

Challenges for rural development in the EU: Does the Common Agricultural Policy fit the task?

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The Common Agricultural Policy (CAP) of the EU aims at contributing to a balanced territorial development of rural areas including the creation and maintenance of employment. This objective has been formulated in the Rural Development Regulation, which is usually called the CAP's 2nd pillar. Implementation of the instruments within this 2nd pillar is up to the member states. In Germany, the responsibility has been delegated to the federal states which develop their policies relying on 13 Rural Development Plans. The EU funding is complemented with co-funding from the federal states as well as the joint policy of federal government and federal states for agricultural structures and protection of coastal areas (Gemeinschaftsaufgabe Agrarstruktur und Küstenschutz, GAK). In 2018, more than 2 billion Euro have been spend for the various measures allowed under these policies. The beneficiaries of most of the funds are farmers which represent a minority of economic activities in rural areas. While most challenges in German rural areas relate to demographic, infrastructure and fiscal aspects, only very few instruments in both CAP's 2nd pillar and GAK address them accordingly.

A broad based and forward looking rural development policy should base on three aspects: First, policy objectives should be better supported by clearly defined measures of rural development. Only if goals are clear, scientists can contribute in suggesting and evaluating the effectiveness and efficiency of policy instruments. Second, a sustainable rural development policy should aim at stimulating sustainable economic activities which motivate people to stay in the countryside irrespective of the economic sector. Thus, a territorial perspective will be better suited than an agriculture-centred policy. Finally, political stakeholders should be open for an honest debate which heterogeneity in the quality of public services is acceptable. Regulations could be checked whether a more flexible implementation of public services will be more efficient. Unfortunately, the current debate and CAP reform proposals don't seem to support a radical change of the strategy in place.