



## **Coherence of the Common Agricultural Policy (CAP) with the EU 2020 Strategy**

**Contribution to the Public consultation on the future EU 2020 strategy based on the results of the CAP-IRE project**

### **Organisation:**

#### **Assessing the Multiple Impacts of the Common Agricultural Policies (CAP) on Rural Economies (CAP-IRE)**

Research project funded under FP7 – Theme 8 – Socio-economic sciences and humanities – Collaborative Project

Organisation ID number 66816763027-38

### **Main objectives and scientific approach**

European rural areas are undergoing major changes. The Common Agricultural Policy (CAP) is the main expenditure chapter of the EU and is directly affecting the economy of rural areas. The objective of the project is to develop concepts and tools to support future CAP design, based on an improved understanding of the socio-economic mechanisms of change in rural areas.

CAP-IRE has a strong empirical approach based on farm-household surveys and in-depth analyses building on a mix of survey and modelling instruments. The coverage includes 11 case study regions in 9 EU countries. A major survey has been carried out in 2009 involving 2400 EU farmers. The project has also developed a strong dialogue with stakeholders by means of an Advisory Board (AB) (13 members) and Local Participatory Network (LPN) in each case study area (involving about 100 participants altogether).

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**(see attached Project Identity for further information)**

## Contributions from the project to the Public consultation on the future EU 2020 strategy

Regarding "Recognising constraints and facing new challenges" and more generally the rural components of the strategy, general considerations concern the need to:

- Ensuring coherence of the future Common Agricultural Policy (CAP) design with new challenges, particularly as regards structural change and subsequent abandonment and ageing of rural areas, particularly in NMS.
- Ensuring that the CAP contributes to increase innovative and environmentally sound production techniques and farming practices, particularly through pillar 2 (agri-environmental measurements, and support to investments)

More in detail, the intermediate outcome of CAP-IRE suggests the following challenges for agriculture/food/rural policies in the context of the EU 2020 Strategy:

### a) Re-specifying (CAP) policy objectives and role:

- requiring more attention to innovation-oriented and entrepreneurship-supporting measures, rather than keeping the focus on mere income support;
- re-shaping the connection between productive agriculture and the environmental protection and social dimension (equity, income support) of agriculture;
- taking into account the non-agriculture related contributions that farm-household members make to local economies through, for example, off-farm employment and on-farm diversification activities;

### b) Accounting for regional or farm differences:

- taking into account the differences in social indicators among rural areas, including labour allocation in farming and off-farm activities; long-term unemployment and low education levels in some rural areas;
- taking into account differences in farm governance structures – including contractual relationships with buyers and sellers - and the institutional environment of regions when designing policies;
- recognising the spatial concentration of agriculture-related businesses in some rural areas and associated vulnerability of some (but not all) areas should there be a decline in farm production;

### c) Improving policy evaluation:

- analyses of farm reactions foresee an important number of farmers that declare intention to abandon farming if CAP support is abolished; the expected structural changes that would arise from the abandonment require adequate policy responses supported by improved tools for *ex ante* policy analyses;
- Impact of CAP on agriculture is subject to the behaviour of external forces such as productivity increase or world market evolution (prices, energy, GMOs), which require specific attention to context scenarios.

An intermediate CAP-IRE policy brief (October 2009) supporting the content of this document is available on the project website:

[http://www.cap-ire.eu/StakeholdersDocument/CAP-IRE\\_Policy\\_brief\\_Oct\\_2009\\_03.pdf](http://www.cap-ire.eu/StakeholdersDocument/CAP-IRE_Policy_brief_Oct_2009_03.pdf)

## Project Identity

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<b>Funding Scheme</b>	FP7 – Theme 8 – Socio-economic sciences and humanities – Collaborative Project
<b>Budget</b>	1,5 million €
<b>Website</b>	<a href="http://www.cap-ire.eu">http://www.cap-ire.eu</a>
<b>Further reading</b>	Research papers and reports are available at <a href="http://www.cap-ire.eu">http://www.cap-ire.eu</a>
<b>Related websites</b>	<a href="http://cordis.europa.eu/fp7/ssh/home_en.html">http://cordis.europa.eu/fp7/ssh/home_en.html</a> <a href="http://ec.europa.eu/agriculture/index_en.htm">http://ec.europa.eu/agriculture/index_en.htm</a>
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