

**Grant Agreement n. 216672**

## **CAP-IRE PROJECT**

**“Assessing the multiple Impacts of the Common  
Agricultural Policies (CAP) on Rural Economies”**

Socioeconomic Sciences and Humanities (SSH)

Collaborative project: Small scale focused research project

**WP.1**

### **“First Policy Brief”**

**Presented as part of Deliverable 1.8**

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## 1 Scientific objectives

The scientific objectives for the first period focused on the revision of the evaluation framework devised during the preparation of the project, in particular with reference to:

- a) the most policy relevant issues to be addressed;
- b) the definition of the target population for the survey (reference area, typologies of actors to be included, etc.);
- c) the choice of the methodologies to be used in the empirical part of the project.

The first objective was given the highest priority in the first 6-month period, but all three objectives are expected to be actually achieved by the end of month 13. We report here methods and results from objective a).

## 2 Methodologies and tools

The most policy relevant issues to be addressed were identified through a consultation with the AB and the LPNs. The AB is a group of 13 members (high level academics, representatives of CSA countries or regions, of young farmers and OECD). Consultation of AB was based on a specific questionnaire available on the project website.

LPNs are groups of local stakeholders organised in each CSA. The project mobilised 5 to 15 representatives of local stakeholders in each of the 11 CSA, for a total of about 100 people involved. Consultation of LPN was based on a specific questionnaire available on the project website.

## 3 Main policy-relevant messages

The issue addressed by the project is one where a lot of literature and official documentation is already available, particularly about policy impact and perspectives. However, the understanding of policy contributions to society goals and the mechanisms to achieve such contributions is still unsatisfactory. This is the main challenge of the project.

The outcome of the LPN and AB consultation confirmed the existence of major changes affecting rural areas. The agricultural sector is fastly adapting to new conditions, particularly after 2003 reform: structural change, new legal entities, process and product innovation are key components of such change.

In this context while farm households maintain their central role as a building block of rural societies, their relationship to rural economies suggests a need for major revisions in policy, taking also into account households' differentiation and emerging typologies.

First of all, the meaningfulness of the delineation of rural areas (with related definitional problems) seems to be weakening, due to increasing interaction of farm and, more broadly, rural households and economies with either urban areas, international markets, global demographic changes.

Secondly, the shift from family run farms to legal entities is getting more pronounced, with the emergence of important grey areas between the two. This also means a shift in rural governance.

The 2003 reform, the increase of market prices and the new more entrepreneurship-oriented farm structure have raised in many areas a new attention to productive agriculture, making multifunctionality and sustainability concepts less noticeable than in the recent past. While the focus on competitiveness could become a distinguishing feature of some CSAs in the medium term, it could be less or not relevant for other CSAs (for example in Less Favoured Areas).

This may pose new challenges for policy in terms of re-vitalising past contrasts between productive agriculture and the environment, as well as requiring more attention to innovation-oriented and entrepreneurship-supporting measures, rather than keep the focus on mere income support. This may call for major policy innovation in the medium-long term.

This has to be addressed in the context of the broader role of the CAP in social relationship in rural areas. From this point of view a number of conflicts were highlighted in the LPN meetings, such as the difficult relation between farmers and rural non-farming actors (misunderstanding of objectives and needs; agricultural subsidies viewed as unfair; 2nd pillar subsidies expected to benefit non-farmers as well) and the declining of services and activities in rural areas, due to the declining number of farm labour and to the increasing number of inhabitants not working in the rural areas (and thus, only "sleeping" in these areas, not really living there).

Diversification of priorities in different regions in Europe was also highlighted. In particular, attention was focused on diversity between areas with or without close connections with urban areas and areas with different farming structure and land ownership (small subsistence farms, professional farms, large corporate farms, part time and pluriactive farms). Different paths between Western and Eastern Europe still require major attention.