Orientations and evolution of the common agricultural policy (CAP): between sustainability and rural development

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Abstract

One of the variables that since the 80s of the last century have modified the rural world, in its broad meaning, is without a doubt, the issue of sustainability and in the range of international experiences highlights that of the European Union that; through the common agrarian policy (CAP), it has introduced as a central component the agri-environmental action that have redefined both the orientations and the functions of agriculture, of the peasants and their territories, with the consequent effects on both the conceptualization and in rural development practice. A historical analysis of the process and evolution that this European policy has followed is presented, particularly its expression in Spain. The underlying hypothesis is that the environmental care and orientation of the rural development of the CAP have been defined based on the balance of the markets for agricultural products. This historical review takes as its starting point the 1990s when the agri-environmental variable appears for the first time in the CAP and its process continues until the 2016 reform, currently in force. The study is based on primary bibliographic sources: official documents prepared by the European Union and interviews with key informants related to the adequacy and application of CAP programs, particularly in Spain. The results confirm a trend in which the control of prices and the market of agricultural products, particularly cereals, has determined that the CAP is reoriented towards the consolidation of agro-environmental variables and that rural development, for the sake of multifunctionality and productive diversification, be channeled towards non-agricultural activities.

Keywords: agro-environmental action, common agrarian policy, rural development.

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Introduction

As noted above, the rural world has been subject to the application of new political guidelines that have gradually but substantially modified its traditional economic, social and cultural dynamics, as well as the use of its physical spaces and natural resources. Much of these changes have been motivated both by problems in the agricultural products market and by the deterioration of natural resources present on a global scale.

Therefore, sustainable development has permeated a good part of agricultural policy where sustainability has become the axis of a new orientation for the rural sector. The term ‘sustainable’, a word used and generalized as a translation of English ‘sustainable development’, is intervening and defining new functions for agriculture, the peasants, their rural areas and obviously, their forms of production and relationship with ecosystems in the they inhabit.

The common agricultural policy (CAP) is a true reflection of this ‘progressive process of «environmentalisation» of agriculture’ Gómez et al. (1996). Environmentalisation that, according to these authors, could be interpreted in two senses: the limitation of agricultural practices that are harmful to the environment related to the agro-industrial production model and the recognition of the ecological role that traditional agriculture has historically played.

In this sense, the CAP has followed an evolution that has led to the consolidation of two main aspects: the greening of the countryside, which takes the form of agri-environmental action and the European version of rural development expressed in the programs by their initials in French. From: Liaison between Actions de Développement de l’Economie Rural (LEADER), whose proposal is synthesized in the concepts of multifunctionality and diversification of agrarian activities and rural spaces, accompanied by new patterns of sociocultural identification of the rural, among most remarkable.

This new benchmark in agrarian policies generates significant uncertainties about the future that is designed for the rural world from outside entities, the role assigned to agriculture and rural areas. For example, Alario (2000) points out that ‘there are two aspects that are not sufficiently documented: the processes of economic and social change that are taking place in the different rural areas and what part of the explanation of these processes of change have what we consider to be rural development policies’.

Materials and methods

The research was carried out through bibliographic and documentary consultation, mainly by Spanish authors, as well as primary sources (official documents from both the Spanish government institutions and the European Parliament). Interviews were also conducted with academics and officials of public institutions responsible for the application and monitoring of the CAP programs and the LEADER program in Spain.
Although this work does not refer to the information provided by the farmers, it is important to note that interviews and questionnaires were carried out with producers in the rural town of Villafafila (Castilla and Leon, Spain), beneficiaries of the agri-environmental programs, which allowed them to consolidate the information on the general orientation of CAP programs, particularly agri-environmental action and rural development programs.

Results and discussion

Initial approaches and evolution towards ‘environmentalisation’ and rural development

In the turbulent economic, political and social scenario of the 80s of the last century, the then European Economic Community began an important process of reforms to the CAP, induced in some way by the explosion of the world agricultural crisis and the international market dispute and prices. Throughout this decade and the beginning of the next, the CAP will redefine the role of agriculture, rural areas and peasants in the context of European economic development, since then shaping an orientation towards market and price control obviously, but also towards agro-environmentalization, diversification and multifunctionality of rural areas.

In the history of the evolution of European environmental policy, the following events stand out: a) in 1990 the European Environment Agency (EEA) was created, with headquarters in Copenhagen; b) in 1992 the Natura 2000 Program was created, financed through the LIFE Program, a political instrument for defining the network of natural protected areas, nature conservation and environmental protection; c) the 1993 Maastricht Treaty gives the environment an official character in the programs of the European Union; d) the Amsterdam Treaty, 1999, establishes the obligation to integrate environmental protection in all sectoral policies of the European Union in order to promote sustainable development; e) in 2000, the White Paper on Environmental Responsibility was presented, which establishes the principle “who pollutes pays”; and f) The Lisbon Treaty in 2009, sets out the commitment to fight against climate change.

In 2013, the Council and the European Parliament adopted the seventh Environment action program valid until 2020. The document entitled ‘living well, respecting the limits of our planet’, establishes nine priority objectives, among those that stand out: the protection of nature; greater ecological resistance; sustainable and efficient growth in the use of resources and low carbon; the fight against health threats related to the environment (Diario Oficial de la Union Europea, 2013). The variable of environmental care in the policies of the European Union has not been limited to the biological or ecological ambit per se, but has gradually been integrated into the CAP, as shown in Table 1.

Table 1. The environmental variable in the common agrarian policy. Historical process of the most relevant modifications 1985-2017.

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<thead>
<tr>
<th>Year</th>
<th>Reform</th>
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<td>1985</td>
<td>First reform of the CAP. The Green Paper presenting the orientation of European agriculture towards the year 2000 is presented.</td>
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The EEC presents the report ‘the future of the rural world’ which for the first time talks about objectives such as fixing the rural population, taking care of the landscape and the environment. This document also marks the beginning of the LEADER initiative.

On the basis of the Green Paper, the so-called ‘delors package’ is approved, which establishes mechanisms to discourage agricultural production, such as the reduction of guarantee prices by 6%, the setting of production quotas, the program of removal of land from production, extensification and reconversion of surplus crops by non-surplus crops, reform of the structural funds FEDER, FSE and FEOGA-O, dividing the territory of the EEC into 5 types of zones.

A new document ‘evolution and future of the CAP’, also known as the MacSharry Report, which recognizes the failure of the first reform and the continuity in the growth of agricultural spending, is condensed the new orientation of the CAP, outlined since 1988: the plurifunctionality of agriculture (no more food producers but conservators and protectors of the environment), maintenance of the agrarian population in rural areas; diversification of economic activities to complement farmers’ incomes. The LEADER I rural development program (1991-1993) comes into operation, which sets out an orientation towards aspects such as: tourism, crafts, and environmental conservation.


Commissioning of the second version of the LEADER II program.

CAP review. Among other measures, the following are proposed: improving competitiveness by reducing institutional prices; promotion of environmentally friendly practices and diversification of activities in rural areas.

New revision of the CAP. Following the orientation of the 1992 reform, the intention to improve competitiveness through the reduction of institutional prices is reinforced and the path of rural development is strengthened to the detriment of that of prices and markets. Rural development is established as the second pillar of the CAP.

Launch of the third version of the rural development program, called LEADER+

Known as the ‘mid-term review’ or ‘long-term political perspective for sustainable agriculture’, a new CAP reform is approved that decouples direct income support from farmers from production. Price and market policy gives way to rural development. Decoupling, modulation and greater importance to rural development are the great measures adopted and applied from 2007, in force until 2013. The creation of the European Fund for Agriculture and Rural Development (EAFRD) stands out, as well as the modification of the FEOGA, which it is renamed FEGA aimed at financing the first pillar of the CAP: market policy Garcia-Delgado and Garcia-Grande (2005).

Known as ‘the CAP check’, it was approved on November 20, 2008 and aims to reinforce the total decoupling of aid by gradually eliminating the last payments associated with production, integrating them into the single payment regime for exploitation and partially redirect first pillar funds in favor of rural development.
2013 Last phase of the CAP adaptation process. Among the most relevant modifications are: single payments to farms are replaced by a tiered or tiered payment system with seven components: 1) a ‘basic payment’; 2) a ‘green payment’ for environmental public goods (ecological component); 3) a supplementary payment to young farmers; 4) a redistributive payment to reinforce aid to the first hectares of a farm; 5) additional income support in areas conditioned by natural limitations; 6) aid linked to production; and 7) simplified regime in favor of small farmers. Rural development is consolidated as the second pillar of the CAP.

2016 In September, the European Commission organizes the Cork 2.0 Conference, which reopens the debate on rural development policy that will be applied from 2020.

2017 The meeting results in the presentation of a new communication on the future of food and agriculture in November of this year, which mainly emphasizes sustainable development and the preservation of natural resources.

This chronology reflects how the productivist vision of agriculture is gradually turning towards the environmental component. As pointed out by Sumpsi et al. (1997), in the Green Paper of 1985 ‘which represents the position of the CAP towards the year 2000, the need for the inclusion of environmental issues was raised for the first time and conservation was recognized as one of the functions of agriculture of the natural environment’. Another noteworthy element in this story is the appearance of the LEADER program aimed at promoting rural development, which, from the European perspective, has a different sense of agricultural-productive development.

The environmental orientation of the common agricultural policy

With little success in its results, the environmental aspect of agriculture is introduced in the CAP; through the structural agrarian policy of the 70s, for example, directive 159/72 on the cessation of agricultural activity and 161/72 on vocational training for farmers (Garrido, 2000), but it is until the 1980s that the environmental aspect will figure more clearly in the approaches and objectives of the CAP.

The Green Paper of 1985 condenses the expression for environmental concerns and EEC 797/85 regulation is the instrument where the legal provision of such inclusion is embodied Garrido (2000) other regulations designed for environmental care are, for example, EEC 787/85 which talks about improving the efficiency of agrarian structures and article 21 of this regulation that establishes for the first time a system of aid for afforestation of agricultural areas and conservation of forest masses on farms Sumpsi et al. (1997). Another legal instrument established in the CAP is Regulation EEC 2328/91 (Diario Oficial de la Comunidad Europea, 1991), where it is made clear as one of its objectives and therefore objective of the Community structural policy, the contribution to the protection of the environment and the maintenance of rural areas, including the sustainable conservation of natural resources in agriculture.
Another important measure towards consolidating the environmental orientation of the CAP is the one referring to the FEDER, FSE and FEOGA-O structural funds that were reformed in 1988 in order to more openly introduce the environmental issue in common agricultural policies. This reform gives the FEOGA-O the function of ‘contributing to the social fabric of rural areas, to the protection of the environment, to the conservation of rural areas (including the natural resources of agriculture) and to offset the effects they have natural obstacles to agriculture’ (Garrido, 2000). In 2003 the European Fund for Agriculture and Rural Development (FEADER) was created and the FEOGA was modified, which became FEGA aimed at financing market policy, the first pillar of the CAP.

It should be emphasized, however, that it is in the 1992 reform that its environmental orientation is defined through the agri-environmental action considered as accompanying action. Regulation 2078/92 called ‘agrarian production methods compatible with the requirements of environmental protection and the conservation of the natural space’, established since then the objective that agriculture acquire more environmentally friendly practices.

The administrative operation to support farmers who agree to take advantage of this agro-environmental program is also unique since ‘an individualized contracting system is established between the farmer and the public authorities: the farmer accepts some commitments regarding the type of practices to be carried out in his exploitation in exchange for receiving economic aid from public funds to compensate for the lower profitability that the option for sustainable agriculture could cause’ (Garrido, 2000).

These aids would only be used to compensate the measures that have positive effects for the environment in the following aspects: reduction in the use of fertilizers and plant protection products, keep the reductions already started or introduce and maintain organic farming methods, extend the productions plants, including forage or transforming arable land into extensive rangeland, reducing cattle and sheep herd, raising endangered local breed animals, keeping farmland or farmland removed from production in good condition, removing from producing farmland for at least 20 years to build biotope reserves, nature parks or to protect waters, include measures to improve farmers' training in environmentally friendly production practices.

Food production and the social and cultural reproduction of the rural population are practically subordinated to the conservation of natural resources. The economic loss that means abandoning or subordinating the agricultural activity for the conservation of the ecosystem is compensated by the European Union; through a series of incentives, subsidies or financial aid, as previously indicated. To exemplify the type of programs and number of subsidies, Table 2 presents the case of the town of Villafafila (Castilla and Leon, Spain), considered paradigmatic regarding the application of agri-environmental action. Paniagua (1999) indicates that for 1999, Spain is the country with the largest number of these programs (66) in the entire European Union.
### Table 2. Agro-environmental programs and commitments (Villafafila, Castilla and Leon, Campaigns 2007-2014).

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<th>Program</th>
<th>Mandatory commitments</th>
<th>Annual aid (euros)</th>
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<tr>
<td>Extensive rainfed agro-ecosystems</td>
<td>Carry and keep updated the farm’s notebook, do not use seeds treated with phytosanitary products unless they belong to the ‘low danger’ category for man and terrestrial and aquaculture fauna, keep 3% of the basic surface in the form of boundaries or islands of spontaneous vegetation. This surface will remain fixed uncultivated throughout the duration of the commitment; increase the usual planting doses in the cereal crop, establishing certain doses to fulfill this commitment. In plots that are going to be used for the traditional retreat or fallow, in the following campaign the stubble must be maintained until the following February 1; the harvesting of cereals may not be carried out until after the dates set for each region, dedicating 15% of the area covered to the cultivation of legumes and protein crops, for grain or forage, dedicating 10% of the annual area covered to the cultivation of cereal crops of long cycle, comply with legal requirements and good agricultural and environmental conditions that apply to them, comply with minimum fertilization, phytosanitary, etc. requirements. As a voluntary commitment it is established to allocate the traditional fallow to seed fallow with legumes for feeding the birds, buried in green or grazing, not being able to carry out any other type of use on these surfaces.</td>
<td>65 € ha⁻¹</td>
</tr>
<tr>
<td>Dryland sunflower cultivation in Natura 2000 network areas</td>
<td>Commitments during five agricultural seasons: cultivate the area of sunflower in plots located in municipalities included in the Natura 2000 network, keep a farm’s notebook; maintain the existing borders, bury the stubble of the cereal preceding the sunflower before February 1 following the cereal harvest, plant the sunflower in doses not less than 3 25 kg ha⁻¹, do not use herbicides in the sunflower crop, do not use chemical synthesis fertilizers, keep the stubble of the sunflower crop without grazing; crush and bury the sunflower cane, comply with the good agricultural and environmental conditions that apply to them, comply with the minimum fertilization, phytosanitary and other mandatory requirements.</td>
<td>50 € ha⁻¹ additional to the previous support 60 € ha⁻¹</td>
</tr>
<tr>
<td>Program</td>
<td>Mandatory commitments</td>
<td>Annual aid (euros)</td>
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<td>Cultivation of the dry land alfalfa ecotype</td>
<td>To allocate the plots included in the aid to the cultivation of the Farmland rainfed alfalfa ecotype and locate these plots in municipalities of the Natural Reserve of the Villafafila Lagoons and in the special environmental protection zones (SPAs) of the Farmland, keep the crop in an adequate state of conservation and with a maximum age of five years; no more than two cuts may be made per year and may not be mowed from May 15 to July 1, prohibition on mowing from sunset to sunrise; leave at least 5% unharvested in the form of borders with a minimum width of 3 m.; the alfalfa cultivation plot must comply with the environmental suitability conditions: distance to urban centers greater than 400 m, distance to highway communication path greater than 200 m, and non-existence of power lines, comply with legal requirements and good conditions agricultural and environmental that are applicable; meet minimum fertilization, phytosanitary and other mandatory requirements</td>
<td>300 € ha(^{-1})</td>
</tr>
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</table>

For the calculation of the annual aid, 45 hectares are established as the minimum unit for agro-environmental cultivation (UMCA) for the total area received. Up to double the UMCA, 100% of the aid is received, for the area greater than double the UMCA and up to four times, 60% of the amount, for the area greater than four times the UMCA, 30% of the amount. The difference between the economic supports granted lies in environmental criteria, for example, alfalfa had greater economic support since its cultivation is considered important for biological diversity and for being part of the habitat of the bustard, an endangered species. Source: own elaboration based on: order AYG/1111/2010, of July 23, 2007-2013 programming period (Boletín Oficial de Castilla y Leon, N° 149).

**Rural development as the second pillar of the common agricultural policy**

The emergence of rural development as the second pillar of the CAP runs parallel to the process of agro-environmentalization -an action to accompany the CAP-. Even, Colino-Sueiras and Martínez-Paz (2005) would affirm, their antecedents would be found since the Treaty of Rome and subsequent reforms and conferences in which the emphasis has been transferred from the sectorial to the territorial.

It is important to note that in the document “the future of the rural world”, problems such as the detriment of the environment, the rural decline -understood as the emigration of the young population to the cities with the consequent aging process- and thirdly, are identified instead, the problem of marginalized areas, especially mountain agriculture, threatened by agrarian decline and depopulation.
This diagnosis determines that the orientation of rural development is concretized in a “non-agrarian” sense contained in the programs of the Community Initiatives such as: Urban, Interreg and LEADER. Initiatives conceived, according to Molinero and Alario (1994) ‘as the way to encourage rural development at the county level through endogenous initiatives aimed at promoting the aspects that are now considered fundamental: tourism (45% of the budget), crafts (21%), agricultural activities alternative to traditional, environmental conservation, among others, with priority given to those that provide innovative solutions, diversify the regional economic base and provide alternatives to classic agricultural activities’. Although there is almost general recognition of the success of this program, Sancho (2002) indicates that the question of the participation of rural society should be taken into account rather than focus on economic benefits, ‘since it would be where the initiative LEADER would leave more to be desired’.

In this way, the LEADER, which can be considered as the first implementation of a rural policy of a territorial nature, integrated and participatory, is intended to sustain and develop local rural development initiatives whose specific features are summarized in seven points: 1) The territorial approach, which involves relying on the particular resources of each region, in order to better respond to local needs; 2) The bottom-up approach in the search for solutions and decision-making, with the aim of granting the greatest possible prominence to local agents; 3) The local action group as a form of horizontal cooperation, grouping representative local and regional agents and institutions; 4) The innovative character of the actions promoted by the beneficiaries with respect to other interventions in the affected rural area; 5) The integral and intersectoral approach, when considering jointly the potential of the different sectors of the economy, society and local resources; 6) The decentralization of management and financing, through local action groups; and 7) Network organization and transnational cooperation, not only for the exchange of knowledge, experiences and results, but also through association in common projects with groups from other countries (Colino-Sueiras and Martínez-Paz, 2005).

The European Conference on rural development held in the Irish city of Cork on November 9, 1996, under the title ‘Rural Europe: prospects for the future’, approves the Cork Declaration, which establishes a decalogue whose first precept establishes preference rural as a priority in the policies of the European Union, the remaining nine reiterate elements of previous declarations of principles that, to a large extent, had been applied with the LEADER programs.

Rural development then includes horizontal actions with different objectives, among which it is worth mentioning: achieving a viable agricultural sector, avoiding rural depopulation and preserving the natural heritage. In those years, it was considered that to achieve these objectives, subsidies should be granted for the development of various activities related to the environment, rural tourism, agribusiness, forestry or the installation of young farmers, to name just a few examples.

The priorities given to rural development are, among others: a) promoting the competitiveness of agriculture; b) guarantee the sustainable management of natural resources and climate action; and c) achieve balanced territorial development of rural economies and communities that includes job creation and preservation (Parlamento Europeo, 2018b). Consequently, the European Commission
establishes as measures to be supported by the European Agricultural Fund for Rural Development: advice, investments, farms, forestry measures, agro-environmental action, organic farming, environmental services, areas with natural limitations, cooperation, the LEADER program (MAGRAMA, 2016).

Conclusions

The integration of Spain into the European Union implies, as Regidor (2002) points out, ‘an incessant process of adjustments, in which commercial agriculture has been the one that has monopolized most of the economic resources and also the one that has been best been able to adapt or integrate the European economy’. In contrast, agriculture that he calls territorial has been subjected to a continuous process of reduction and suppression despite its spatial, social and economic importance. In this sense and as it has been shown, the axes on which the CAP has been based have had as objective the internal economic balance and competition in the external market, hence the first pillar of the CAP has been politics of prices and markets, which has been the most important in terms of resources provided and actions taken.

In this context, the inclusion of environmental care and rural development, defined as the second pillar of the CAP, in its non-agricultural version, allows to keep agricultural production and prices under control. It should be noted, on the other hand, that the information presented in this article does not allow us to conclude if the CAP in its different political and programmatic components is generating positive processes in the matter of conservation of natural resources. Regarding rural development under the concept of the LEADER program, at least in the Castilla and Leon area where this study was conducted, it does not appear to have achieved its objectives.

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