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## Cyprus 2013

Foresight Brief No. 083

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<b>Type:</b>	The project covered the agricultural sector of Cyprus				
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<b>Duration:</b>	2002-2003	<b>Budget:</b>	€127,000	<b>Time Horizon:</b>	2013

### Purpose

The European Commission funded a co-operation project in the framework of the eForesee programme between Cyprus, Malta and Estonia. In this context a pilot exercise entitled “Knowledge management in solving agricultural problems in Cyprus” was conducted. Representatives from the wider public and semi public sector, agricultural organisations and other stakeholders involved in the agricultural process, attended various meetings in order to discuss and express suggestions or recommendations for the improvement of the background paper prepared by the Agricultural Research Institute of Cyprus - ARI eForesee team to facilitate discussions.

### Foresight Focus: Sustainable Development in Agriculture

In the case of eForesee - Cyprus, foresight was chosen for the identification of the country needs and potential as well as the most emerging issues in the agricultural sector. Agriculture was selected as the topic of priority due to a number of reasons, among them:

- **Agriculture** and its development were considered as one of the most important in the negotiation process, both for accession states as well as for the EU. Additionally, agriculture in accession countries should be compatible with the Acquis Communautaire and the Common Agricultural Policy (CAP) upon accession,
- Nowadays there is an increased public awareness in agricultural practice and on the quality of products. Sustainable and environmental friendly agricultural practices and products are more respectable and acceptable among consumers,
- The CAP remains always a moving target. Today’s CAP is very different from the past and probably will be entirely different in the near future, taking into

consideration the situation of the new member states. The tentative goal was to use the ‘foresight’ tool to propose possible solutions to foreseen problems after accession,

- Negotiations in the frame of the World Trade Organization are expected to affect agriculture.

### National Strategies and Goals for the Development of Agriculture

In order to create a national strategy with specific objectives, over a decade, the public sector, farmer’s associations, processing units, associations, trade unions and other stakeholders involved in decision making in agriculture, were included in the discussions. Their involvement mainly aimed at promoting sustainability of agriculture and rural development. In order to have a viable development of the agricultural sector it is necessary to have a parallel development of the rural areas of the country. For the achievement of the above, a set of strategic objectives needs to be promoted. Some of these aims are the following:

- Production of high quality and increasingly domestically produced agricultural goods added value in order to

improve the competitiveness of such goods on the domestic and international market,

- Employment and affordable living standards for rural inhabitants with less dependence on subsidies, according to the possibilities and limitations of each region,
- Adaptation of agricultural products and production methods, based on the demand/market conditions and technological possibilities,
- Application of environmental friendly production methods and sustainable management of resources, with parallel maintenance and development of the rural areas,
- Protection of the cultural wealth and heritage of every region, and promotion of the multifunctional character of agriculture, in a way that will benefit the whole society,
- Creation of an economic and social infrastructure, in order to ensure a high level of quality of life for all rural inhabitants; develop the rural areas as attractive places for young people to live and enterprises involved in agriculture to grow in order to exploit local resources and improve the competitiveness,
- Promotion of agro-tourism. Rural areas could be a place for entertainment and vacations for urban inhabitants, with high quality services, especially in the mountainous and less favoured areas, where motivations for enterprises are very limited,
- Promotion of a combination of economic activities in order to achieve an integrated development and minimize the dangers from unpredictable trends (e.g. crisis in the tourist industry).

### Inputs from Conference and Pilot Exercises

In the frame of the eForesee project an international conference and two pilot exercises were organised. The topic of the first pilot was: "Improving the competitiveness of Agriculture utilizing modern and alternative production methods", while the second pilot was entitled: "Agriculture as a Knowledge Based Industry".

The aim of the first pilot was to examine ways of "Improving the competitiveness of Cypriot agriculture using modern and alternative production methods". The second pilot started in January 2003 and its main target was to "review knowledge management issues and how they can be used as a tool in developing the agricultural sector".

In October 2003 an international conference was organised. The scope of the conference "Exploring agricultural policy futures for small accession economies in an enlarged EU" held on the 2<sup>nd</sup> and 3<sup>rd</sup> of October 2003, was to explore the opportunities and challenges for agriculture after joining the EU.

The conference was addressed to policy makers within Europe responsible for the development and implementation of the National or the Common Agricultural Policy. Main aspects of the Common Agricultural Policy as well as social and economic dimensions of the compliance with the acquis in accession countries were reviewed. There was also a round table discussion devoted to foresight methodology and foresight activities in member states and accession countries.

Foresight was linked to agricultural policy issues in the light of enlargement and the creation of the European Research Area. The final outcome of this Conference was the introduction of alternative strategic visions for agriculture in the post accession period.

The idea was to use that conference to define the major challenges faced by the agricultural sector in the accession countries, and to see how a foresight approach could be applied to tackling problems, which solutions would require a widespread change of perspective, leading to social innovation.

The most important problems recorded during the discussions were:

- Managing the impact of accession
- Meeting the challenge of rural development
- Consolidating and restructuring the former collectives
- Preparing for a sustainable future
- Managing the transition to agriculture as a 'knowledge industry'
- The abolition of farm subsidies

The solution to the above problems could be partly achieved by research and imagination. The rest of the solution lies in implementing political process of building support among necessary constituencies - this is where Foresight can play a role in facilitating social change.

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## The Lack of Entrepreneurship and The Need for Skills

Cyprus faces a number of obstacles in developing innovation. One of them is the aversion toward entrepreneurial risks. There is also lack of confidence between companies, low level of technological development in the construction industry, lack of specialized workers and a need for new skills.

Additionally, economic motivations for research and development opportunities are very limited; there is isolation from EU R&D programmes, fragmentation of the innovation system and lack of institutionalized science-industry-relations.

### Research for the Future of Agriculture

The organisation and structure of the government mechanism plays a key role concerning the legislative framework of the

agricultural and other sectors of the economy. The responsible authority for the institutional organisation of the agricultural sector is the Ministry of Agriculture, Natural Resources and Environment (MANRE). Apart from the fact that MANRE is the executive body for policymaking, it is also the body that implements the policy through its services. Farmers, as well as their associations and labour unions, are the main recipients of the implemented policy.

In Cyprus the sole body engaged in agricultural research is the Agricultural Research Institute (ARI), a department of the MANRE. With its activities in research, ARI contributes in various ways to the solution of problems related to plant and livestock production and the environment. In the framework of

a long-lasting, viable and sustainable development and the improvement of the plant and animal production in Cyprus, the ARI evaluates and implements new scientific and technological methods and recommends new processes and approaches for the rational utilisation of natural resources.

The lack of basic agricultural education, the limited vocational training opportunities and the low level of monitoring and advice provision to the farmers, are the main serious weaknesses that characterize the Cypriot agriculture. In addition, the uncertainty about the sector's future and the social degradation of the agricultural profession have minimised the number of young people who wish to be engaged in agriculture.

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## Sustainable and Competitive Agro-Economy

The most important policy recommendations coming from the overall process of the exercise are the following:

- A strategic target for agriculture should be based on commonly accepted concepts, reflecting the needs and priorities of the society. In this respect, the strategic target should lie beyond the interests of political parties, pressure groups or other players of the sector concerned. In this frame, a compromise between political parties to ensure strategic legislative stability is of utmost importance.
- The creation of a reliable climate among consumers concerning the quality of the Cypriot agricultural products generally, and specifically of organic products, achieved through a set of controlling mechanisms, is also needed.
- Provisions to create a connecting mechanism and two-way relationship between research and implementation are necessary to achieve competitiveness in the production and marketing of agricultural goods.
- In the frame of the new strategic target incentives to encourage new competent farmers to engage in agriculture, the provision of complementary skills through special training programmes should be introduced.
- Promotion of development initiatives at the regional level could be achieved through the decentralization of services and decision-making.

- In a competitive world the private sector has to play a key role. In this respect, new investments should be protected to foster entrepreneurship in agriculture.
- A high living standard is a prerequisite for a vital rural area. A significant part of public investments should be oriented towards the development of the rural areas in the form of modern services and infrastructure.

### Sustainable Agriculture as a Prerequisite for a Prosperous Rural Economy

In an innovation-driven economy and in a world characterized by the emergence of a mosaic of lifestyles and intermixing of cultures, a commitment for continuous learning and the generation of new knowledge have become vital to sustainable economic, social and cultural development.

Future trends and developments are expected to have a direct impact on agriculture and the rural areas of Cyprus, given that they are associated with the Common Agricultural Policy and the World Trade Organization agreement.

Cyprus society requires a strategic target that should be supported by an objective assessment of the international, European and local socio-economic environment toward which the Cypriot agriculture is oriented.

So far there is no direct policy response based on the project results and suggestions although new strategic planning has taken place.

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## Sources and References

More about the project: [www.eforesee.info/cyprus](http://www.eforesee.info/cyprus)

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**About the EFMN:** Policy Professionals dealing with RTD, Innovation and Economic Development increasingly recognize a need to base decisions on broadly based participative processes of deliberation and consultation with stakeholders. One of the most important tools they apply is FORESIGHT. The EFMN or European Foresight Monitoring Network supports policy professionals by monitoring and analyzing Foresight activities in the European Union, its neighbours and the world. The EFMN helps those involved in policy development to stay up to date on current practice in Foresight. It helps them to tap into a network of know-how and experience on issues related to the day to day design, management and execution of Foresight and Foresight related processes.