



# Rural areas: a new policy perspective

PIERLUIGI MILONE  
PERUGIA UNIVERSITY-ETUDE PROJECT

## The new policy scenario

- New CAP reform and the introduction of new policies and strategies for agriculture in the UE
  - Changing tools to support farmers: from direct payments linked to CMO to single payments linked to high standard of production and reduction of negative externalities.
- The second pillar
  - Increasing importance and financial support
  - from top down to bottom up approach
  - Subsidies linked to a regional/territorial planning

## The new policy scenario

- New actors and new roles for the governance of agricultural markets and rural development processes:
  - Producers organisations (collective private regulation of markets- increased responsibilities and entrepreneurships)
  - New form fo public-private partnerships for regional and rural dvelopment (cooperation between European territory (Interreg, Leder, Life)
- Two different typologies of farms:
  - Modern farm for challenge the market competitiveness
  - Multifunctional farm for renewing and preserve the rural area

## The actual context of agricultural system in Europe

### Policy framework

- High number of farmers confident with an old concept of Policy
- The agricultural system designed to manage the past CAP policy and not well confident with the new reform (cross compliance and farms registers)
- Big and complex set of norms oriented to preserve natural resources and quality of life that have a strong impact in the farms cost structure

## The actual context of agricultural system in Europe

### System framework

- High heterogeneity of European rural areas with a lot of diversity in agency, natural resources, relation urban-rural, knowledge, infrastructure, presence of habitants
- Increasing competition on market created with the products coming from new emerging countries
- Lack availability of new services necessary to farms to achieve the new goals of multidimensional sustainability (economic, social and environmental)

## The paradox of new policy scenario

- New market policy without “working tools for market regulation” (forecasting, contractual agreement, information transparency, risk management tools):
  - High volatility of price;
  - Opportunistic behaviour
  - Competition between food and no food commodities
  - Increased trade problems with direct consequences on developing countries food security and UE food safety

This new policy framework need a big change in the public private institutional system and not only on farms

## The paradox of new policy scenario

---

- The second pillar approach, bottom up, requires:
  - strong knowledge of local processes;
  - Well-functioning system (strong agency of different area)
  - Cooperative attitude of actors
  - High interest and participation of private and public actors
  - Capacity to manage diversity and complexity

## Which tools

---

- The shift from a sectorial to a systemic approach:
  - From CMO and “filieres” to agricultural/agrifood systems (multiproduct OP, district, new form of cooperation)
- Shift the boundaries of farms with new relationship/allies
  - Support the creation of rural WEB

Emerging necessity of new analytical tools to observe the territorial needs and phenomena that are the seeds of new policy design

## Which tools

---

- Emerging evidence in all of Europe of more sustainable (in multidimensional way) farm practices and rural networks/systems
- Most of these experiences are developing in the holes of the old and new CAP rules
- Their commons are :
  - A broader perspective in sector and time (from specialised to multiproduct and networking farms; from the isolated agriculture to an integrated rural system)

Emerging necessity of new analytical tools to observe these experiences of success that are the seeds of new policy needs and design

## Which tools

---

- The ETUDE project aim is to design and test new analytical tools to explore the systemic nature of agriculture and rural economies
- To Refer to six dimensions (endogeneity, social capital, institutional arrangements, governance of market, novelty, sustainability) let capture in a dynamic way this systemic nature
- The focus become the dynamic interrelations of different dimension and their coherent development: the unfolding WEB

## Which policy which strategies

---

- Need to establish a new concept: agricultural farms in Europe are multifunctional because all farms must be oriented to the new goals of multidimensional sustainability (multifunctionality versus ecological modernisation)
- Preserve the autonomy of rural areas and their heterogeneity and diversity
- Support the creation and empowerment of rural WEB
- Define action and measure to support farmers and rural actors in empowerment their agency and governance system
- Support the design and creation of new services supporting farms in reducing market risk and exploring and development new market, new products, new practices
- Accelerate the process of reform and design measures to support collective action of farms and rural actors
- Reduce the complexity of procedure and control system of policy