they *"finished their job in this area (…) by creating the roots. It is to the State to take its obligation and continue the*

[47] BiH-Organic movement-1.
[48] BiH-State Insititution-1.

development"[49]*. "Organic producers of the two entities are cooperating, which is not the case for conventional agriculture, they do not want the organic policy to be separated in term of entities"*[50]. Therefore relations between the organic NGO based sector and the public level can be described as being in the first stage of political conflict, as governments do not show the will to take common actions.

The position of the entities is different. The government in Sarajevo has good relations with the movement, and managers at the MAFWM were "*asked to be very careful when drafting anything on OA, to not default what has been already done by the NGO"*[51]. In Banja Luka the situation is quite different, as the movement is still seen as F-BiH based organizations "*cooperating with the producers of RS but not with the ministry"*[52]*.* In point of fact, there is no interaction between the organic movement at the associative level and the authorities in Banja Luka. This would explain the goal of the RS's agricultural strategy for OA, which basically at creating an organic movement.

4. State financial support to organic agriculture

This sub-section presents the different forms and the value of financial support given to OA, in WBC. As noted, financial support to OA is of three types: direct payment (per hectare or unit of output, payment on a project base, and covering of certification costs). In the countries of the study, only AL does not provide any kind of support.

Types of support by country are summarized in (Table 14)[53].

Direct payment details are described and compared (Figs 20 and 21).

[49] BiH-Organic movement-2
[50] BiH-State Institution-2
[51] BiH-State Institution-2
[52] BiH-State Institution-3
[53] Note that HV also gives subsidies for fishery and aquaculture organic products as follows: Oyster 0.14€/piece, juvenile fish 0.09€/piece, Freshwater fish group I 0.62€/kilo, group II 0.85€/kilo (Source BIO84, 2006 data, see Table 6), same currency rate as Fig 20) (HV organic regulation also include production rules for fishery, as well as for wine processing)

Table 14: Type of financial support per country

Type of support		HV	BiH		MK	MNE	SRB
			F-BiH	RS			
Direct payment	Per ha independent of the crop type		(a)	Yes (1)		(a)	
	Per ha depending on the crop type	Yes			Yes (1)		Yes
	For animal husbandry per head	Yes					Yes
Project base payment			Yes (3)			Yes (4)	Yes (5)
Covering of certification cost				Yes (6)	Yes (2)	Yes (7)	

(Source: BIO84, see Table 6)
(a) Envisaged for 2009
(1) In 2005 and 2007.
(2) In 2005 and 2007, 50% of certification cost paid to the farmers.
(3) Up to 2,500 €, starting in 2008, also available for NGOs.
(4) Up to 3,000 €, starting 2005
(5) Up to 25, 000 €, in the RD measures budget, OA project and project related to rebuilding infrastructure are in the same budget line, it is unlikely that and organic producer could get the maximum level of payment.
(6) 30% of certification cost in 2005, 70% in 2006, stopped in 2007.
(7) Free of charge if certified by the national certification body. Payment covering 50% of the certification cost of foreign certification body.

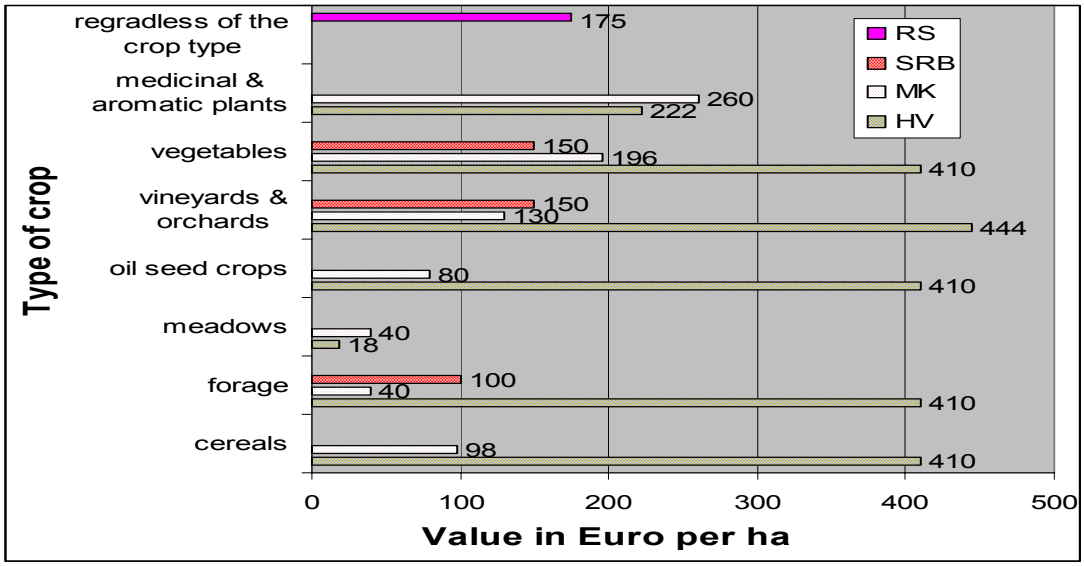


Figure 20: Direct payment values per ha in RS, SRB, MK, HV
Source: BIO84, see Table 6
Data in € for MK and RS. For HV and SRB the following currency rates were used.
1 kuna (HV)= 0.136 € ; 100 SRB dinar = 1.256 € . Rounding made at the unit

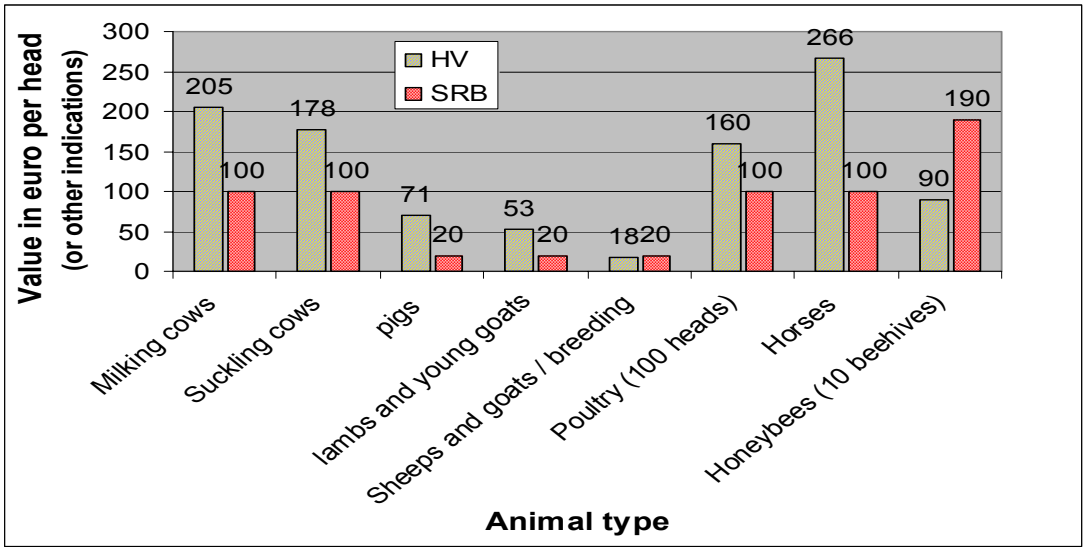


Figure 21: Direct payment per head of animal in HV and SRB.
Source: BIO84, see Table 6)
Same currency rates as for Fig.20

5. Decentralized support to organic agriculture

5.1. Institutionalized decentralized support

OA in F-BiH, HV, MK and SRB also receives support from public institutions at the local level. Decentralization in WB is pushed by the EU accession process. National governments are progressively delegating responsibilities to the cantons/or municipalities. Most of the time those responsibilities include issues related to environmental and local development. OA decentralized support (or potential support) is of two kinds, and follows two different mechanisms.

In MK and SBR OA could receive a potential support through eiher Local Environmental Action Plans (LEAP) and/or Strategic Plans for Local Economic Development (SPLED). The conditional and the adjective "potential" are used because these plans still lack funds and therefore are not yet implemented. Furthermore, the support also depends on the institutions' (municipalities) management of the funds, and if they will actually provide sufficient funds to OA.

In MK, the municipality of Stip (North-West MK) has developed a LEAP, in 2004; as well as a SPLED 2005 together with the municipality of Karbinci within the framework of a UNDP funded project. (Municipality of Stip (MK), 2004; Municipality of Stip (MK) and Municipality of Karbinci (MK), 2005)

Both plans are developed in the framework of the national law on Local Self-Governance (Official Gazette Republic of MK 5/2002) that declares the "protection of the environment and nature" as one of the competences of municipalities. This law comes within the overall administrative reform promoted by the EU accession process, as decentralized administration is one of the elements of the *aquis communautaire.*

The SPLED sets OA as one of its priority goals; listed under the "promotion of export of agro-industrial products". OA, as an export opportunity, is one of the major ways in which it is perceived in MK, by both producers' associations and public authorities. This trend is explained by the shortage of foreign currency in the Macedonian economy. Nevertheless, the political will to support OA expressed at the local level in the SPLED could be of a great help in developing the sector, if the experience is reproduced in other MK municipalities. Moreover, support to OA linked to ecological issues is also embedded in the LEAP; through "education of agricultural producers on using bio-technologies, reducing the use of chemicals and taking measures for protection of the soil". In addition there is the establishment of green zones, areas in which the use of chemical pesticides and fertilizers will be forbidden, as well as other measures aimed at the protection of the environment.

Both programs were drafted with the participation of the local office of the national extension agency, and embedded opportunities for the support of OA. The local perception of OA is here linked to income increase of farmer through export of the production and to environmental protection. The office of the national extension service in Stip is very active in support of OA. It has set *"the creation of green zones, which could be then used as protected pastures where organic animal husbandry production could be carried out"*[54] as one of its priorities. It will soon publish a standards book (independent from BIO84 project) on OA crop production.

The link between OA and green zones or protected areas is a development perspective present in all WBC. The will to create this link is facilitated by two factors. The first is the importance of the wild collection products that provide a good export opportunity. The second is a synergy of three elements: (i) a large surface classified as protected area from the Yugoslavian period; (ii) EU pressure for environmental protection measures; and finally (iii) national governments are aware that their relatively well-preserved environment is a source of economic advantage. However, when this link exists in strategic documents there are no operational mechanisms or funding.

In SRB, municipalities have also designed LEAPs (Valjevo, Zrenjanin in 2003 and others followed) that could be a good base for support to OA. Nevertheless this approach is being institutionalized and even though stakeholders are participating in the drafting of the documents it is still for the municipalities to set their priorities. In MK, OA support in these plans has been pushed by the national extension agency. In SRB, the OA movement is confronted by municipalities *"that do not seem to be interested"*[55].

[54] MK-State Institution-1
[55] SRB-Organic movement-1

5.2. Decentralized support pushed by the organic movement's lobbying

The situation in F-BiH and HV is that decentralized support takes the form of direct financial support (payment per hectares or covering of certification costs). This support, in most cases, has been obtained through interaction between the OA movement and the cantons.

In F-BiH the associations have succeeded in gaining support from some cantons, (Sarajevo and Central Bosnia) in contributing to certification costs. The movement perception is that it *"gained"* because of the *"good image"* it acquired through its "*promotional activities all around local communities"*[56].

In HV, the movement has a local dimension. The following figure (Fig 22) shows the local direct payment support to OA in the different Croatian cantons, as well as the number of producers and the organic surface per county. In addition to the direct payment support, most cantons also cover certification costs, at 100% for the majority and between 50 to 80% for others, and only a few cantons do not support OA at all. The map (Fig. 18) also helps to identify the Croatian administrative division. From those data we can distinguish three local components in the Croatian organic movement:

The first component (in white, Fig 23), situated in both Rijeka and Istra cantons, is where most of the land under organic management is present. This is the organic bee-keeping area. The production of organic honey needs large areas, free of any pollution contamination sources. Depending on the location certification bodies can ask for a greater than 3km of diameter around the beehives in order to certify the operator. In those cantons no support to production is given.

The second component (in blue, Fig. 23) is situated in Osijek and Baranja cantons. It has a larger number of producers, with a relative important land area under organic management; the largest if bee-keeping is not taken in consideration. It is the component of the organic movement which is pushed by the BIOPA association and the FIBL supported structure that is located in Osijek. It also influences the neighboring cantons.

The final component is situated in the area of Zagreb, (canton of Zagreb, City of Zagreb and canton of Sisak-Moslavina, in orange in Fig. 23). It is in this area that Biodynamic association Živa Zemlja is active, as well as the first pioneer members of COFA. The biodynamic association has good relations with the local authorities, which also provide marketing support. The development is built through fairs and conventional local markets in this area, principally in Zagreb City. The Croatian capital is young and experiencing an economic boom, and demand for organic food is growing in parallel. This situation is quite similar to that in which the Slovenian organic sector developed around Ljubljana and its open farmers market.

[56] BiH-Organic movement-1

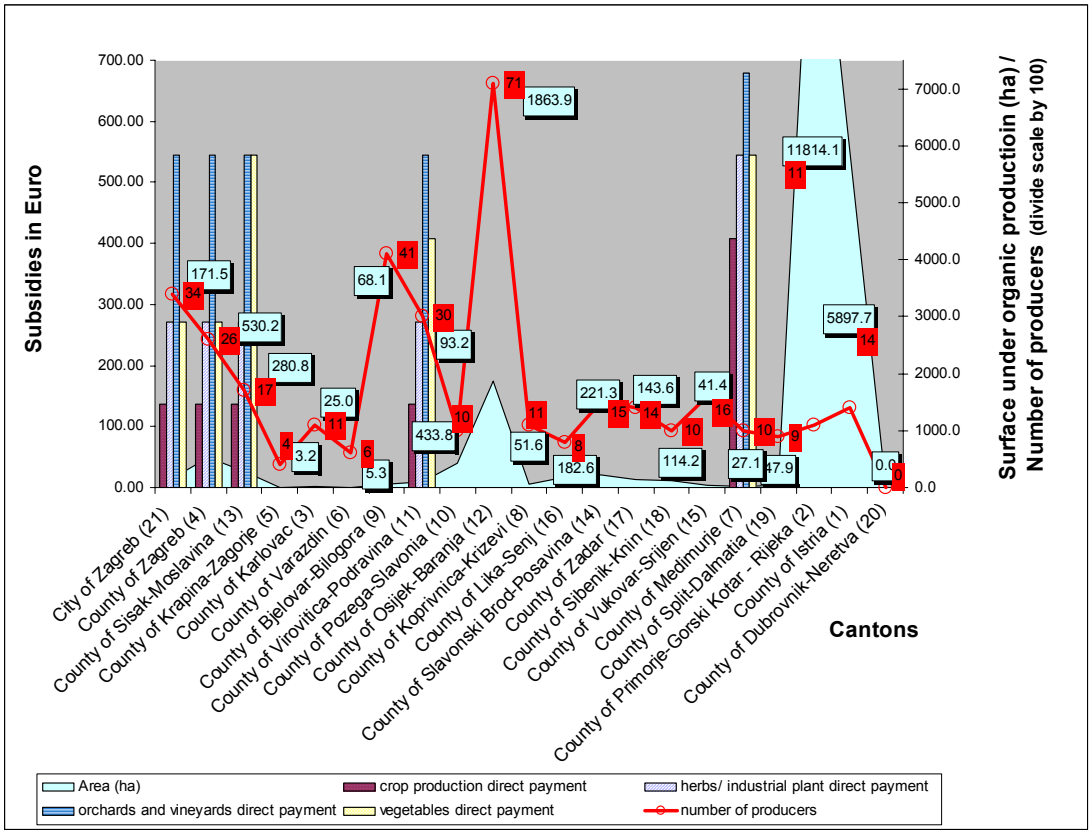


Figure 22: Croatian cantons direct payment support and producers and organic land distribution per cantons

Source: BIO84, see Table 6 Currency rate similar to Fig. 20

The figure shows in light blue rectangles the organic area per county (ha), in red rectangles the number of organic farmers per county (link by the red line). The subsidies levels per crop per county are shown by the histogram bars.

Regions of Croatia

1. Istria County
2. Rijeka County
3. Karlovac County
4. Zagreb County
5. Krapina and Zagorje County
6. Varazdin County
7. Medjimurje County
8. Koprivnica and Krizevci County
9. Bjelovar and Bilogora County
10. Pozega and Slavonia County
11. Virovitica and Podravina County
12. Osijek and Baranja County
13. Sisak and Moslavina County
14. Slavonski Brod and Posavina County
15. Vukovar and Srijem County
16. Lika and Senj County
17. Zadar County
18. Sibenik and Knin County
19. Split and Dalmatia County
20. Dubrovnik and Neretva County
21. The City of Zagreb

Figure 23: Croatian administrative map, showing the three components of the OA movement in HV

6. Elements of answer to the research questions

The study of the States' institutions and policies in relation to OA allows conclusions to be drawn on the accomplishment or the non accomplishment of the second (the political recognition of organic farming through recognizing organic standards) and the third (the introduction of financial support to organic farmers) steps of Michelsen *et al.*'s (2001) path.

Here also, a series of qualitative indicators were extracted from the findings in order to assess if theses steps have been accomplished. Those indicators are presented in the comparative table below (Table 15).

Table 15: Comparative table on qualitative indicators related to States institutions and policies in WBC

Qualitative indicators	AL	BiH		HV	MK	MNE	SRB
		FBiH	RS				
Enactment of an organic legislation	√		√	√	√	√	√
Creation of a ministerial unit for OA	√ (i)			√	√	√	√
Changes in public extension services				√	p		
Political will regarding OA	-	+	-	-	++	+++	-
Place of OA in agricultural strategy	-	+	+	-	++	+++	+
Direct payment per ha			√	√	√		√
Project payment						√	√
Direct payment to be implemented		√				√	
Project payment to be implemented		√					
Payment for certification			√		√	√	
Payment support to the associations		√		√ -		√	
Payment for off farm activities						√	
Decentralized payment		√		√			
Potential decentralized support					√	√	

Legend: √: present, p: partially present, (blank): absent
(+++) high; (++) medium; (+) low; (-) weak; (!): conflict
(i) Creation of a similar official committee.

The following table (Table 16) shows interim conclusions on the step accomplishment.

Table 16: Build-up table on the accomplishment of Michelsen *et al.*'s (2001) steps - B

Michelsen *et al.*'s (2001) steps	AL	BiH	HV	MK	MNE	SRB
Step 1: - Organic movement	√	√	√	√	i	√
Step 2: Political recognition -	√	p	√	√	√	√
Step 3: Financial support -		√	√	√	√	√
Step 4: Non competitive interaction -						

Legend: √: accomplished, p: partially accomplished, i: initiating accomplishment (blank): absent

Part C: Supply chain analysis

1. Introduction

The concept of the supply chain emerged to understand the various stages of production from supply of inputs through to transport, processing, distribution and marketing. Moreover, it can be extended to also include to the laws, trade regulations (including EU regulation, World Trade Organization or other bilateral and multilateral trade agreements), policies, know-how, research, consumer awareness etc. Those elements are considered to be the lubricant of the supply chain. Together with transport, infrastructure and logistics they allow the production, processing, and marketing elements of the chain to work in coordination between each other in an environment of trust. In previous sections, elements related to the policy and to the legislation scheme for OA have been described and analyzed. This chapter aims at describing, analyzing and comparing the different organic supply chains in WB. This will allow gathering elements to conclude on the fifth step of Michelsen *et al.*'s (2001) path.

For this purpose, the supply chain will be simplified to two principal elements: the production and the marketing side.

2. The production side

2.1. The land

Land registration and land ownership is still an important issue in WB, and has already been discussed in term of its effect on agricultural and rural development strategies[57].

In practice, it has also a direct impact on the organic producers. A farmer in an WB country can be in a situation where: (i) he/she owns half of his/her farm legally; (ii) he/she owns another part that is not registered; and (iii) a third part is rented or put at his disposition by the State. Moreover, this farm is likely to be fragmented in several parcels as a result of land nationalization and further privatization, together with family heritage mechanisms. Furthermore, land ownership has not necessarily been registered in the past, as there was a maximum area that individuals could own, so registering a transaction could have resulted in land confiscation. Even if the size was under the limit allowed, there were registration fees and processes to go through with no practical benefit at the end.

If this situation is already hard to manage in conventional agriculture, problems are deepened with OA , for two main reasons: (i) farmers that do not own the land are discouraged from investing in its organic management which need a long term perspective; and (ii) it acts as a barrier for the increase of organic production (as well as the conventional). This issue is particularly present in animal husbandry production. Many producers wishing

[57] See Chapter 4, part B, sub-section 3.2.3 on HV and SRB, and sub-section 3.2.5 on BiH

to expand their production are waiting for permission from public authorities in order to have access to additional land and pastures (in RS and MNE). In MK local authorities are also looking into the creation of “public pastures”.

There is a political will in all WBC to make a better use of the land, in order to enlarge the production base.

2.2. The inputs

The low availability of organic inputs is a common problem in all WBC. It arises primarily because of the absence organic seeds and seedlings, bio-pesticides and commercial bio-fertilizers production. Therefore those products have to be imported, which makes them more expensive. Moreover most of the laws regulating import of seeds, seedlings and pesticides do not list some organic seeds and bio-pesticides as allowed products to be imported.

However the impact of the low availability of inputs differs according to the country and to stage of development of the sector. In MNE, the producer association reported its members wishing to start organic honey production were unable to do so as organic wax material is not available at affordable price for them, whereas in HV organic honey is a leading organic product.

The organic animal husbandry sector is also experiencing problems of inputs linked to the EU regulation. The derogation (EC 2277/2003) on animal feed has now ended (24 august 2005), so that conventional feeds are no longer allowed, and producers in WB are experiencing difficulties in finding organic winter feed, because of its low availability and consequently of its high cost.

2.3. The production

2.3.1. Preface

The data presented have been collected by IAMB in the framework of BIO84 project. In each country the available data and sources differ. As well, each ministerial unit in charge of OA, when it exists, collects information in a different way. Added to this, the EUROSTAT form which was used for data collection do not fit organic production well (overlapping of different kinds of production on the same area, mixed farming, intercropping, ect…). Information on OA in WBC is available and can be accessed, but official data collection, verification and dissemination are not effectively organized yet. Accreditation and supervision of certification bodies, on which public institutions rely for data collection, is also not yet effectively in place.

All this creates a situation where information can be incompatible and inconsistent. Efforts in the framework of MOAN, led by IAMB, have been made in order to unify data collection for organic production in the Mediterranean area, including WBC. The first MOAN survey outputs are presented by Al-Bitar in Miller and Yussefi (eds), 2007.

The data presented in this section are selected from the BIO84 and IAMB data base, in order to present only clear data verified by the BIO84 IAMB team, and/or through the interviews and focus groups carried during the research.

The inconsistency of data related to OA is common in the literature. Censkowsky and Helberg (2007) stated that over half a million hectares of wild collection land is certified organic in MK. This number is unlikely to be possible as it represents around 25% of the overall country surface. To avoid this type of incoherence, data have been carefully selected.

2.3.2. General statistical data

All data presented include both in conversion and certified organic land.
(Table 17) shows the number of organic operators in WBC.

Table 17: Number of organic operators per countries. (Source: BIO84, see Table 6)

	AL	BiH	HV	MK	MNE	SRB
Number of organic operators	95	49 (a)	369	102	22	>100(b)

(a) In BiH this number include 7 group certification schemes gathering 245 producers mainly berries production).
(b) Estimate.

Below, the distribution of organic land for crop and animal husbandry production (with the exception of bee keeping) in WB is shown (Fig 24).

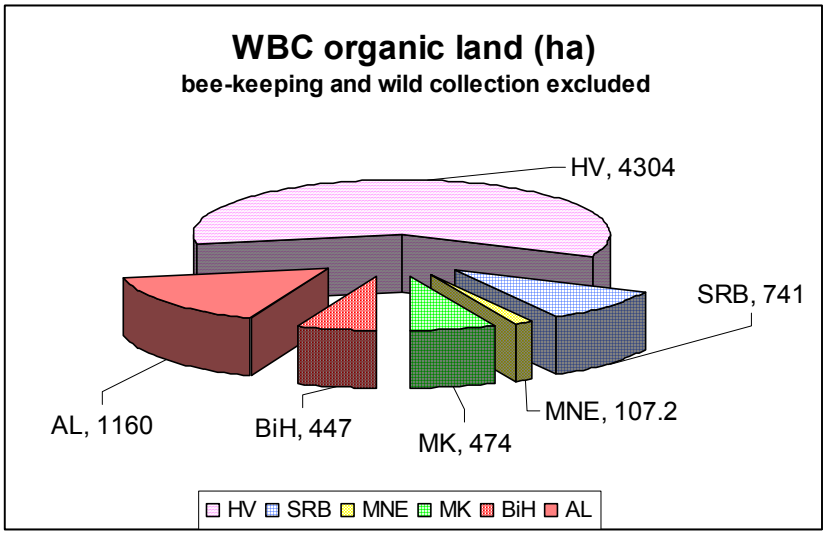


Figure 24: WBC organic land (ha) bee-keeping and wild collection excluded (Source: BIO84, see Table 6)

(Table 18) shows distribution of organic bee keeping and wild collection area in WBC.

Table 18: Distribution of bee-keeping and wild collection area in WBC countries (source: BIO84, see Table 6)

	AL	BiH	HV	MK	MNE	SRB
Bee-keeping (1000 ha)	-	118	17 (b)	0.365	-	-
Wild collection (1000 ha)	2.3 (a)	370	-	7.5	0.34	400 to 1,100 (b)

(a) 1600 hectares of hazelnuts (one operator); 700 hectares of wild mushrooms (one operator)
(b) Estimate

2.3.3. The organic production in Croatia and Montenegro

Crop production and animal husbandry organic land (with the exception of organic bee-keeping and wild collection), as well as in the number of organic farmers and operators make HV the most important WBC in terms of size.

Honey is the most competitive Croatian organic product. The rest of the production is dominated by cereals, then vegetables and finally fruits, with a pattern similar to that of conventional production. Meadows and pastures managed organically started to increase since 2004. Today they are of secondary importance and cover between 600 and 800 hectares, depending on sources. However, pasture conversion, which is encouraged by area payments, is likely to develop further. HV also has organic fishery production, but unfortunately information for 2006 no data were available during the field work

In HV, the similarity of output proportions with the conventional sector (but at a much smaller scale and with a smaller range of products) helped in the development of the local market and into a focus on fairs, open markets and specialized shops as market outlet. Some interviewees pointed out that it is a mistake for HV organic sector to focus only on “standard” agricultural products (e.g. cereals), which cannot be competitive on both the domestic and on foreign market.

The focus on this pattern of similarity between both organic and conventional agriculture highlights two possible paths of development: (i) the ability of OA to offer alternatives to all (or almost all) conventional products is an indicator of the potential development of a local market, even though this similarity is not a sufficient condition; (ii) a focus of OA on highly competitive crops is an indicator of export driven development.

In MNE, the organic production is similar to the conventional production, which also has an important animal husbandry sector. Nevertheless the size of the sector is too small to be assessed, and future trends might differ. The

organic movement “Poxivodjna Zdreve Hrane” is still in its infancy, being formed less than three years ago. Most of the farmers converted were producing using traditional methods. The development of the sector is still at its beginning, and all land area in Montenegro is still at present (2007) under conversion.
Organic land area in MNE is represented below (Fig. 25)

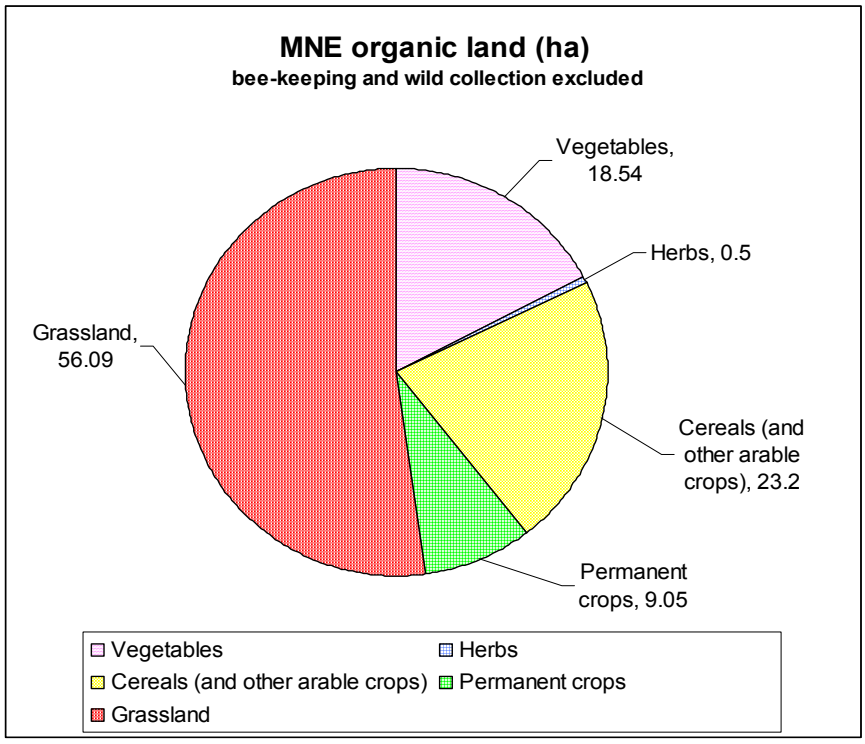


Figure 25: MNE organic land (ha) bee-keeping and wild collection excluded (source: BIO84, see Table 6)

2.3.4. The organic production in Albania and Macedonia

Organic land area in AL is represented below (Fig. 26)

In AL, the organic sector does not have an output pattern similar to the conventional sector. The main organic products are milk and olive oil, in addition to wild collection products. There is no cereals production and a relatively small area of vegetable production. In AL, the organic movement is based on association led by agronomists and specialists. Several projects have been implemented, based on research and cooperation with several donors. These projects synergized research and production, focusing on olive groves and vineyards. Although both olive oil and wine produced organically can be regarded as export products, the focus of the organic sector on them in AL is due to the research and cooperation factor.

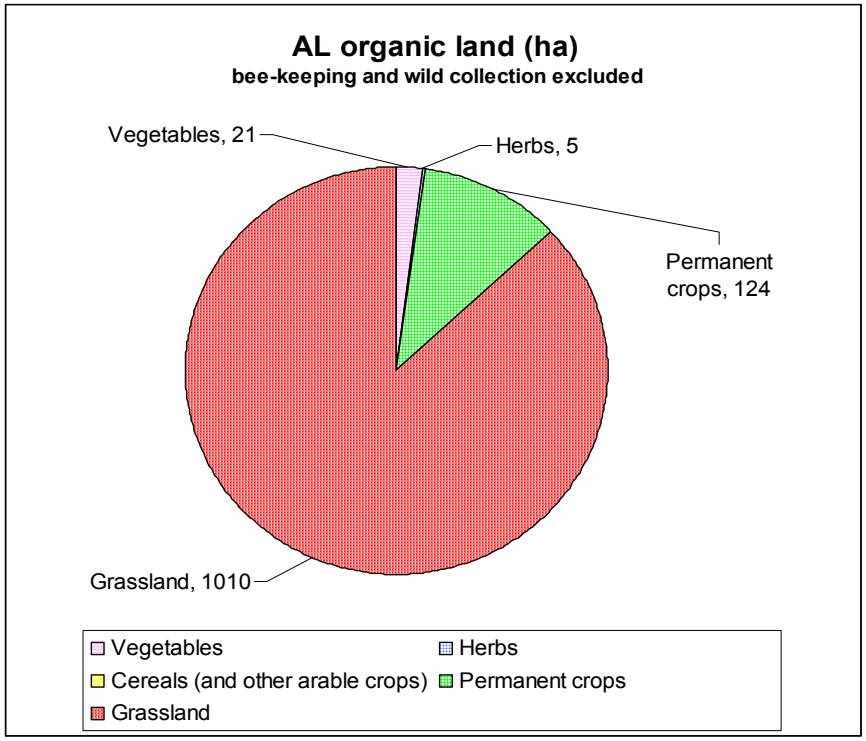


Figure 26: AL organic land (ha) bee-keeping and wild collection excluded (Source BIO84, see Table 6)

In MK, the organic production (Fig. 27) is divided into two part: (i) predominantly cereals production constituted; (ii) vegetable production, which is also an important sub-sector of conventional agriculture in MK; and (iii) the permanent crop component mainly high value export oriented crops (Fig. 28).

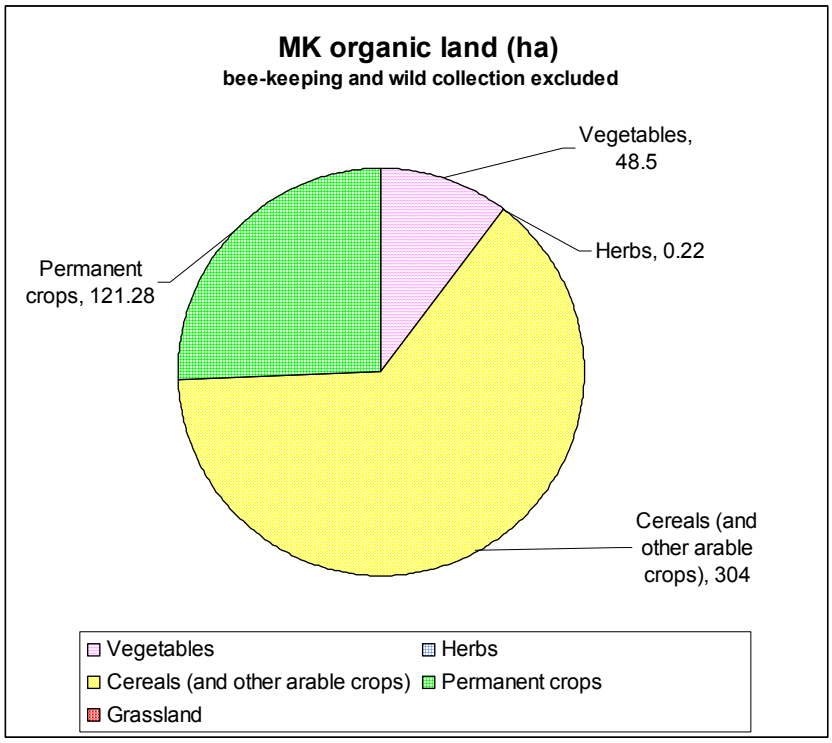


Figure 27: MK organic land (ha) bee-keeping and wild collection excluded (Source BIO84, see Table 6)

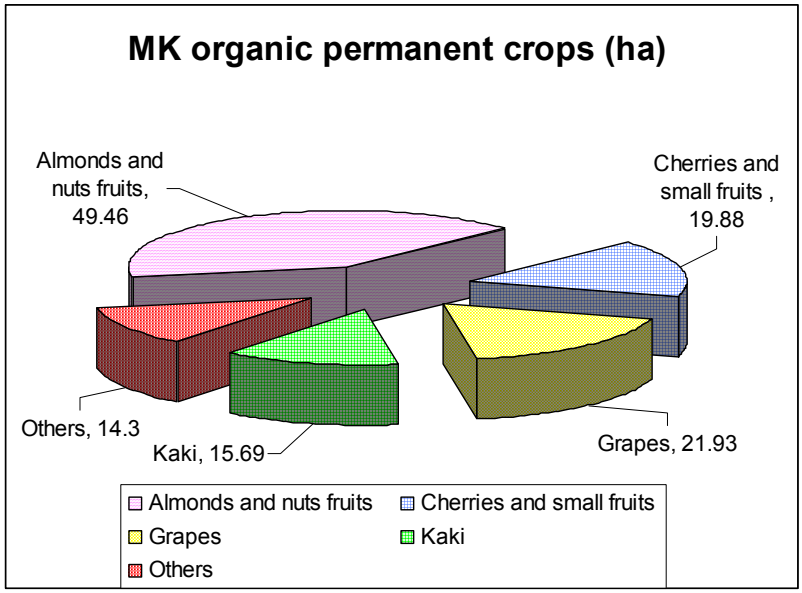


Figure 28: MK organic permanent crops (ha)
(Source BIO84, see Table 6)

2.3.5. The organic production in Bosnia and Herzegovina and Serbia

In BiH, the organic output is quite different to that of the conventional sector. Most of the organic operators are involved in high value export oriented production (medicinal herbs, berries; and wild collected products and honey). The figure below (Fig 29) presents the organic certified land area in BiH (201 hectares). There are, as well, 246 hectares in conversion, but unfortunately details about land in conversion were not available during field work.

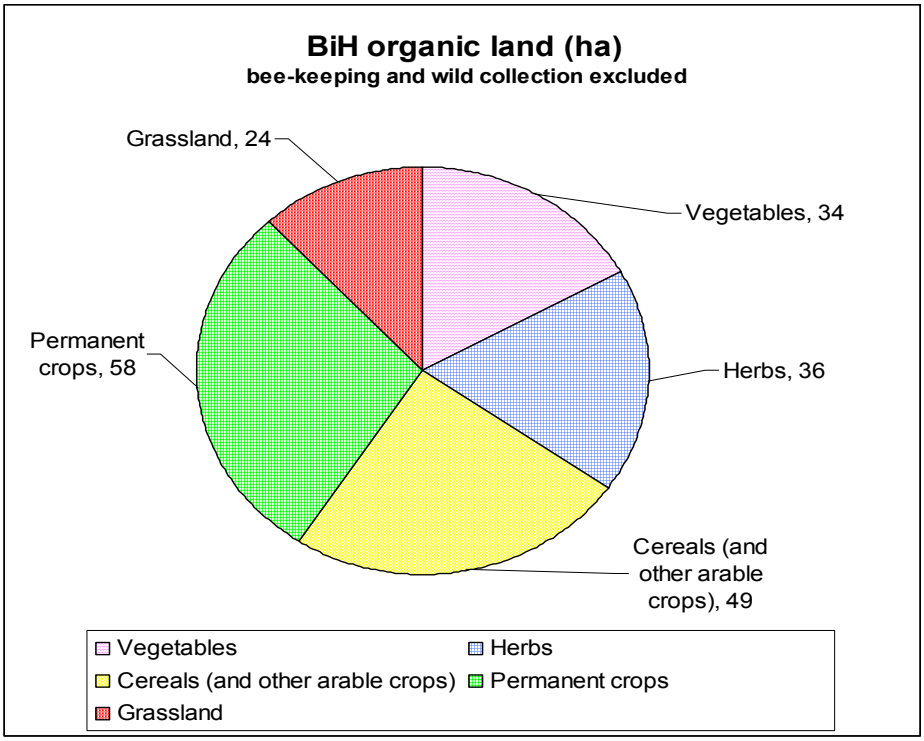


Figure 29: BiH organic land (ha) bee-keeping and wild collection excluded
(Source: BIO84, see Table 6)

The figure below (Fig. 30) represents the distribution of the organic permanent crops in BiH.

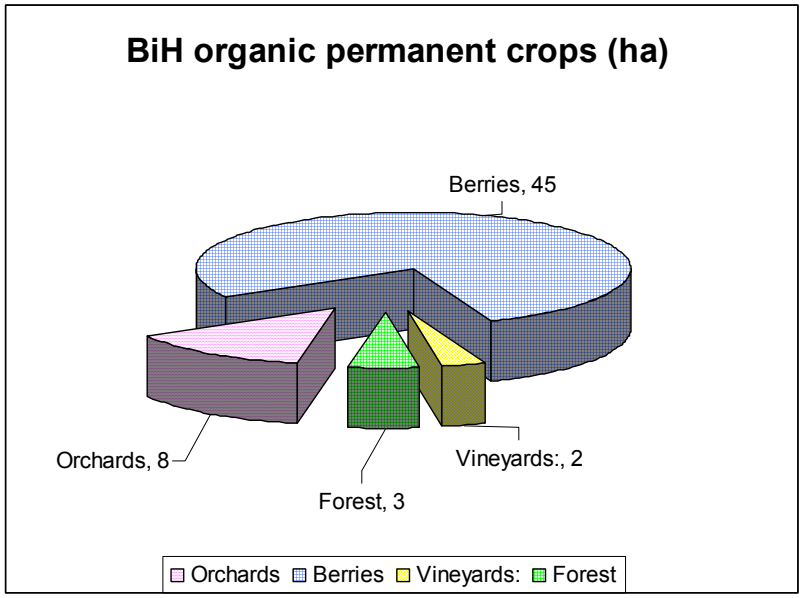


Figure 30: BiH organic permanent crops (ha)
(Source: BIO84, see Table 6)

In SRB, official data collection started in 2006, and beforehand estimations were based on NGO and certification body collected data. Therefore data presented (Fig. 31) should be considered as estimated.

The difference between 2004 and 2006 data is due to either an increase or decrease in the area or a better data collection, or to both. Nevertheless, the estimate shows the importance of permanent crops compared to field crops and vegetables.

During in the period going from 2000 up to today, the organic sector which developed in SRB and BiH focused on two export commodities: berries[58] and wild collection[59] products. In SRB, a duality exists within the organic sector. On one hand there is a "newcomers" dynamic focusing on competitive export crops; either linked to values or just as profit oriented business. On the other hand there is TERRAS, which focuses on the overall development of the sector, even though with a much slower dynamic in term of area conversion.

[58] The term "Berries" refers to all kinds of cultivated small fruit like strawberries, blueberries, blackberries, raspberries. Those fruits can be cultivated or collected. In the text, the used of the term berries aims at referring to the cultivated fruits.
[59] Wild collection products include collected berries, as well as other kinds of collected products.

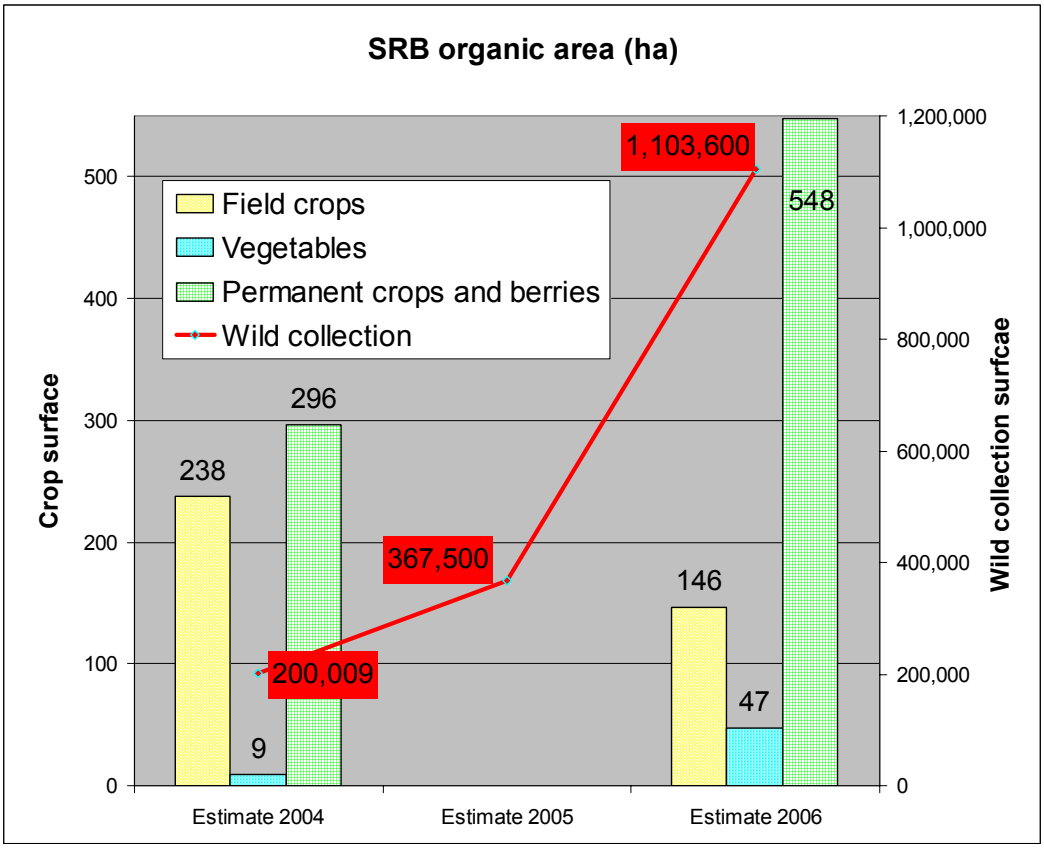


Figure 31: Organic area SRB (estimate 2004, 2005 and 2006).
Source: BIO84, see Table 6
"Field crops" category includes: cereals and industrial crops.
Estimate for 2005: vegetables, field and permanent crop covered an area of 592 ha, specific data for each categories are not available.
Berries accounted for 130.5 hectares (44%) of the "permanent crops and berries" category, apple for 135.4 hectares (45.7%). No similar data are available for 2006
The wild collection area is divided as follow: (i) wild garlic 500,000ha; (ii) Wild mushrooms 275,000ha; (iii) Wild apple 165,000ha; (iv) wild pomegranate 1,600 ha; (v) other wild collection 162,000ha.

Throughout the text, berries and wild collection are mentioned as an exception. Operators involved in both these products have been able to create a complete supply chain and a critical mass in order to access export markets. This exception is due to several factors which include: (i) they are high value agricultural products and important demand exists in EU countries; (ii) the conventional sector is competitive and well-developed (iii) WBC is rich in wild product areas.

Moreover those productions involve a large number of producers and/or collectors. Wild collected products processing companies are contracting collectors, usually from the local population, creating labor opportunities for a relatively large number of people. Producers of berries are gathered in groups, certified through group certification schemes. They gather their production in order to have enough supply for the storage and processing units. Group certification is a characteristic specific to BiH and SRB within WBC. Those alternative certification systems add dimensions related to poverty reduction and capacity building to the movement's identity.

Medicinal herbs and berries are described using the words of BiH organic stakeholder (Fig. 32).

Berries and medicinal herbs are the leading organic products in BiH. Most of the production is exported. For medicinal herbs collection and cultivation is done by organic operators and companies. These companies are to a certain extent self sufficient, although some technical help was given by NGO's project in the beginning, in addition to the covering of some certification costs. *"The collection of herbs and mushrooms is in the right phase. It does not need any incentives either any support. Cultivation of those herbs should be supported but not collection because usually all the herbs and other products that are collected are exported."* (BiH-Organic movement-1)

Medicinal herbs (collected or cultivated, organic or conventional) are supported at State level. There is a special group for medicinal and aromatic herbs at the Chamber for foreign trade. Organic producers are also represented in that chamber. *"We have incentives from the State because we process medicinal herbs (not for being organic), but this year we will get also organic incentives."* (BiH-Organic movement-2)

In a way the success of organic medicinal herbs is the success of adding value to an already high value product, in an already successful sector. *"We are successful not only because we collect herbs but we also grow them, and the key factors to success are because we are organic and we export our products"* (BiH-Organic movement-4)

In 2004, out of 26 organic companies certified by KRAV, 13 were producing medicinal herbs and none were producing berries. Berry fruit production is a new sector, and its characteristics are different from the medicinal herbs sector. Producers are usually organized in cooperatives producing on a small area and reliance on outside help is more important. *"We made a new project with SIDA for the production of raspberries (15ha) and strawberries (18ha). We have a contract and it is for export market (Europe and Canada). The entire project is based on the market."* (BiH-Organic movement- 3)

Figure 32: Text box - Medicinal herbs and berries described by BiH organic stakeholders

2.4. The processing side

Processing can be considered as the weakest point in the WB organic supply chain. Most of the processing is done on-farm and near-farm. It consists mostly of primary post-harvesting manipulation of raw products (cleaning, packaging, and conditioning) without any processing or transformation. In fact there is not enough supply of products to justify investment in processing plant. At the same time, producers "*cannot market organic sheep because there is not a single slaughter house in HV for organic processing"*[60].

Processing as a link between production and marketing is missing. The critical mass that would allow processors get involved in the organic supply chain is not present, and producers have a strong perception of being in a *"vicious circle"*[61].

Therefore, with the exception of honey, herbs, berries (Fig 33) and wild collection, investments are made at the farm level in products that have their own simplified on-farm or near-farm processing line, such as olive oil (AL, HV), wine (AL), Milk (AL), cheese (MNE (see Fig 34), AL), fruit juice (SRB).

[60] HV-Organic movement-2. Involved in policy making.

Figure 33: Picture of organic products from BiH, including berries, and berry jams

Figure 34: Picture of (in conversion) organic cheese form MNE

3. The Marketing side

3.1. The Croatian local market

As mentioned in previous sections, a local market exists only in HV. It does not mean that organic products cannot be found in other WBC, but that demand and supply of organic products exists on a regular basis with implemented alternative[61] and mainstream market channels. In other words, there is a "functioning organic food markets governed by market mechanisms" (Michelsen *et al.*, 2001) which applies (relatively) to HV.

While studying the organic food market in HV Zanoli and Jukic (2005) found that the unstable, fragmented and poorly organized production results in producers' low negotiating power on the market, especially when dealing with hypermarkets and supermarkets that are reported to have a growing role, replacing small specialized stores (Fig 35).

Figure 35: Živa Zemlja biodynamic shop in Zagreb

The field work confirmed Zanoli and Jukic's findings related to the low negotiation power. It also confirmed that the supply chain fails due to the low ability of the producers to process finished products. Recently, BIOPA has "*over 100 producers and has initiated negotiation with Mercator",* but the "*yearly production cannot fulfill their requirements". "The products are of different quality,"* and *"only some individual producers are able to supply processed products"*[62]*.* However supermarkets still play a marginal role. It does not seem they are yet replacing specialized shops.

[61] "Alternative market channel" refers to all kinds of channels used or created by the organic movement in order to sell outside the conventional food market channels. Examples of alternative market channels are: organic fairs, exclusively organic open markets, "basket schemes", organic specialized shops, on farm and/or door to door sales. Examples of mainstream market channels are: conventional open market and food shop, supermarkets.
[62] HV-Organic movement-3

Currently organic producers mainly use alternative marketing channels. The major marketer and importer of organic products is Biovega. Producers also rely on fairs and other market initiatives organized by the different associations of the organic movement. Some farmers sell their products on Zagreb's tri-weekly open market. Organic products can be found in some supermarkets (mainly organic cosmetics and biodynamic products).

Finally, the main characteristic of the HV organic market resides in the import of organic products, as the Croatian supply is not sufficient for local demand.

3.2. Montenegro invisible export market

There is no market for organic products in MNE. Policymakers would like to see the creation of an organic local market offering organic products to Montenegrins and to tourists. The idea of "invisible export" is promoted strongly as a way to develop both the organic sector and the overall economic situation of producers. The circle going from the proclamation of the ecological State to the economic development of MNE will not be closed unless tourists do buy those agricultural organic or typical products (Fig. 36). The strengthening of the idea of ecological State and economic development might also lead to a local demand for organic products.

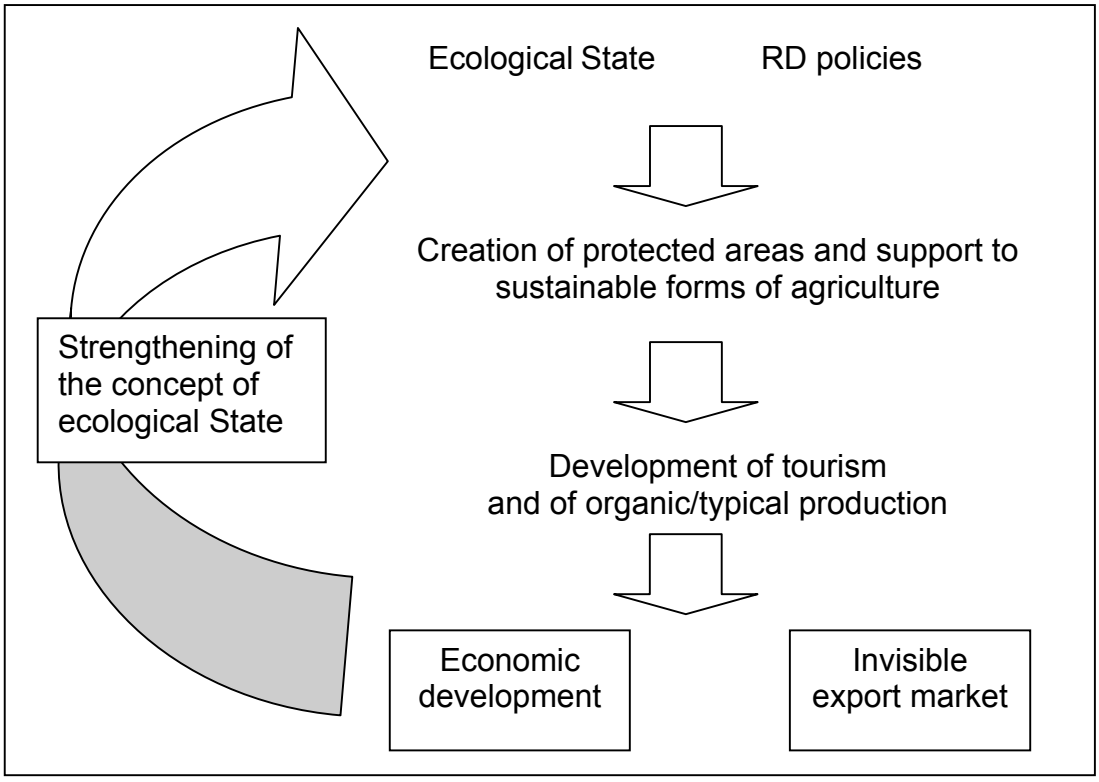


Figure 36: Montenegrin organic invisible export market strategy within the State general policies

If the “IN SPE”[63] shop in Bar is attracting tourists as clients, it is certainly not yet enough for the success of the Montenegrin Strategy. There is an important need for promotion and advertising, both at local and tourist level.

The State certification body will soon certify some of its producers. The food market and the Montenegrins consumers will have a first contact with the organic label. It could provide a good opportunity to launch a marketing campaign.

3.3. BIH market initiatives

ECON has an important role in building local and export markets for organic production in BiH. It works in a way as a “middlemen”, arranging export and local market. *“Each year”, we take our producers to BioFach[64] introduce our work, meet people and connect them.”*[65]

ECON also helps farmers to add value to their products, through packaging and labeling. It has created infrastructures for storage and packaging in Mostar and in Sarajevo. The association has`also succeeded in introducing organic products in supermarkets like in Mercator and Gekon.

The presence of organic products in supermarkets shows the first step of the development of a local market. However, the organic movement organizations are still focusing on alternative marketing channels. A series of fairs were organized all over the country, in particular starting from 2006. A list of those fairs for 2006 and 2007 can be found in (Table 19). These fairs were also the occasion for the organic movement association to meet local consumers and to organize a home delivery organic basket.

Nevertheless, the main market channel is still the export market. The value of the export transactions certified through BiH local certification body OK amounted to 1,512,314 € in 2006 (source BIO84, see Table 6).

[63] “IN SPE” is a company involved in collecting and processing of wild medicinal herbs (working over a surface of 340ha), and most of its production is exported. It also manages a local shop in Bar. However this shop is not specialized in organic products, it offers both conventional and organic medicinal herbs.

[64] Biofach exhibition and fair is organized by IFOAM each year in Nuremberg. For many producers it is an occasion to find markets for their production. Most of WBC organic producers that are export oriented have in one way or another passed through it.

[65] BiH-Organic movement-3

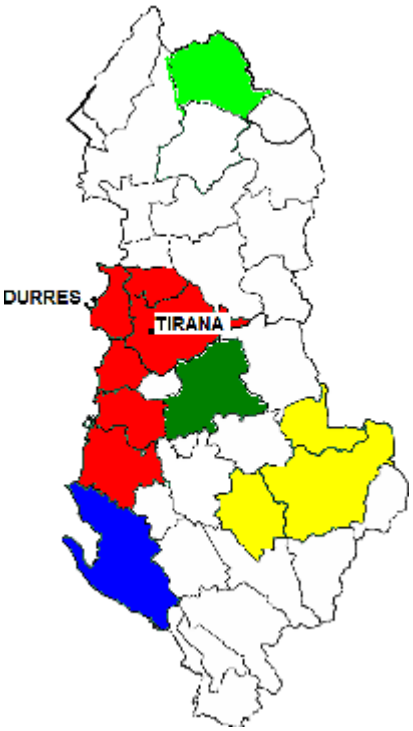
Table 19: Fairs organized in BiH by or in collaboration with OA producers.

Year	Name	Place
2006	Spring Fair	Tuzla
	Hunting and tourist fair	Lukavac
	XIII International Business fair	Tuzla
	1st World conference on organic wild production (IFOAM)	Teslic
	IV international tea and medicinal herbs Festival	Sarajevo
	Fair of Agriculture	Gradacac
	ECO BIS	Bihac
	International Bee fest First competition for organic products in BiH	Sarajevo
	International Fair of tourism	Trebinje
	V international fair of economy	Brcko
	Agro food Gold medal for organic products	Sarajevo
2007	First exhibition of organic products in BiH	Sarajevo
	X international fair of economy	Mostar

3.4. Tirana's uptake of the Albanian organic production

While some of the relatively small Albanian organic production is exported (a total amount of 150,000 €), there is also an import of organic product in AL (a total amount 100,000€) (source BIO84, see Table 6)

The map below shows the distribution of Albanian organic farms (Fig 37).



In red, the regions of (from up to down): Krujë, Durrës, Tiranë, Kavajë, Lushnjë, and Fier.
This area includes most of the fruit and vegetables and all the olive/olive oil production as well as all the processed production (except milk).
In blue is the region of Vlorë, where milk production is concentrated.
In yellow, the region of (from top to bottom): Podraged, Korcë and Skapar. These regions are producing fruit and vegetables. Conversion took place there during a later historical development of the organic sector in AL.
In green are areas of wild collection. In the region of Tropojë (light green, north) there is 1600 hectares of collection of hazelnuts.
In dark green the region of Elbassan, where there are 600 hectares of wild collection of mushrooms.

Figure 37: AL map showing the distribution of organic farm

Theses flows reflect the situation of the market in AL. On one hand small amount of the production of olive oil, herbs and hazelnuts is exported. On the other hand there is a local demand in the capital city that is not fulfilled by local production. A recent study of OA in AL found that while conventional farmers look for access in the local city market, organic farmers look to Tirana and to the export market (Kullaj, 2007). Most of the farms are either located in the area of the capital city or of Durres, the second country's city.

3.5. The Serbian local market: a regional development

The Belgrade local market is still under-development, *"the only products available are processed fruit juice that consumers can find in supermarkets"*[66]. Organic producers do not use the capital city food market as an outlet.

The production of wild collection and berries is exported; the rest of the production is sold on farm or in Novi Sad green markets. The city is located in Vojvodina (north SRB), the wealthiest region of the country, where agriculture is a major element of the economy. Vojvodina farmers produce most of the marketed surplus of grains, oilseed, sugar beet, pigs, poultry and milk, and are strongly market oriented.

It is in this region of intensive agriculture production that Serbian organic pioneers started production, influenced by the presence of the faculty of agriculture of Novi Sad. It is there as well that the main alternative markets are developing, such as the yearly Bio-fest organized by TERRAS, and the eco fair of Novi Sad. The local organic market in SRB suffered from the political situation of the mid and late 1990's. The first alternative markets that started in 1993[67] were not able to consolidate, and today things are starting again almost from the beginning.

3.6. The Macedonian market development plans

Antares is the main Macedonian company involved in processing of wild collected products. The company exports its products to Switzerland. It runs two different lines of production, one conventional and one organic. Its products range from medicinal herbs, wild mushrooms, to small wild fruits. The company is business oriented and is involved in the NAP drafting process.

The main concern of most of the organic stakeholders is market development. *"People want to make money in organic, and the ministry wants to be in line with the EU accession standards"*[68]. Products like Kaki have been successfully exported. Only one producer was able to sell its cherry production to VERO (local supermarket chain). BIOSAN tried to sell on the green market but there are not enough products. The farmers'

[66] SRB-Organic movement- 2
[67] An action called 1000 families - 1000 bio-baskets as a kind of community supported agriculture was organized in 1993 in Subotica (north of Vojvodina).
[68] MK-International organization-1

association States clearly that its *"NAP priority is market research"*[69]. Most of the stakeholders involved in organic production are looking for potential strategic products that could penetrate the European market, as they *"cannot penetrate the European market with milk"*[70]. The potential strategic products could be: pomegranate, kaki, wild collection, lamb, vegetables (pepper, tomato, and asparagus especially), and wine.

In MK, there is a general perception that many farmers are already organic as they are not using chemicals inputs. Conversely, the absence of domestic market and premium prices for organic production, as well as the movement's focus on competitive export crops, act as barriers for the conversion of low inputs/*de facto* organic farmers.

3.7. Consumer awareness and consumer confusion

Consumer awareness and consumer confusion is an issue found in most of WB organic local markets.

In MK, the law established provision for a national logo (see MK and other logos in Fig.38) for organic products. It is not used *"because the bylaw on labelling is not ready yet, and the logo differs only by the color from the "Eko" Logo"*.[71] However, revision of the logo is not on the agenda yet as is might *"take too much time"*[72]. The "Eko" logo will be issued by the Ministry of Environment, for product produced respecting environmental protection criteria.

The Macedonian regulation only controls the use of the world "organic" and does not cover the use of the world "ecological"[73]. Therefore confusion is likely to be the case for Macedonian consumers if both logos start to be used.

Furthermore this confusion is also present with traditional production, as many producers are claiming their products are pesticide-free and produced traditionally. The absence of differentiation between low input/traditional and organic production is often reported by producers as being as one of the major problems and a source of competition in the local market.

Similar aspects are present in HV where, *"organic farming has to finally know its way!"*[74] The difficulty is present because consumers are confused by different messages concerning food and food quality. The organic movement is experiencing difficulties in distinguishing itself and in promoting a clear image of its products. Messages received by consumer are leading to confusion, like promotion campaigns for healthy food where no differentiation

[69] MK-Organic movement-2
[70] MK-State Institutions-2
[71] MK-Organic movement-1
[72] MK-State Institution-2
[73] This is in fact a major difference between the Macedonian regulation and the EU reg.2092/91, which regulate the use of both terminologies. This should be solved by the forthcoming bylaws, if MK wants its regulation to be recognized as equivalent to the EU one.
[74] HV-Organic movement-2. Involved in policy making

is made between conventional and organic food. It *"applies to everything. Consumers are very confused about such information, because they are informed that everything they eat is healthy for them".*[75]

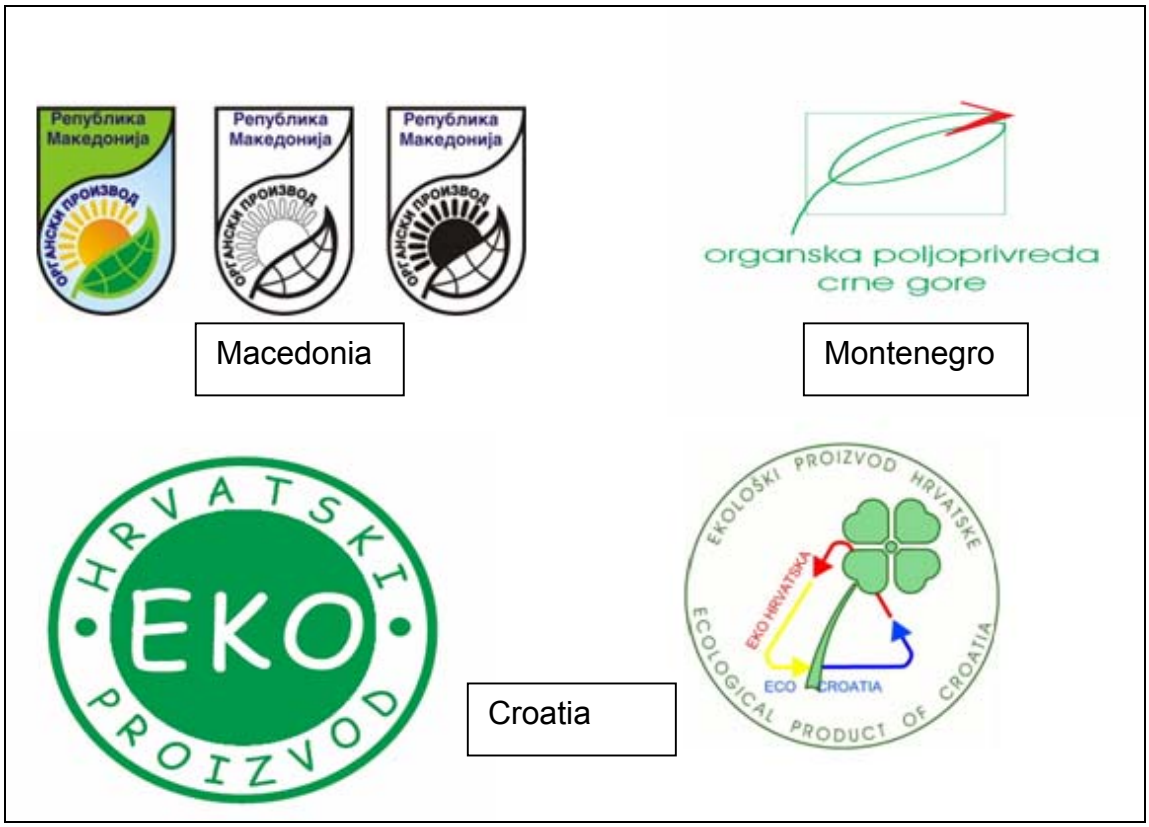


Figure 38: The different public logo implemented by the regulations in MK, MNE and HV

On the first line from right to left: the Macedonian logo (color, and black and white versions) then the Montenegrin logo. On the second line from right to left: the new Croatian logo, and the old Croatian logo. Both logos are used today, however the green and white one is supposed to progressively change the old one as it was considered too hard to recognized and more expensive to print as it contain many color.

Typical, traditional, and local Croatian products challenge organic products identity and image. *"Some people mix up traditional and organic; if something is typical it is organic".* However typical product could help in the development of OA . *"Typical products are trendy and average Croatian consumers do believe in them. They might be a first step in the direction of organic farming, or a soft approach*". However this link is of limited potential and the real issue is still the creation and the diffusion of an organic identity.

The HV consumer confusion is at more developed stage of the confusion in MK, and of the mistrust present in BiH and SRB. Where terms like "*real organic"* and the *"false organic"* are regularly found in stakeholders discourse, and there is a strong perception that *"the terms 'eco' and 'organic' have been greatly misused in the market*[76]*".* In all WB countries the organic movement has to make consumer *"recognize the organic products"*[76]*.*

[75] HV-Organic movement-4
[76] SRB-Organic movement-4

4. Elements of answer to the research questions

The study of the organic supply chain allows conclusions to be drawn on the accomplishment or the non accomplishment of the *fifth* (the development of functioning organic food markets governed by market mechanisms) step of Michelsen *et al.*'s (2001) path. Moreover, this chapter part went further in describing the entire supply chain rather than simply the market component. Therefore the qualitative indicators extracted from the findings help to make an overall assessment across the supply chain. These indicators are presented in the comparative table below (Table 20).

Table 20: Comparative table on qualitative indicators related to the organic supply chain in WBC

Qualitative indicators	AL	BiH	HV	MK	MNE	SRB
Shortage of inputs			√	√	√	
Medicinal herbs production		√		√	√	√
Wild collection area	√	√		√	√	
Huge wild collection area		√				√
Bee-keeping production			√	√		
Huge bee-keeping area		√				
Important medicinal herbs production		√				√
Small fruit production		√				√
On farm processing	+	+	+		+	+
Processing unit for medicinal herbs	√	√	√	√	√	√
Processing unit for small fruits		√				√
Export oriented production	p	√		√		√
Local market	p-		p			
Organic product in supermarkets	+	-	++			
Consumer confusion	√	√	√+++	√++		

Legend: √: present, p: partially present, (blank): absent
(+++) high; (++) medium; (+) low; (-) weak; (!): conflict

As for Michelsen et al.'s *sixth* step was not accomplished in any of the WBC as it requires an important involvement of the conventional OA communities and of market operators, which has not been identified. The table below (Table 21) shows the situation of WBC in relation to Michelsen's *et al.* (2001) path.

Table 21: Build-up table on the accomplishment of Michelsen *et al*.'s (2001) steps – C (Final)

Michelsen *et al.*'s (2001) steps	AL	BiH	HV	MK	MNE	SRB
Step 1: Organic movement	√	√	√	√	i	√
Step 2: Political recognition	√	p	√	√	√	√
Step 3: :Financial support		√	√	√	√	√
Step 4:Non competitive interaction						
Step 5:Organic food market	i		p			
Step 6: Committed institutional setting						

Legend: √: accomplished, p: partially accomplished, i: initiating accomplishment (blank): absent

Chapter 5

Conclusions

Michelsen *et al.* (2001), using the theoretical approach developed by Michelsen (1997 and later work), developed a six-step path completion of which led to a successful organic sector growth. The importance of Michelsen approach resides in the fact that it portrays the complex evolution and represents a picture of the evolution fought for by OA in Western Europe. It captures the way in which EU agricultural policies are designed in constant interaction with the agricultural community and the food market. Therefore it establishes a comprehensive framework for investigation and analysis by bringing together the different components of the institutional setting in which OA evolved. Since it is based on the study of institutional changes it must be seen as an evolving framework, Michelsen *et al.* (2001) approach is not only of meaning and relevance for old member States; but also with reference to the enlarged EU context (Central and Eastern Europe) and to the ongoing Europeanization process in WBC.

Moschitz *et al.* (2004) used this framework to study institutions and policy development in Central and Eastern European new EU member States. Their study extended Michelsen *et al.*'s (2001) path to add a seventh step related to the necessity of creating issues of conflict between the OA and mainstream institutions. These issues of conflict should afterward evolve into *"a creative conflict"* type of interaction.

The current study's objectives were the description and the investigation of the institutional setting related to OA in WBC, within a comparative analysis approach. It explored and tested the Michelsen *et al.* (2001) and Moschitz *et al.* (2004) theoretical approach, and positioned itself in a geographical, historical and political continuity with the previous literature mentioned.

Therefore the methodology used was based on a qualitative approach to research, using triangulation of methods and of data types. The research process was facilitated due to the synergy with the BIO84 project, allowing contact with key organic stakeholders, policy makers and institutions in WBC.

The research findings were structured according to the three components of the OA institutional setting as describe by Michelsen (1997 and later work): (i) the organic movement; (ii) the State institutions and policies; and (iii) the organic market. This organization of the findings aims to improve the response to both research questions, which were:

- *First research question*: is the six-step path leading to successful organic farming growth, as identified by Michelsen *et al.* (2001) and commented by Moschitz *et al.* (2004), applicable in WBC?

- *Second research question:* can any common trajectory in organic policy elaboration be identified in WBC?

Most WBC have accomplished or initiated the accomplishment of the three first basic steps of Michelsen *et al*.'s (2001) path. The overall path's steps were found to be essential elements for the development of the OA sector. Additionally a number of common features and trends were identified, converging towards a common trajectory in WBC.

Research findings show that Michelsen *et al*.'s (2001) path, even though originally developed for old EU member States, is in fact identifiable also in WB, but with a different sequence.

In the case of WBC, the path sequence is distorted by some factors that slow down the development of the OA sector and other factors that speed up the accomplishment of the path. Those factors are related to the specific historical, political, structural and economic context of WBC. As a result a different sequence applies in WBC (Table 22).

Table 22: WBC sequence of Michelsen *et al.'s* (2001) path

Michelsen *et al.*'s (2001) path	Step 1:organic movement Step 2: political recognition Step 3: payment support Step 4: non competitive relationship Step 5: organic food market Step 6: committed institutional setting Step 7: issue of conflict (Moschitz *et al*. 2004)
WBC sequence	Step 2: political recognition Step 3: payment support Step 1: organic movement together with Step 5: the organic food market Step 4: non competitive relationship together with Step 7: issue of conflict (Moschitz *et al.* 2004) Step 6: committed institutional setting

The first step of the suggested new sequence is Michelsen *et al.*'s (2001) *step 2 (the political recognition of organic farming through recognizing organic standards)*.

OA's institutional setting in old member States co-evolved (getting more and more integrated) with the broader CAP context (as described in chapter 2). In Central and Eastern Europe the Europeanization process started in the early 1990's, OA movement and policy field had relatively sufficient time to adapt to the new agricultural context created by EU accession. Although OA in those countries needs to create issues of conflict as suggested by Moschitz *et al.* (2004), in some case the adaptation was successful and the sector witnessed a relatively successful growth, such as the case of Slovenia. In WB context, because of the political and military events of the 1990's, the EU accession process and therefore the Europeanization of agricultural started much later in 2000, (with the Zagreb summit). Agricultural institutions had to

adapt more rapidly[77]. Organic regulations were enacted; RD departments and OA ministerial units (under the RD department in most cases) were created within ministries in charge of agriculture. While States institutions changed relatively quickly, the organic movement was slower in coping with the break down of its early dynamic, which was caused by war and instability.

The second step of the suggested new sequence is Michelsen *et al.'s* (2001) *step 3 (the introduction of financial support to organic farmers)*.

This step comes as a logical consequence of the previous one. It is also accelerated by the Europeanization process. The MK situation is the clearer example of the *"institutional race"* that WBC agricultural institutions are going through. Payments per hectares for OA were implemented in 2005, and stopped because of a very low uptake, since there were not enough farmers. Moreover important institutional efforts are made in order to develop a NAP at a pace that organic associations are hardly able to follow. MNE government had budget incentives for OA at a time when the country hardly had any certified organic farms. HV, RS and SRB implemented financial support measures without consultation of organic stakeholders. In AL, although the drafting of the RD strategy has recently started, the OA movement might not be able yet to take up the opportunity or to lobbying for adequate support measures. The only exception is in F-BiH where the sector has grown relatively more strongly, and is participating in the elaboration of a project based support, which seems to be better adapted to the local conditions (other countries MNE, and SRB to a certain extent, have also opted for this type of payment. Area payments policy appears to be ineffective in increasing organic land because of the structural characteristics of the agricultural production base in WBC (extremely small and fragmented farms compared to Western Europe).

The third step of the suggested new sequence is a combination of Michelsen *et al.'s* (2001) *Step 1 (the establishment of an organic farming sector with a formal framework for organic farming)* and *Step 5: the development of functioning organic food markets governed by market mechanisms)*.

Because of historical and economic factors, WBC did not witness the societal changes which would have pushed society to intervene in agriculture. In its early stage the organic movement developed in Western Europe because of societal changes which created a demand (even though isolated and marginal at the beginning) for alternative agricultural products (e.g. biodynamic and/or organic). In WBC (with a relative exception of the biodynamic component of the Croatian organic movement) a local demand of OA product does not yet exist. Moreover even when it does exist, it is hampered by the overall consumer confusion, low awareness and low purchasing power. The development of an organic sector with a formal framework cannot be disconnected from the market development it needs. Therefore OA in WBC is linked to competitive crops that *"seize EU market opportunities",* and the export market is acting as a catalyst of the sector

[77] This need for rapid change is also pushed by the EU's need for stabilizing the region.

development. The export-market orientation is also pushed by: (i) State institutions which see in it a way to increase national agriculture competitiveness, (ii) by foreign donors either because of the concept of "*developing organic through trade"* or because they could not identify any other secure market for the farmers.

The fourth step of the suggested new sequence is a combination of Michelsen *et al.'s* (2001) *Step 4 (*the *development of non-competitive interrelationships between organic farming and the general farming community through the establishment of fora)* and Moschitz *et al.'s* (2004) added seventh step in regard to the reaction of *"issue of conflict"*.

Interactions between the organic movement and the mainstream agricultural community, as well as conflicts with mainstream agricultural institutions are virtually non-existent at this initial stage of development. Moreover the movement in WBC did not have to go through a struggle as it was the case in Western Europe. This lack of lobbying "experience" and practice is one of WB organic movement's weaknesses. Therefore it is required to undergo different kinds of struggle: (i) internal struggle for coordination and unity efforts, and (ii) internal struggle to build capacity to seize support opportunities which are progressively made available and to be able to proactively take part into policy development and implementation at the national and local level.

However the organic sector in these countries is not experiencing the isolation first pioneers went through in old EU states Europe. It is led by a new type of pioneers mostly female agronomists and activists with strong ability to create social linkages with States institutions, market operators and foreign donors. Many organic stakeholders tend to be involved in different initiatives non all necessarily linked to OA, and seems to have a relatively easy access to policymakers. Therefore the establishment of non-competitive relationship and *fora* should become easier, and as it is a requirement for the sector growth it has to be on the agenda of the organic movement.

The fifth step of the suggested new sequence is respectively Michelsen *et al.'s* (2001) is *Step 6 (the establishment of an institutional setting committed to promoting organic farming).* The accomplishment of this step still needs important efforts of interaction and the step seems far from being accomplished. The completion of this step still needs important institutional efforts and requires important policies implications. Yet, some elements show that its accomplishment could be accelerated.

In most WBC OA appears to have been institutionalised from the start, integrated in current agriculture and rural development policy-making (owing much to the EU integration process). Nevertheless, in some cases, this is happening without a full and widespread awareness of its potential. Furthermore the institutional structures and capacity to support a balanced and sustainable development of the sector are lacking, or is understaffed. In relation to this, it is essential to assure flexibility in support policy programmes and measures considering the adaptation phase. Organic

institutional structures and the movement are currently undergoing a learning process of the mechanisms of EU agricultural policies (e.g. drafting process of the national rural development plan in parallel with the 2007-2013 EU RDP).

In the regulatory and institutional setting pushed in WBC through the EU integration process OA has to be integrated in RD conceptual framework from the start. Although in these countries most ministerial organic units are actually part of the RD departments, interaction in administrative and policy making issues is still weak. Therefore, it would be advisable for WBC State institutions to improve synergy between OA and RD structures and policy development processes to allow them to take full mutual advantage of available opportunities (i.e. through IPARD funds).

Furthermore, many organic stakeholders in WBC strongly assert the need for the State institutions to become an actor in the development of the national organic sector by going beyond the compliance with EU *acquis communautaire* and starting to play a promotional, coordination and networking role. In order to be able to carry out this task, systematic organic data collection and monitoring of the organic sector is an essential pre-condition to meet. So far State institutions' knowledge of the national organic sector appears to be relatively partial.

Local authorities can play an important part in the future development of the organic sector through the implementation of specific support policies. Decentralised support has already been a major form of assistance in areas where the interaction between local institutions and the organic movement are strong.

The organic movement, too, has some important responsibilities to fulfil at the present development stage of the sector in WBC: (i) improve technical and lobbying capacities and skills; (ii) enlarge its representativeness to include all the different interest groups connected to OA in these countries; and (iii) consolidate and broaden its identity also by drawing the attention of other potentially interested actors in WBC rapidly evolving societies (including mainstream agriculture).

A way to enlarge the movement base is to create (and/or support) – in parallel with the competitive export-oriented segment - a local organic market dynamic through (even small scale) market initiatives that would increase the visibility of the sector, of its institutions and products.

The adoption of the NAP approach which pursues an integrated development of the sector (linking measure related to production increases, to market development and consumer awareness) is advisable but the fact that people and structures are not yet able to fully benefit from the NAP participatory process should be also taken into consideration. This might be resolved by strengthening regional cooperation and exchange of national experience, a field in which international cooperation organization could play an important role.

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ANNEX: List of stakeholders

The following list includes the stakeholders contacted during the fieldwork, (interviewees and/or participants to workshops).

Albania

Public institutions:

Ministry of Agriculture Alimentation and Consumer Protection – Tirana

Organic movement associations:

BioAdria (organic association originally focusing on research and extension, now it enlarged its activity to work as producer association)

OAA – Organic Agriculture Association (first organic association in AL)

BioInspect (certification body supported by FiBL, it developed private standards)

International organizations:

Sustainable Agriculture Support in Albania –project funded by *SDC* supported by *FiBL*

Bosnia and Herzegovina

State institutions:

Federal Agricultural Institute of Sarajevo

Federal Ministry of Agriculture Forestry and Water Management - Sarajevo

Federal Ministry of Agriculture Water Management and Forestry – Banja Luka

Organic movement associations

BETA - The Bosnian Environmental Technologies Association (originally an environmental non farmer association, then got involved in OA through project funded by HIVOS and implemented by AVALON, today it change its membership typology to include organic producer and other project partner)

ECON - The Economic Co-Operation Network (work as both an organic association and a market operator it is implementing *BiHOP* project, which is supported by *SIDA* funds through *Grolink*)

OK – Organska Kontrola (certification body supported by *BiHOP* project implemented, it developed its own standards)

Organsko – (Association of organic producers, umbrella association type, created pushed by BiH's movement efforts of unity).

Organic market operators

Andelic – Company producing and trading organic medicinal and aromatic plants and herbs

Halolivic doo - Company producing and trading organic medicinal and aromatic plants and herbs

SIMEUNA - Company producing organic cereals

Heldja ECO – Company production organic herbs and cereals

Croatia

State Institutions

Ministry of Agriculture Forestry and Water Management – Zagreb

Municipality of Zagreb

National Extension Agency

Organic movement associations

BIOPA (organic association supported by *SDC* funds through *FiBL*, created a team of extension services, a certification body and an inspection body)

BioInspekt (inspection body, created by *BIOPA* and supported by *FiBL*)

COFA – Croatian Organic Farmer Association (farmer association in close relation with Ecologica)

Ecologica (Ecological association, led by expert in the field of agricultural and rural development policies

Živa Zemlja (Biodynamic association created by a woman pioneer)

Organic market operators

Biovega (market operators importing Biodynamic products under a private logo. It manage franchising shops (Bio and Bio) in Zagreb, Split and Dubrovnik)

Viveraa doo – Baby food processor

Macedonia

State Institutions

Institute of Agriculture – Skopje

Ministry of Agriculture Forestry and Water Economy – Skopje

Municipality of Split

National Extension Agency

Organic movement associations

BBM – Balkan Biocert Macedonia (certification body, supported by FiBL)

BIOSAN (Umbrella association gathering seven organic farmer associations, supported by FiBL)

Organic Market operators

Antares – Company processing organic wild collected products

International organizations

GTZ- Deutsche Gesellschaft für Technische Zusammenarbeit (German cooperation agency)

Probio SDC – Agency implementing "*FiBL* project" and managing *SDC* funds.

SNV - Netherlands Development Organization

Montenegro

State institutions

Biotechnological institute – Podgorica

Ministry of Agriculture Forestry and Water Management – Podgorica

Monteorganica (Public certification body, created and financed by the State)

Municipality of Podgorica

National Extension Service Agency

Organic movement associations

Poxivodjna Zdreve Hrane (organic association created by a student initiative)

Greens of Montenegro (ecological association).

Organic Market Operators

In SPE (Company processing organic wild collected medicinal herbs

Serbia

State institutions

Agroinstitut, Sombor

Fruit Research Institute – Čačak

Institute for Animal Husbandry – Belgrade

Institute for Environmental Protection - Belgrade

Ministry of Agriculture Forestry and Water Management –Belgrade

National Extension Service Agency

Organic movement associations

Eco-Energy (ecological association).

OCS- Organic Control System (certification body in relation with TERRAS)

TERRAS (one of the first organic association in WB, started with the first biodynamic initiatives in Northern Serbia. Today adapting to the changing context of organic agriculture in WB)

REPA (organic producer association)

Organic Market Operators

FOODLAND doo – (emerging organic company interested in trading of organic product and pushing for an increase in production)

AGROKULA (organic processing company)

Bio Farma Mamuzić (organic company)