

SECTION I

REGIONAL DEVELOPMENT STRATEGIES AND POLICIES

THE NEW COMMON AGRICULTURAL POLICY OF THE EUROPEAN UNION

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Abstract

The Common Agricultural Policy (CAP) is one of the first common policies adopted by the European Union and it is the most integrated European policy in the European Union. Regarding the new Common Agricultural Policy, this will be a greener Common Agricultural Policy, which will support the transition to a more sustainable agriculture, with major objectives in what the climate, environment and animal welfare are concerned. Stimulating organic farming is an important step for each country's economy because the future of Europe, of all the people, depends on a healthy planet. We can state that the new Common Agricultural Policy marks the beginning of an evident change in the way we practice agriculture in Europe. The directions of the new Common Agricultural Policy are: a more equitable Common Agricultural Policy, a greener Common Agricultural Policy, a more flexible Common Agricultural Policy. These objectives will be implemented from January 2023 by all Member States, which will have to develop strategic plans.

The article presents the analysis of the directions of the new common agricultural policy and states new elements for a long-term sustainable development framework in Romania together with the rest of the member states of the European Union, which must move towards the new type of "green" agriculture.

Keywords: *Common Agricultural Policy, green agriculture, strategic plan, sustainable development*

JEL classification: *Q01, Q18, Q15*

Introduction

In the economy of any country in the European Union, agriculture is a very important branch, which influences all citizens.

With a history of over 50 years, the Common Agricultural Policy (CAP) was the first measure developed and adopted by the European Union and is one of the major policies of the Union, both in terms of budget and impact on Europeans who have been in the field of the CAP are in favor of rural development. In my opinion, despite the reforms of recent years, the CAP has not developed sufficiently to support or stimulate food sovereignty or agro-ecological strategies. A change of direction is needed and the CAP needs to be better implemented in the European Union (EU).

The Romanian farmer and those from the member states of the European Union must adapt to the existing economic reality at European and world level and adopt technical and economic methods that offer him economic stability and efficiency. At the same time the products obtained must be in accordance with market standards European and world.

In the current context, for the economic and social recovery, following the impact of the Covid 19 pandemic on the economy of each country, a recovery plan for Europe is needed. In this regard, the European Commission proposes a consolidation of the funds available to support farmers and rural areas and which aims to achieve the objectives of the European Green Pact.

1. Objectives of the future Common Agricultural Policy

The objectives of the future Common Agricultural Policy must be to develop smart and resilient agriculture that has an attractive level of support and meets the financial needs of

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farmers. "In order to have a healthy planet, sustainable food systems are a central element of the European Green Pact, the EU's strategy for sustainable and inclusive growth." (European Commission, Strategy, Priorities 2019-2024, A European Green Deal, Agriculture and the Green Deal). It is designed to boost the economy, improve people's health and quality of life, and care for nature.

During this period, global climate change with repercussions on the environment is a danger to Europe and the world. In this context, the European Green Pact¹ will help the EU to transform Member States' economies into modern, competitive and resource-efficient economies. The European Green Pact can be seen as a lifeline for a way out of the COVID-19 pandemic. This is why it will be funded with **one third** of investments amounting to **1 800 billion** from NextGenerationEU Recovery Plan and with funds from the EU budget for seven years.

"The objectives" (European Commission, Strategy, Priorities 2019-2024, A European Green Deal, Agriculture and the Green Deal) of European Union (EU) in the field of the CAP are:

- to ensure access for all and permanently to food necessary for a healthy life in the conditions of climate change
- to reduce the negative effects of the food system on the environment and the climate
- to strengthen the resilience of the food system
- to determine a global transition to competitive sustainability, from farm to consumer.

In my opinion, taking into account the period we are going through - the Covid crisis 19 - I consider that a shock-resistant system is indispensable for all states despite the disturbing factors. The resilient system is the system on which shocks can not cause significant losses. In this sense, the objectives of the new Common Agricultural Policy aims to include services provided by nature in economic formula, because we can not talk about developing an economy if there are no resources.

In the period 2023-2027, the common agricultural policy will be based on 9 main objectives that take into account social, economic and of course environmental protection. These must be taken as a starting point in the CAP strategic plans of the Member States of the European Union.

These objectives, as we can see in figure 1.1, aim at:

- to bring farmers a fair income;
- to encourage competitiveness;
- to balance the food chain;
- to combat climate change;
- to protect the environment;
- to conserve landscapes and biodiversity;
- encourage generational renewal;
- to support the revitalization of rural areas;
- to promote food quality and health.

¹ The European Green Pact - The Green Pact is the EU's new growth strategy, which aims to put Europe on the path to a climate-neutral, equitable and prosperous society with a modern, efficient economy. of resource use and competitiveness <https://www.consilium.europa.eu/en/policies/green-deal/>

Figure 1.1 - CAP objectives



Source: European Commission, Common agricultural policy, New CAP: 2023-2027, Key policy objectives of the new CAP

2. Financing of the Common Agricultural Policy

"The CAP contributes to the EU's rural development goals with the help of the European Agricultural Fund for Rural Development" (EAFRD) (European Commission, food-farming-fisheries, Key policies, Common agricultural policy, Rural development). Rural development programs are co-financed from the Member State budget and can be developed at national or regional level.

Agriculture is financed by the European Union through the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development and is based on the Common Agricultural Policy.

- **EAGF** - European Agricultural Guarantee Fund - for measures to regulate or support agricultural markets and for direct payments to farmers in the context of the common agricultural policy

- **EAFRD** - European Agricultural Fund for Rural Development - to finance rural development programs.

The European Commission is the institution of the European Union that is responsible for overseeing, if this policy is funded fairly, comprehensively and transparently.

"Next Generation EU" (European Commission, Strategy, Recovery plan for Europe, May 2020) is the new direction of recovery, through which the European Commission proposes to increase the budget for the European Agricultural Fund for Rural Development by EUR 15 billion to help rural areas make the necessary changes in line with the objectives of the European Green Pact. Rural areas through rural development will play a key role in making the transition to a green economy. These funds meet the broad climate and environmental objectives set out in the new biodiversity strategy and the new "Farm to Consumer Strategy" (European Council, Policies, From Farm to Fork , May 2020).

The European Agricultural Guarantee Fund (EAGF) under the CAP will be increased by EUR 4 billion, while the European Agricultural Fund for Rural Development (EAFRD) of the CAP will be increased by a further EUR 5 billion.

Commission proposal from 2018 on the future CAP , provides that Member States will be able to opt for the transfer of 15 % of their CAP allocations, between direct payments and rural development. (European Commission, EU budget:the Common Agricultural Policy beyond 2020 – Bruxelles, June 2018) Thus, any country is moving in a direction that will allow it to better adapt its policy to the needs of its own agriculture.

3. The future Common Agricultural Policy - a framework for long-term sustainable development

The characteristics of the rural space represent important landmarks in achieving a sustainable development. Talking about "rural development" and trying to establish the priorities of this sector is, in my opinion, one of the most ambitious and difficult projects. By rural development we mean the development of rural communities, which represents a whole process of territorial development, including economic, social, cultural, political aspects. In order to achieve a sustainable economic development of rural areas, the financing of the rural environment through European funds has an essential role.

The Romanian rural economy and that of the member states of the European Union is largely dominated by agriculture. In the current context of the market economy, the future Common Agricultural Policy can be considered a real pillar of support for rural development.

CAP strategic plans (European Commission, Communication from the Commission to the European Parliament, the Council, Recommendations to Member States - Bruxelles, December 2020), are of major importance in this transition. Through the CAP's strategic plans, Member States will show how they can achieve these diverse goals, including economic recovery and the assurance that their farmers meet environmental and climate requirements. Member States must also explain how they will use the funds from both pillars of the CAP in support of their strategy. The proposed targets will be periodically assessed to measure progress.

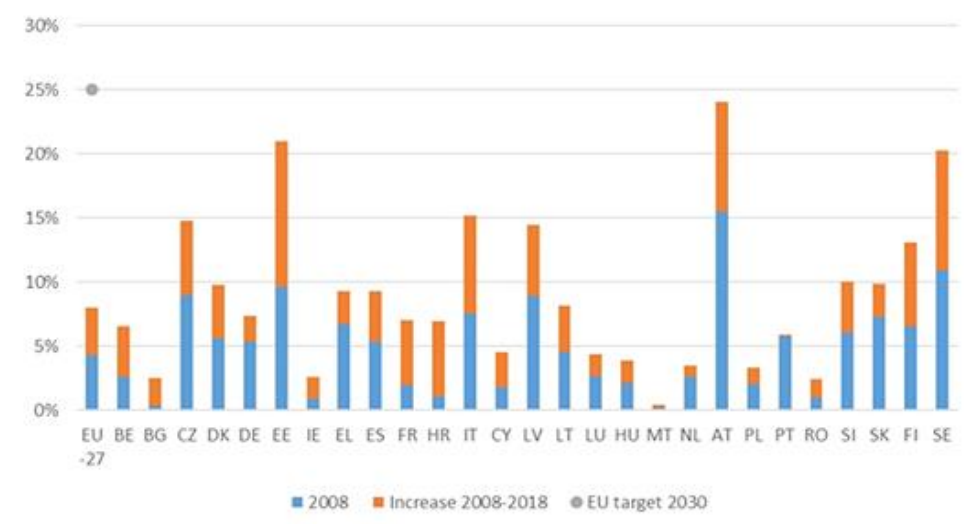
I believe that each Member State 's strategic plans are an important element in achieving the objectives of the future CAP. They must be efficient, adapted to the agriculture and economy of each country, to the needs of each Member State. When drawing up CAP strategic plans, Member States must ensure transparency and aim at targeting support for long-term sustainable development.

The strategic plans of the CAP of each Member State must be drawn up in such a way as to achieve the objectives of the Green Pact.

Rural areas offer many opportunities, but unfortunately many of them face a dynamic of depopulation and / or aging that requires effective solutions to **attract young people** , including in the agricultural sector. Young people must be attracted to agriculture because they come up with new ideas and use new technologies essential for the future. Only by integrating young people into agriculture can we keep rural areas alive.

The strategic plans of the CAP must contribute to a healthier food environment, paying attention to food loss and waste. **Agro-ecological agriculture** is the one that contributes to the protection of the environment. The European Commission is supporting Member States with certain directions that need to be included in national action plans on organic farming, in order to increase the share of organic farming at national level. Major differences can be noticed between Member States regarding the share of agricultural land currently used for organic farming, which varies from 0.5% to over 25%. As can be seen in the figure below (figure 3.1) in some Member States farmers have already adopted organic farming, but in others the use is very low.

Figure 3.1 Share of fully converted agricultural area converted and being converted to organic farming;



Source: EUROSTAT [org_cropar_h1] and [org_cropar]¹

A very important role in supporting farmers and rural areas in general I consider to be played by **innovation and digitalization in agriculture**. (European Commission, EU budget:the Common Agricultural Policy beyond 2020 – Bruxelles, June 2018)

Digitalization and new technologies are the determinants of the transition to sustainable and healthy development. Member States need to move to digitizing the agricultural sector in order to better optimize and monitor agricultural production processes and the implementation of the CAP. The Internet and the use of digital technologies will open the horizon for the renewal of generations in agriculture and the development of a rural, modern and sustainable economy, by increasing economic and environmental performance in this sector. **Increasing the consumption of organic products** will play a very important role in meeting the objectives of the CAP. Through this direction, farmers will be motivated to move towards organic farming. To this end, there must be measures to stimulate demand for these products. Measures that can be taken would be: information on organic production, promoting the consumption of organic products, encouraging the use of organic products in public canteens and increasing the distribution of organic products in the EU program for schools. At the same time, private companies can encourage organic farming through "organic vouchers" (European Council,Communication from the Commission to the European Parliament, The Council, The European economic and social Committee and the Committee of the regions on an action plan for ecological production development, April 2021) , which they offer to employees, and they can use them to buy organic food.To this end, the European Commission has developed an action plan for the development of organic production.

Regarding organic products, we must also keep in mind that these products are more expensive in stores than chemical products. High prices may be due to more expensive agricultural practices, strict tax legislation or due to low crop yields. I believe that each country could come up with certain support measures to increase the consumption of organic products by reducing certain taxes on these products. Also, organic education from the first years of kindergarten and school helps children to differentiate between food produced with

¹ The European Commission. CAP context indicator C.19 Agricultural area used for organic farming. Based on EUROSTAT [org_cropar_h1] in combination with [apro_cpsh1] and [org_cropar]. The data for Croatia refer to 2019

chemicals and organic. By consuming organic products we are healthier and we also protect the environment.

The European Commission aims to improve the performance of organic farming in terms of **sustainability** (European Commission, food – farming - fisheries, Sustainability, Environmental sustainability, CAP and environment, January 2019) . Thus, the measures will focus on improving animal welfare, ensuring organic seeds, reducing the sector's carbon footprint and reducing the use of plastics, water and energy. At the same time, the Commission intends to increase the share of research and innovation activities and to direct at least 30% of the budget for research and innovation in agriculture, forestry and rural areas for specific issues in the organic farming sector.

For his part, Commissioner for Agriculture Janusz Wojciechowski said: “(...) *The organic farming sector is recognized for its sustainable practices and sustainable use of resources, which gives it a central role in achieving the objectives of the Ecological Pact. In order to reach the target of 25% of land devoted to organic farming, we need to ensure that demand stimulates the growth of this sector, while taking into account the significant differences between the sectors of organic farming in each Member State. The action plan on organic farming provides tools and ideas to accompany a balanced growth of this sector .*” . (SUMMARY OF THE ACTIVITIES OF THE EUROPEAN Nr. 11/2021 22 to 28 March 2021 page 15 http://www.cdep.ro/afaceri_europene/afeur/2021/szs_3119.pdf)

Conclusions

In conclusion, the directions of the future Common Agricultural Policy are beneficial and opportune for the Romanian rural environment and not only, the recommendation being to capitalize on it as intensely as possible taking into account the fact that the future of Europe depends on a healthy planet. I reckon that the directions of action of the future Common Agricultural Policy will lead to multiple positive results:

- increasing productivity in the agricultural and agri-food sector;
- increasing the resilience of agricultural holdings to climate change;
- increasing the incomes of farmers and those in rural areas;
- attracting young people to agriculture;
- increasing the role of research in the production of agricultural products;
- efficient use of agricultural resources;
- increasing the quality of life in rural areas.

The positive results of the implementation of the future Common Agricultural Policy formulate new elements for a long-term sustainable development framework for a sustainable and competitive future. The future Common Agricultural Policy will support as many farmers as possible, help increase production and have an effect positive on the environment.

In the context of the coronavirus pandemic, the objectives pursued by this policy aim to strengthen the resistance of our countries to the current crisis and possible threats, such as: food insecurity, forest fires, various outbreaks of diseases, threats with negative effects on climate, through development strategies sustainable for agriculture.

The transition to a sustainable food and agricultural system can bring social, health and environmental benefits, as well as long-term economic benefits. The Covid 19 pandemic recalled the importance of a resilient food and agricultural system .

I believe that the recovery from the Covid 19 pandemic will put us on a sustainable path if we are to repair the damage caused by the crisis in a way that we can invest in our long-term future.

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