



Evaluating Direct Payments Interventions – Lessons from Evaluation support study on the impact of the CAP on territorial development of rural areas: socioeconomic aspects

Study commissioned by

Directorate-General for Agriculture and Rural Development

Directorate C – Strategy, Simplification and Policy Analysis

Unit C.4 – Monitoring and Evaluation

Table of Content

1. Setting the theme
2. Scope and methodological approach
3. Some “mixed” findings on DP effects

Additional information not being presented

1. Main findings and conclusions
2. Recommendations

Scope of the study

This evaluation support study assesses the impact of the Common Agricultural Policy (CAP) on the balanced territorial development (BTD) of rural areas, with a focus on socio-economic aspects and social inclusion.

- ▶ Study time frame: September 2019 – October 2020
- ▶ Period covered: Programming period 2014-2020
- ▶ Policy coverage: CAP Pillar I and Pillar II
- ▶ Thematic focusses: Nine socio-economic aspects and social inclusion

Scope: nine socio-economic aspects and social inclusion

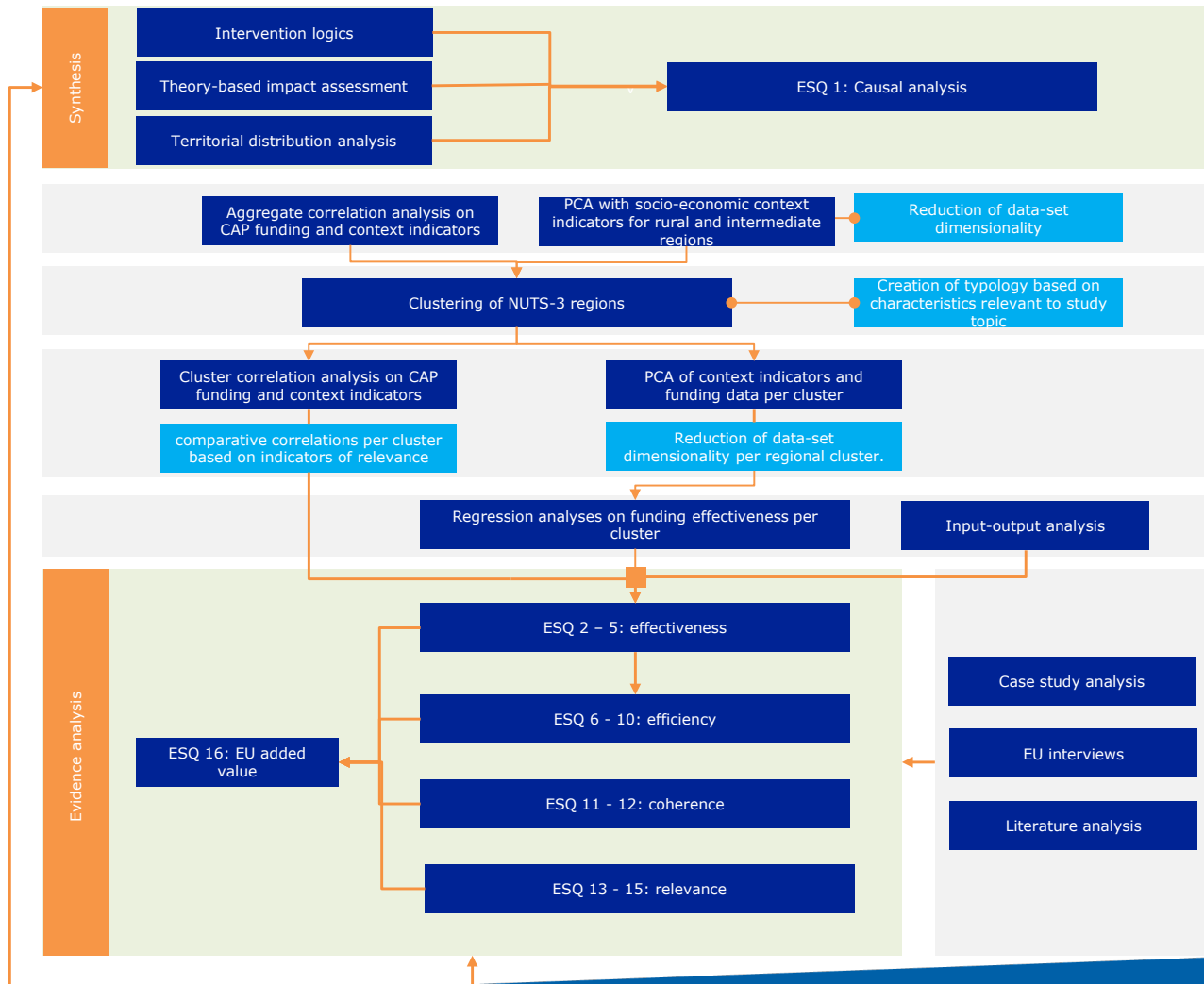
	Depopulation/abandonment and repopulation/in-migration, including role of rural areas as shock absorber in times of crisis
	Income, growth, poverty, jobs, employment, business creation/maintenance/diversification, investments (farming and non-farming), labour market
	Generational renewal, ageing, gender disparities
	Remoteness, commuting, housing, availability and access to social and economic infrastructures (e.g. broadband) and services (e.g. hospitals)
	Availability and taking care of social capital/fabric: building local governance/capacities and bottom-up participation/approaches (e.g. cooperation)

	Evolution of social rights and systems (e.g. occupational safety, pension schemes and transfers);
	Availability and access to research, innovation and training/advice, education
	Quality of life; behaviour/cultural aspects of 'feeling left behind'/'discontent'
	Promoting cultural [and natural (including landscape)] heritage
	Social inclusion issues – specific focus on vulnerable population

Causal analysis, evaluation criteria and evaluation study questions

Overall assessment: Causal Analysis	ESQ 1	What are the CAP measures and instruments which can have a direct impact on territorial development of rural areas with focus on socio-economic aspects, including social inclusion?
Evaluation criteria	Evaluation study question (ESQ)	
Effectiveness	2	To what extent have CAP instruments and measures contributed to maintain or to generate balanced territorial development in rural areas, with focus on social aspects?
	3	To which extent have these instruments and measures fostered social inclusion in rural areas?
	4	To what extent have CAP instruments and measures contributed to maintain or to generate balanced territorial development in rural areas, with focus on economic aspects?
	5	To what extent has the method of delivery, e.g. accessibility to potential beneficiaries, use of different methods of reaching people (on-line, local post offices, libraries, local authority support services), availability/access to support/to develop applications, affected the impact of CAP instruments and measures?
Efficiency	6	To what extent have CAP instruments and measures been efficient in contributing to maintain or to generate balanced territorial development in rural areas considering social aspects
	7	To what extent have CAP instruments and measures been efficient in fostering social inclusion in rural areas?
	8	To what extent have CAP instruments and measures been efficient in contributing to maintain or to generate balanced territorial development in rural areas considering economic aspects
	9	To what extent has the implementation of the CAP instruments and measures generated administrative burden: a) at the level of the Member State administrations; b) at the level of beneficiaries, including vulnerable populations, c) at the level of Commission services?
	10	To what extent have the related costs/burdens been proportionate to the benefits achieved?
Coherence	11	How coherent are the relevant CAP instruments and measures: a) with each other b) with other EU initiatives c) with national/regional policy initiatives in terms of balanced territorial development in rural areas considering social and economic aspects?
	12	How coherent are the relevant CAP instruments and measures: a) with each other b) with other EU initiatives c) with national/regional policy initiatives in terms of fostering social inclusion in rural areas?
Relevance	13	To what extent do the CAP instruments and measures and their implementation address the needs in terms of balanced territorial development in rural areas considering social aspects?
	14	To what extent do the CAP instruments and measures and their implementation address the needs in terms of social inclusion in rural areas?
	15	To what extent do the CAP instruments and measures and their implementation address the needs in terms of balanced territorial development in rural areas considering economic aspects?
EU added value	16	To what extent have the instruments and measures under the CAP and their implementation created EU added value with respect to balanced territorial development in rural areas with focus on socio-economic aspects, including social inclusion?

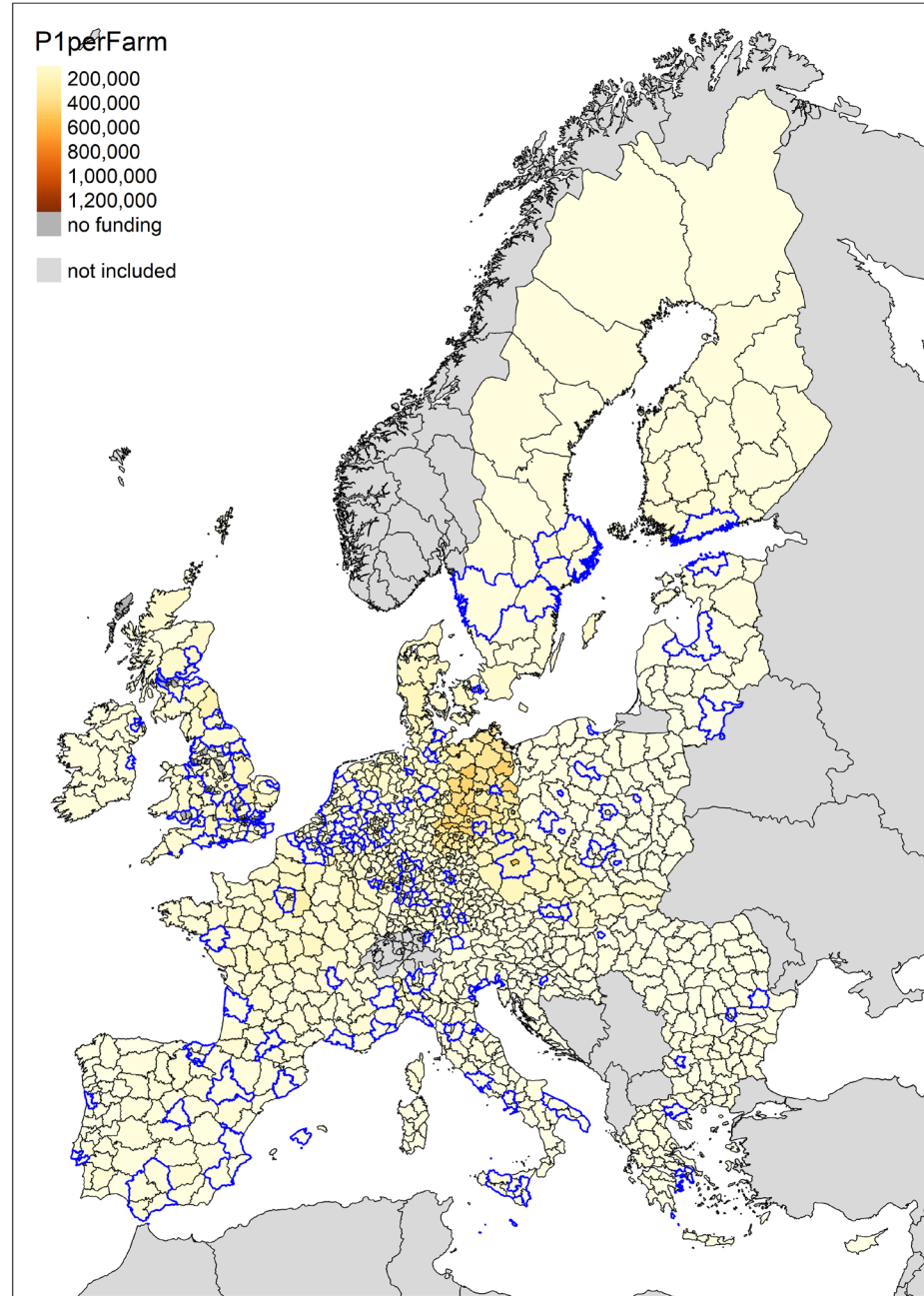
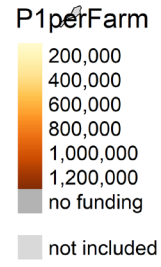
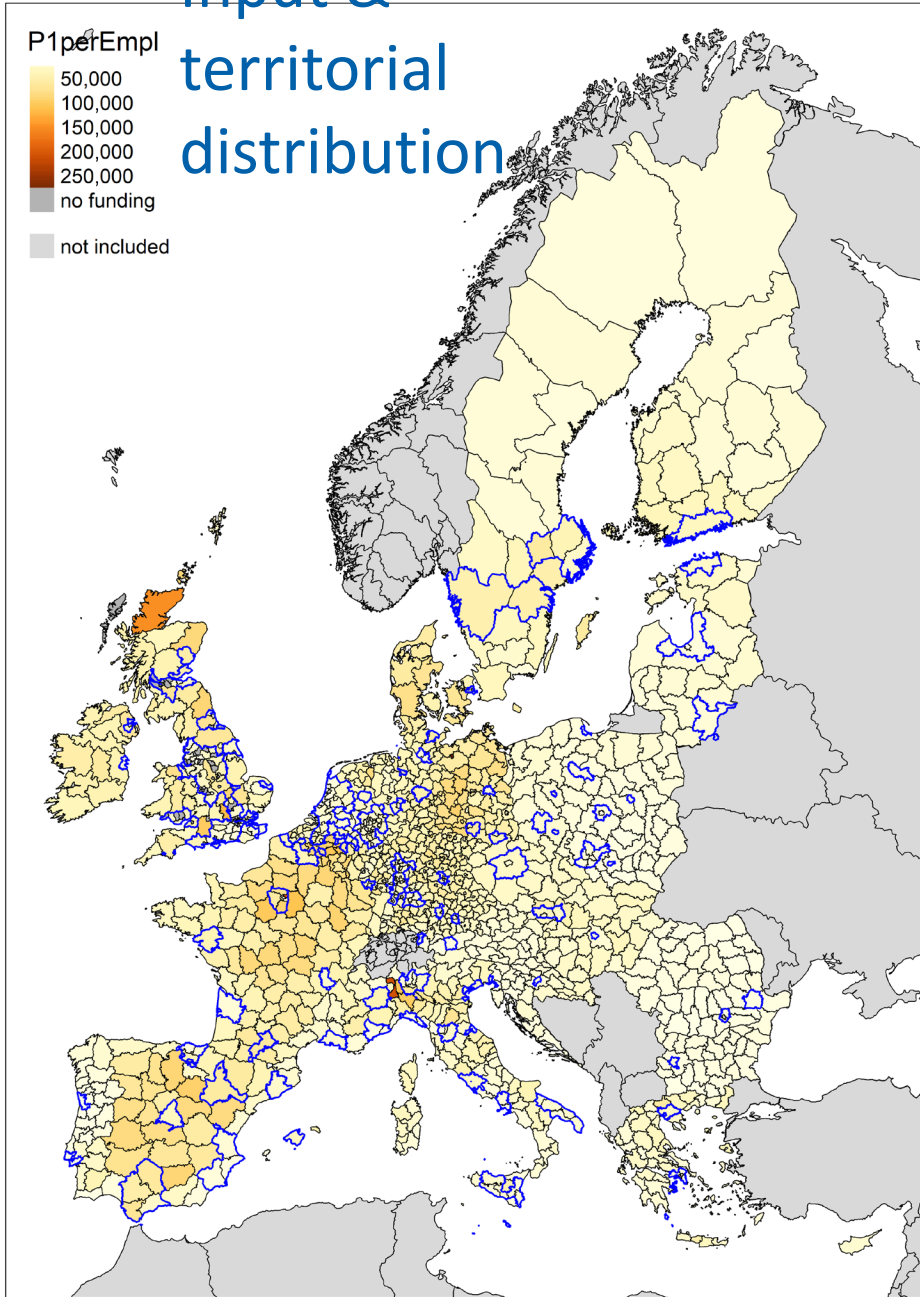
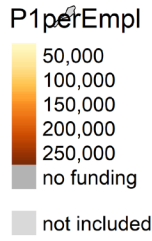
Methodological approach



Methodological Challenges

- ▶ The input/ territorial component
- ▶ The causality

Input & territorial distribution



Typology of rural areas definitions

- ▶ Definitions considering population data
 - Population thresholds and population density
 - 30 000 to 100 000 inhabitants (Austria, Bulgaria, Netherlands, Germany, Czechia)
 - Italy – Rural municipalities are to have a population superior to 15% and inferior to 50% of the total population
 - “permanent” population (Greece, Italy)
- ▶ Definitions considering socio-economic and territorial issues
 - Broader set of socio-economic and territorial contexts considered:
 - by location factor (vicinity from urban centres), topographical differences (mountainous, hills or lowland areas), focus on agricultural activities, and economic development (Italy)
 - diversification of employment in relation the shares of economic sectors, the level of diversification of agricultural activities, income levels and geographical remoteness (from urban centres). (Spain)
- ▶ Definitions as per EU typologies/Organisation for Economic Co-operation and Development (OECD) reference
 - Explicit references to Eurostat’s urban-rural typology and degree of urbanization (Greece)
 - Explicit references to the OECD definition: Austria, Czechia
- ▶ Definitions “other than”
 - Rural areas as “all areas located beyond the administrative boundaries cities”, “territories outside of the administrative borders of cities”.
- ▶ Definitions as per measure-specific delineations
 - M19: Leader (Greece, Bulgaria, Czechia, Spain)
 - M07: Germany, Greece, Spain
 - M06: Czechia, Greece

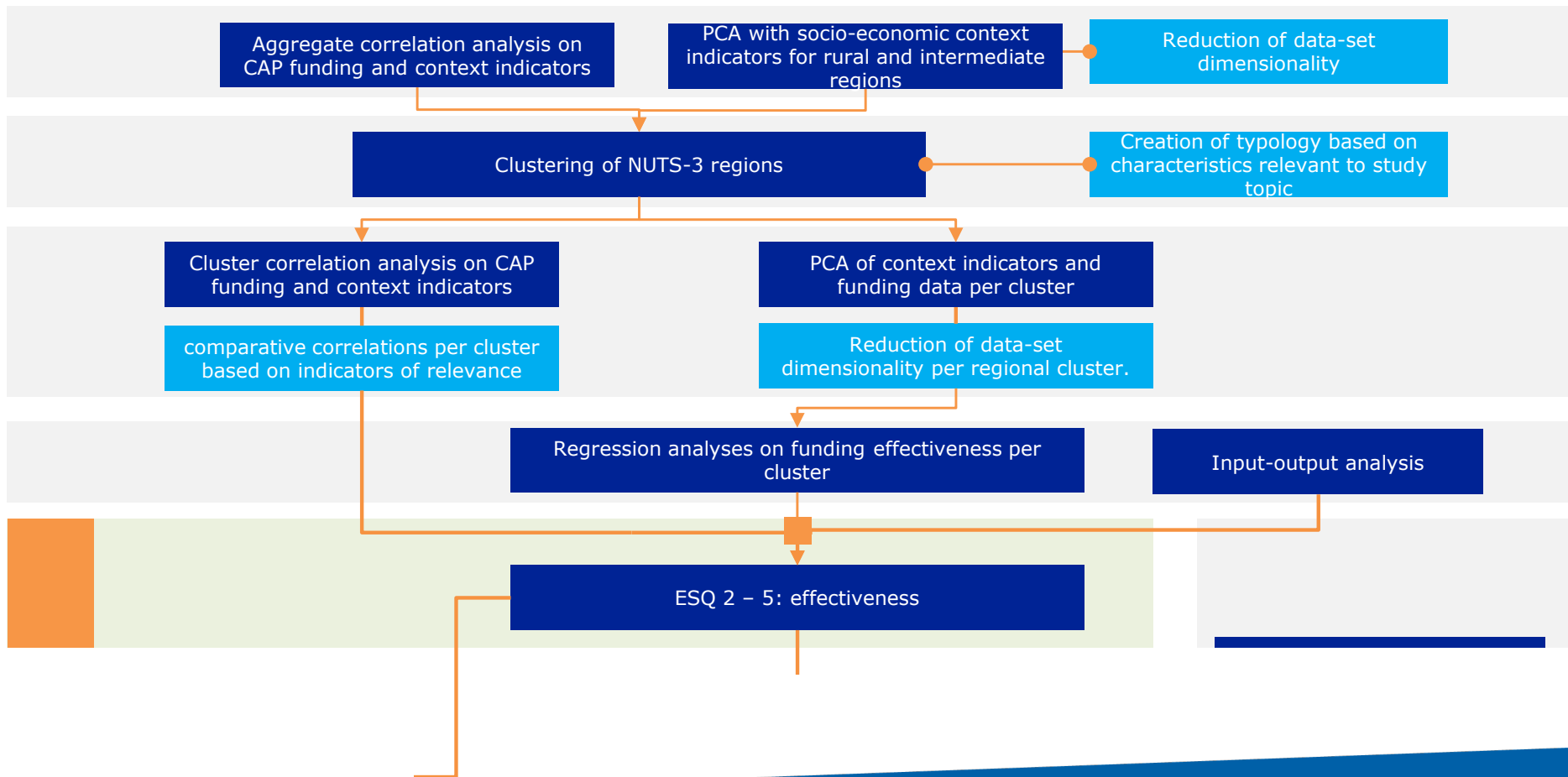
Causality

- ▶ How do DP affect the farms? → anchor point production function → I-O analysis upstream
- ▶ How do DP affect the wider societal context of regions? → unlike Pillar II only spill-overs count → anchor point causal chains of expenditure flows/ effects from any acts in farming due to DP (e.g. greening, YF etc.) from farming to any other sector → modelling in principle fine, but inappropriate in this case



- ▶ Chain of statistical analyses → regressions/ correlations to establish a „gist“ of causality and effects
- ▶ Qualitative analysis through case studies (13)

Elements to establish causality and DP effects



Case Studies and clustering results

Case studies

Austria – Tyrol

Bulgaria – Southern Central

Czechia – Jihozápad (Southwest)

Germany – Saxony-Anhalt

Estonia

Greece – Peloponnese

Spain – Castilla La-Mancha

Case studies

France – Auvergne

Ireland – Southern

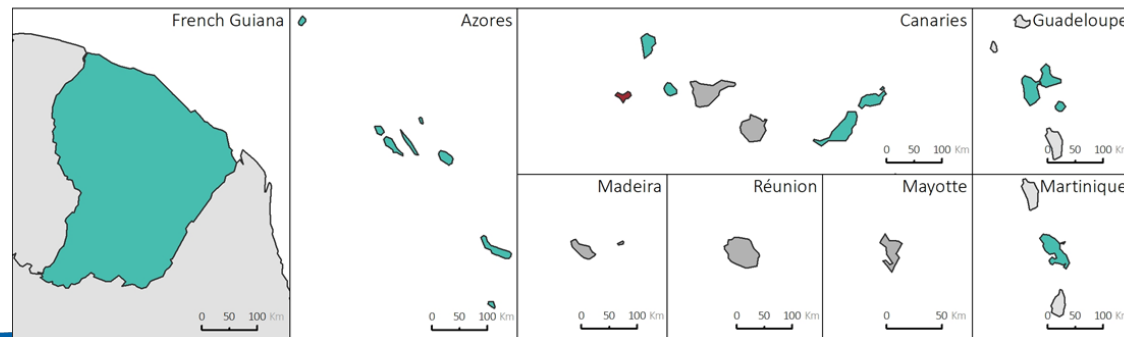
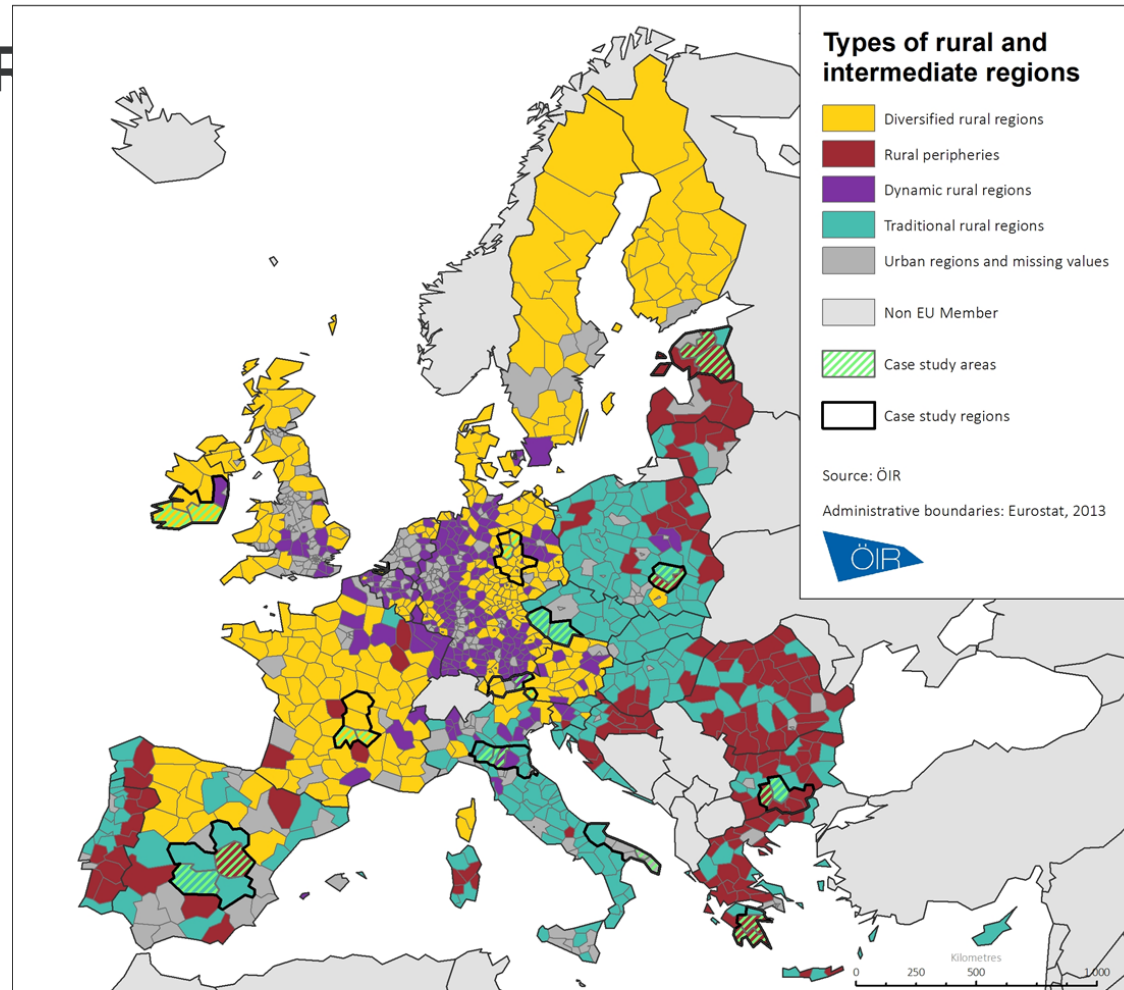
Italy – Apulia

Italy – Emilia-Romagna

The Netherlands – Zeeland

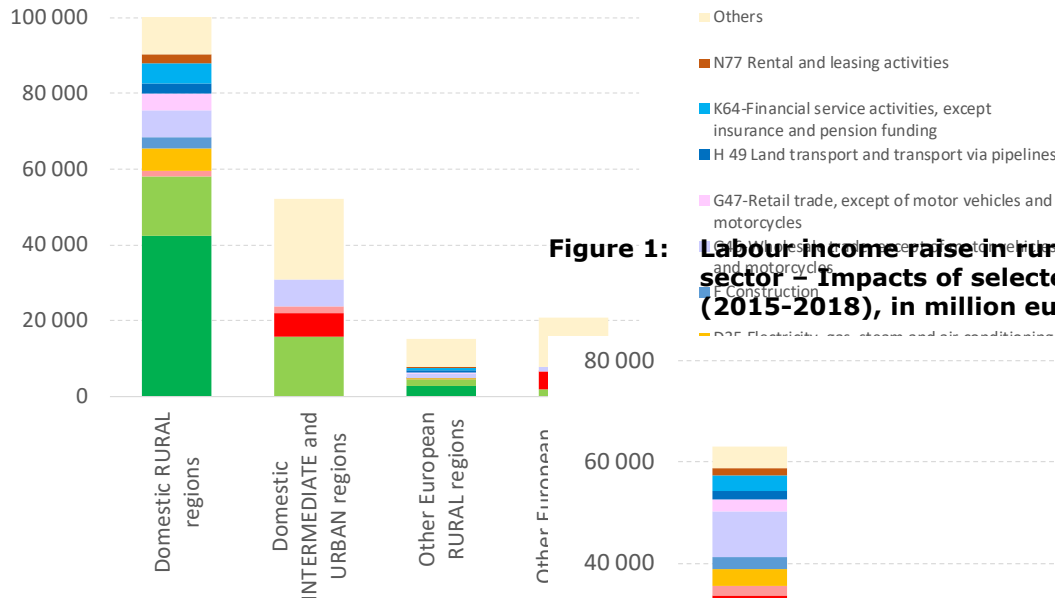
Poland –

Świętokrzyskie



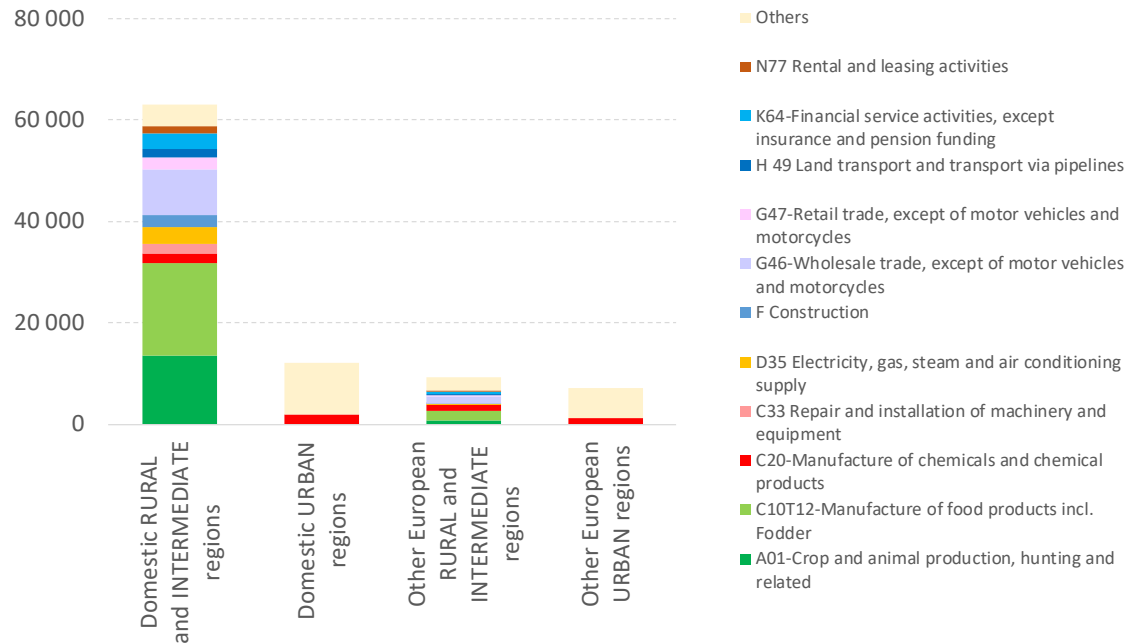
I – O Analysis - Results

Figure 1: Gross value added for input sectors to the agricultural sector – Effects of selected instruments of CAP Pillar I direct payments (2015-2018), million euro per sector



Source: Consortium based on DG AGRI, Eurostat

Figure 1: Labour income raise in rural regions for input sectors to the agricultural sector – Impacts of selected instruments of CAP Pillar I direct payments (2015-2018), in million euro



Source: Consortium, 2020, based on DG AGRI and FIGARO

Some „mixed“ findings for DP

- ▶ 5.2 million of safeguarded jobs via Pillar I in rural regions
- ▶ Pillar I: Strong and pronounced impact on generational renewal, less clear for feelings of being left behind and gender disparities
- ▶ Pillar I: Basic payments and green payments play an essential role in supporting farm viability by providing income stability
- ▶ Direct payments improve business vitality, especially in regions where the sector is less economically important and is facing labour shortages
- ▶ the policy mix of direct payments (the basic payment, greening, voluntary coupled support and the small farm scheme in Eastern countries) has had strong impacts on farm incomes in many rural areas
- ▶ taken as complementary sources, covering the joint need for income support, and farm savings

Conclusion – Findings DP

Direct payments: High relevance in addressing farm-level poverty and retaining labour

- Seasonal work and low compensation not necessarily beneficial for social inclusion over long term
- Lack of explicit targeting of women (e.g. entry to sector, farm management transitioning)
- No explicit targeting of needs outside of farm sector: impacts depend on spill-overs induced by improved local taxes and higher local expenditure
- In more developed regions: lower spill-overs into wider economy, but targets important farm-based needs (capital density, business income security etc.)



Additional information

ÖIR GmbH

Bernd Schuh

schuh@oir.at | +43 1 533 87 44

1010 Wien, Franz-Josefs-Kai 27

Subscribe to our e-letter: www.oir.at/e-letter

