

# Reforming the Common Agricultural Policy (2023–2027): multidisciplinary views

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#### **NEWS AND VIEWS**



## Reforming the Common Agricultural Policy (2023–2027): multidisciplinary views

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In 2022, the European Union celebrated 60 years of the Common Agricultural Policy (CAP). Representing almost two-thirds of the Union's budget in the mid-1980s, spending devoted to agriculture has declined over the past 40 years (37% over the period 2014-2020) and is expected to represent less than 30% of the European budget in 2027, with the cohesion policy being the main EU expenditure component. In the meantime, the CAP has moved from one reform to the next, and the new policy has been implemented on 1 January 2023 for a period running until 2027. The European Commission's (EC) legislative proposal for this reform can be summarised in three key ideas: simplification, increased subsidiarity, and increased environmental ambition (European Commission, 2019; Chatellier et al., 2022). Subsidiarity is well established because the common framework provided by the EC has to be implemented in each member state through a national strategic plan. These plans set out how, according to its needs, each member state sets its targets, mobilises the common toolbox, and monitors the progress of its objectives. The national variations do not guarantee that the measure will be simplified, and Runge et al., (2022) even conclude that the complexity of the policy is vastly increased.

Environmental objectives have been gradually integrated into the CAP. In 1992, agri-environmental schemes were generalised for all member states (MS) and, in 2015, these schemes included a target for reducing net greenhouse gas emissions from agriculture, becoming agri-environmental and climate schemes (AECS). In 2003, the conditionality of direct aid payments to the respect of regulations in favour of the environment and the use of best agricultural and environmental practices set the stage for the greening of the CAP. In short, the next CAP keeps the previous architecture in two pillars: the first, entirely financed by the EU, covers direct aids;

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the second, co-financed by the EU and the MS, covers the so-called rural development tools, i.e., AECS, aids to regions with natural constraints, and aids to investments, rural development, and innovation. The strengthening of environmental ambition will be achieved mainly through the enhancement of cross-compliance and the introduction of eco-schemes. These eco-schemes mobilise 25% of the CAP's Pillar 1 resources to support practices that are more environmentally and climate friendly. The measures of Pillar 2 remain very similar to those in the 2014–2020 CAP. The EC framework thus provides an opportunity for member states to strengthen measures to protect the environment and the climate. A review of 15 national plans shows that the paths taken by member states are multiple, but many of them stem from previous environmental measures and/or AECS (Runge et al., 2022).

The European Green Deal, introduced in 2019 by the EC (EC, 2019), sets ambitious targets for the European food and agricultural system for 2030, several being quantitative with a reduction in the use of pesticide, fertiliser, and antibiotics by 50%, 20%, and 50%, respectively. Additionally, a quantitative target has been set to increase agricultural areas under organic farming (25%), agricultural areas under high-diversity landscape features (10%), and protected areas. Achieving these goals requires the complete redesign of agricultural and food systems (Guyomard et al., 2020), and the future CAP is not up to these ambitions. At the same time, the EC did not provide an analysis of the Green Deal's potential negative economic impacts, thus undermining its credibility. All adverse consequences and the resulting inevitable trade-offs need to be addressed in order to build adequate policies to make the transformation acceptable and tractable. These policies should concern agricultural production, food, and diet as well as trade and innovation.

In these times of social and environmental uncertainties marked by competing visions of desired futures, the new CAP is under increasing scrutiny. We believe that RAFE is the appropriate journal to foster interdisciplinary dialogue on the scope and stakes that span agricultural policies, the related instruments and tools, and their limitations and criticisms. Firstly, INRAE's economists have been at the forefront of debating and analysing the CAP (Détang-Dessandre and Guyomard 2022). Secondly, given the broad mandates and stated ambition of the CAP reform together with the complexities of the issues at stake, we believe that a full range of disciplines is required to assess and grasp thoroughly the pathways these reforms open up. While other volumes of the journal have promoted original research articles on the CAP (Latruffe & Desjeux 2016; Sahrbacher et al., 2017; Ayouba et al., 2017; Duquenne et al., 2019), this News and Views series gathers propositions from economics (Chatellier and Guyomard), legal studies (Langlais), and sociology (Barral, Magnin), respectively, highlighting issues of income subsidisation, the qualification of agro-ecological transitions, the rise of private insurance tools, and the role of agricultural landscape management in the agricultural sector's overall transformation.

The articles address two major issues for agriculture: economic security and ecologisation. One aspect of economic security is income subsidisation. Chatellier and Guyomard (2023) assess the consequences of direct payments on farm income and discuss the legitimacy of this widespread financial support: they claim that better quantification of the links between payments, income, property, and living standards should be more thoroughly characterised through an updated statistical framework



in order to better govern the distribution of subsidies towards low income and transitioning farms. Complementary to this view, Barral (2023) tackles the issue of economic security through risk management support. She emphasises the progressive support of a private insurance system for climatic and economic risks that leads to the reduced mutualisation of risks and to the rise of a new ethos where farmers become risk managers. Langlais's and Magnin's articles both question the CAP reform's capacity to foster ambitious ecologisation of farms. Langlais (2023) does so through a legal analysis of the new reform's definition of "agroecology". She argues that it is a broad definition, therefore opening up leeway and potentially reduced ambition in its implementation despite the new environmental objectives in the framework. Magnin (2023) complements this as he questions the ability of ecological measures such as planting hedges to transform European agriculture; while some activists may be critical of their greenwashing function, he argues that they can also be analysed as indicative of deeper political struggles and changes.

These insightful articles are available at the right time, just as the next CAP reform is about to be implemented and food sustainability and security issues are attracting a great amount of media coverage and institutional attention. This is only one step of the journey, and we believe that more interdisciplinary efforts are acutely needed to support political work and institutional change for the food and agriculture sector.

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