



**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**

### **“Second Policy Brief”**

**Presented as part of Deliverable 1.9**

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## 1 Scientific objectives

The scientific objectives for the second period focused on designing and starting practical research activities to respond to the questions raised during the initial part of the project. This in particular involved the parallel advances on:

- a) the design of survey means, in particular questionnaire B and subsequent activities;
- 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 three objectives are strictly connected to each other and have been pursued consistently through an intense dialogue among the partners in charge.

## 2 Methodologies and tools

The key achievement of the period was the design and carrying out of survey B. This is an in-depth interview with about 5 farm-households in each CSA, intended to yield qualitative information about farmer's perception of the future scenarios and of the CAP, as well as supporting further survey and data analysis activities. A short report about survey rationale and organisation was developed for internal use and is available on the restricted area of the website together with the questionnaire. The main results are expected to be available by the end of February 2009.

The related discussion has also allowed the further development of survey A and the list of methodology applications by CSA. In particular, based on the discussions at the second project meeting, each thematic workpackage leader has identified two approaches for their research: one approach will be applied across all 11 CSAs, the other will provide greater in-depth understanding of their topic area and will focus on 3 to 4 of the CSAs. The selection of CSAs for the in-depth analyses was done on the basis of relevance to the CSA (as identified by the LPN reports) and the requirements of the particular methodological approaches (such as data availability). The allocation of CSAs across in-depth analyses is illustrated in the following table.

		1. Emilia-Romagna (Italy)	2. Noord-Holland (Netherlands)	3. Macedonia and Thrace (Greece)	4. Podlaskie (Poland)	5. North East of Scotland (UK)	6. Andalusia (Spain)	7. South-East Planning Region (Bulgaria)	8. Centre (France)	9. Midi-Pyrénées (France)	10. Lahn-Dill-District (Germany)	11. Ostprignitz-Ruppin (Germany)
	<b>Methodology proposed</b>											
WP3a	Grouping techniques based on household reactions to policies, in order to provide a classification of households											
WP3b	Network theory to represent connections between different components of the system and different issues											
WP4a	Analysis of structural change through econometric modelling											
WP4b	Mathematical programming model simulating technology adoption	X	X		X					X		
WP5a	SAM-based analysis to capture linkages between farm household and the regional economy	X			X	X						
WP5b	statistical analysis of the direct links between farm households and other economic agents											
WP6a	Environmental effects of CAP											
WP6b	Indicator based analysis (DPSIR)			X			X		X			X
WP7a	Multivariate techniques for grouping and classification of households according to different policies using the social indicators specified above											
WP7b	scenario analysis based on multicriteria decision making in order to measure and compare the impacts of different policies on basic social indicators			X			X	X				X
WP8	Development of perspective scenarios											
WP9a	Econometric techniques (simulations) based on household reactions to policies, in order to analyse the role of networks including clubs on individual decisions											
WP9b	New institutional economics to represent connections between different households and different issues		X			X		X		X		

### 3 Main policy-relevant messages

As already detected in the preparation of the proposal, the issue addressed by the project is characterised by a very wide literature and official documentation, particularly about policy impact and perspectives. However, the overall understanding of policy contributions to society goals and the mechanisms to achieve such contributions is still somehow unsatisfactory. This is the main, ambitious, challenge of the project.

Since the results of survey B are not yet available at the end of month 12, the main lessons learned may be derived from the difficulties encountered in the setting up and carrying out of the survey. Some key issues concern:

- the major differences in the institutional forms of farms and the nature of farm households between different regions of the EU;
- the increased complexity of the connection between households and farms, related to the increasingly changing institutional forms of the farm, changing social and technological contexts and changes in the structure of relationships within farm households;
- the related role of (new) forms of governance;
- the connection between such new institutional forms, and their effects on the household, and the increasing entrepreneurial character of the farm/firm management;



- the increased variability of ranges of variation of prices (of both products and production means) have been amplified by financial events occurred around 2007;
- the difficulty of identifying common policy scenarios, in a situation where policy is increasing determined by a number of local choices.

There are at least two practical consequences of these issues:

- the need for developing our theoretical and statistical concepts attached to the relationships between households and farming;
- the need to develop improved and timely statistical means to support research and agricultural/rural policy.