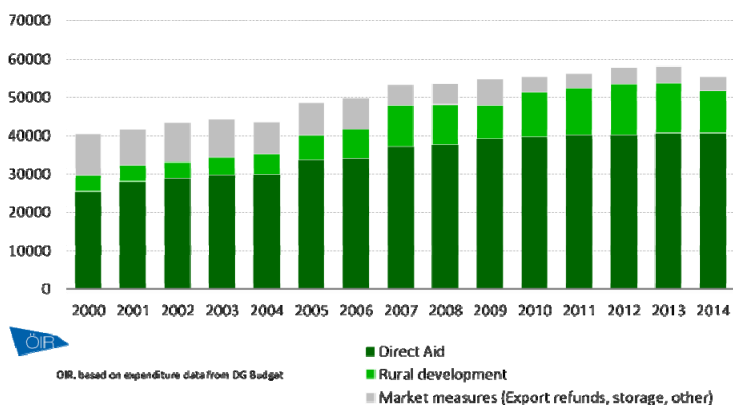


The role of the EU's Common Agricultural Policy in creating rural jobs

Period of performance: 2015-2016

In cooperation with the Countryside and Community Research Institute (CCRI) of the University of Gloucestershire ÖIR has completed a study on “The Role of the EU's Common Agricultural Policy in Creating Rural jobs” for the subcommittee on Agriculture and Rural development of the EU Parliament. The aim of the study was to carry out an analysis of the contribution of the EU's CAP to the creation of rural jobs across the EU, in order to support MEPs in preparing an own-initiative report. Starting at the EU level, a thorough systematic literature review and a statistical analysis prepare the ground for more detailed Member State reviews and case studies.



EU-Expenditure on agriculture markets and rural development 2000-2014 [EUR million, at current prices]. Source: ÖIR based on DG Budget

Statistical figures show that as a general trend the agricultural labour decreased all over Europe as well as the number of farm holdings. However, the employment rate in rural areas did not necessarily diminish, which hints to the fact that diversification of the rural economy helped to maintain jobs in the region, i.e. facilitated a shift from farm work to other fields of employment. The results from the Member State review and the case studies emphasise this picture. There is a rather weak correlation between CAP and employment regarding Pillar I, but Rural Development is seen as having a positive effect on jobs. The diversification of agriculture and the regional niche markets are regarded as positive impulse for employment in the regions. It is important to point out that the array of examined Member States reflects the diversity of European agricultural systems and economies depending to different extent on CAP funding. The degree of dependency on agriculture as well as the absolute level of financial aid influence the leverage effect of CAP.

When discussing the findings the study concludes that the CAP supports the survival of small scale farms and contributes to sustain and develop rural economies. However, Pillar I payments have contradictory effects on employment and its ability in creating jobs appears to be limited. Pillar II is effective in supporting diversification, but concrete evidences of direct effects on employment are difficult to assess due to missing systematic reporting on job creation.

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Client: European Parliament, Policy Department B – Structural and Cohesion Policies

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