

Romania and the Political Agreement for the Common Agriculture Policy Reform

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Abstract. In the last years, the European Commission proposed an important consultative process that leads to several reform proposals designed to change the Common Agriculture Policy. They cover all the policy areas: the direct payments, market organisation and the rural development in order to promote a long-run sustainable agriculture. The paper aims to summarise the main policy-changes and to discuss what will be the main possible outcomes for Romania. It uses a bibliographical study of the main European Commission regulations. Results point out that the reforms can help Romania to overcome several structural drawbacks. The direct payment convergence between member states, the special young farmer setup payment and the possibility to use the Simplified Area Payments Scheme until 2020 will increase the competitiveness capacity of the Romanian farms. The CAP greening and also the support for the innovative technologies can pose problems from the farm adaptive capacity and also from administrative point of view.

Keywords: Common Agricultural Policy, political agreement, Romania.

Introduction. The Common Agricultural Policy (CAP) has a history long as the one on the European Union. Since its implementation (1962), the CAP was continuously adapted to respond to new challenges. The first reform (1992) responded to the need of decreasing the budgetary pressure together with liberalizing the agricultural product market demanded by the GATT (Coleman and Tangermann, 1999). In 2003, the policy makers adapted it to several new issues like: the budgetary pressure, EU enlargement to the East, WTO negotiations and to the rural development (Swinbank and Daugbjerg, 2006). The new realities pointed out into 2020 Europe Strategy states that European Union has to be transformed into *a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion* (European Commission, 2010a). Even so, the agricultural agenda has to assure a sustainable development through innovation. To achieve this goal, the European Commission initialised an important consultative process between the interesting parties (European Commission, 2010b). At the end, it materialised in a set of legal proposals design to reform the main CAP components (European Commission, 2011a, b, c). After more than two years of negotiations the Commission, the European Parliament and the Council reached to a political agreement (European Commission, 2013).

Aims and objectives. The paper aims to show what the main political consequences of the CAP agreement for Romania are. As objectives, the research will focuses on the main reform proposal underlining the potential gains and threats from a Romanian perspective.

Materials and methods. The paper uses as research material the bibliographical references issued by the European Commission, Romanian Government and other interested parties about the new CAP reform proposals. The main reform proposals were then discussed from their potential consequences on Romanian agriculture.

Results and Discussion. The main reform proposal can have positive impacts for Romania (Tab.1). The extended SAPS, the payment convergence and also the special payment schemes designed for the small and young farmers can increase the competitiveness of the Romanian agriculture sector. On the other hand, CAP greening and the financial

support delivered for innovation and sustainable farming practices can cause problems from the adaptive farm behaviour and administrative capacity.

Tab. 1

An overview of the main CAP reform proposal

Reform areas	Reform proposals
Direct payments	<ul style="list-style-type: none"> - the system based on the “historical references” will come to the end; - the Simplified Area Payments Scheme (SAPS) may be extended until 2020; - convergence of the payments between Member States and regions; - the option to increase the financial support for the small and medium-sized farms (by allocating higher levels of aid for the first hectare); - thither rules for the eligible farmers and in the cross-compliances demands; - the setup of young farmers will be strongly encouraged by increased income-support schemes; - the less-favoured areas can be encouraged by increased amounts of aid; - 30% of the financial payment devoted for CAP greening;
Market regulation	<ul style="list-style-type: none"> - enhance the farmers position in the food chain together with the improvement of the market orientation of the European agriculture; - increase the professional and inter-professional organisation role on the market; - specific competition laws for several sectors (milk, beef, olive oil, cereals); - sugar quotas will be abolished until 2017; - from 2016 the planting rights in the wine sector will be replaced by a dynamic planting-authorisation mechanism (the planting limit will be 1% per year); - new crisis management tools will be put into place;
Rural development	<ul style="list-style-type: none"> - introduction of a new risk prevention mechanisms; - Member States will be encouraged to devise the rural development programmes in specific sub-programmes designed to solve specific problems; - measures for promoting sustainability and the combat of climate change will be encouraged;

Source: European Commission, 2011 a, b, c.

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