RESTRUCTURING AGRICULTURE IN CENTRAL EUROPE AND THE SOVIET UNION; BUDAPEST, OCTOBER 21-23, 1990

Briefing Note

The Conference was well organised and attended by some 300 delegates in all. Virtually all the East or Central European countries were represented at Ministerial level (most commonly at Vice-Ministerial level, although the new Polish Minister of Agriculture attended and the Hungarians as hosts provided a range of Ministers, the most senior being the finance Minister, Mr. Rabar). For the USSR, Mr. Siderenko (Ukraine) and a Lithuanian Minister were the Ministerial representatives. Apart from Walter, Kittel (German Ministry of Agriculture) and Denise Norman (Minister of Transport, Zimbabwe), Ministers from Western countries did not attend. However there was a good level of representation by top managers from the commercial sector (particularly the US) and senior officials from agricultural, trade and overseas aid departments. The UK was well represented, amongst others and Canada was represented by Mr. Allan Gratias and Mr. Maurice Hladik and Sam Elkady.

Lord Plumb, Chairman (IPC), kept the Conference hard at work in formal session for the two full days of the formal agenda (copy attached, amended to show last-minute drop outs) and Sunday evening. Despite the attempt to concentrate on specific aspects of the reform process, each of the six sessions tended to produce messages for the USSR, East and Central European delegates, namely that only commercial activities, founded on mutual benefit, will be able to provide the scale of investment and technology transfers needed to achieve the desired economic reforms; that the reforming countries are competing not only between themselves but with other overseas countries for Western commercial capital and resources (whose investment has to be justified to shareholders and very critical stock markets); that political, economic and legal uncertainties or changes of approach discourage commercial interest; that changing management attitudes as well as aptitudes and skills will be needed at all levels, over a much longer time scale than might at first sight appear; and that the right macro-economic policies must be adopted to support the move to a market economy.

If anything the Conference perhaps rather over-emphasised the need to progress on all these fronts, with the business sector in particular, tending to press for minimal risk whilst continuing to seek profits more compatible with high risk ventures. It was not until the last session, with a very impressive address and responses to questions by Mr. Rabar of Hungary (whose performance apparently did much to restore his flagging personal prestige in Hungary) that the balance was redressed to some extent.