

ARC

ARC statement of principles

offered to the Conference of the European Commission on 19-20 July 2010

Introduction. ARC – the Agricultural and Rural Convention – is a forum which enables citizens and civil society organisations (CSOs) to support and deepen the debate which was launched by Commissioner Ciolos. At this Conference, we offer emerging principles which are shared by many CSOs. We will continue the debate, focused on the website www.arc2020.eu, and in the autumn we will offer to the Commission and other European institutions a Communication from Civil Society on the future of the Common Agricultural and Rural Development Policies.

Imperatives. The emerging message from civil society is echoed in large measure in the public consultation undertaken by the Commission within the framework of CAP post 2013. The message is that future policies, including those for agriculture and rural development, must address a series of uncomfortable challenges which have become substantially more apparent since the present policies were shaped in 2006. These challenges, which may be expressed as imperatives, are that :

- We must make more responsible use of all global resources – notably soil, water and minerals – to ensure the long-term survival of humankind and of global biodiversity
- There must be radical reduction of greenhouse gases in order to avoid catastrophic climate change
- The drastic loss of biodiversity, both of wild species and cultivars, must be stopped
- Human rights to food, water, health and well-being, civil liberties and livelihood must be respected and actively sustained
- It is not acceptable that 2 billion people suffer from hunger or under-nutrition, that the health of a further billion is blighted by over-nutrition and obesity, or that vast amounts of food are simply wasted
- Europe should not continue to depend on economic colonialism and the land resources of other continents
- Gross disparities of income and quality of life between regions and people within Europe must be addressed
- Citizens and local communities everywhere must be enabled to play a full part in determining their own futures.

Time for a radical review. These imperatives imply that we cannot continue with present policies, or rely on slight adjustments. Business as usual is not acceptable. A radical review of policies for both agriculture and rural development is needed. This review should focus on :

- A paradigm shift in agriculture, from a dominant European model of intensive industrial farming and a centralised food industry to a sustainable and diversified pattern of regional and local production and processing of food, with closer connections between farmers and consumers, and high care for public health and environment
- An economic renaissance of rural areas, building upon the strength and diversity of communities, cultures and resources.

A paradigm shift in agriculture to meet environmental and social challenges

The current mainstream system of agriculture in Europe, and the related large-scale food system, are in our view inherently unsustainable. They depend upon heavy use of fossil fuels, upon massive mechanisation and long-distance transport of food or of feedstuffs, are often inconsistent with high standards of animal welfare, pose a long-term threat to the health of soils, water resources and ecosystems, and are associated with continuing heavy reduction in the farm workforce. Future policy should be directed towards a more sustainable paradigm, which sustains productive farming

everywhere, builds on the diversity of regional and local farming structures and related economies, makes far lighter use of non-renewable resources, puts good agronomic sense and agro-ecological innovation at the heart of farming decisions, and achieves a wide range of positive outcomes. This transition will not be quick, easy or painless. It will involve fresh thinking about food security, food quality, added value, and public goods.

Food security. The global context is a growing world population with rising demand for food, urgent need to tackle hunger and malnutrition, depletion of natural resources and of water supplies, and shrinking areas of cultivable land. The solution to this is not to concentrate food production in limited places and to rely on massive international trade and transport of food: that would be a recipe for new economic colonialism, dependency, conflict and unsustainable use of transport. Rather, the solution lies in a high degree of self-sufficiency and food sovereignty at local, regional, national or continental level. Farm land should be kept in good heart and in sustainable cultivation throughout Europe, for long-term use in food production. Europe should produce as much high-quality food as Europeans need, including all the basic commodities (such as animal feed) required for its production; should not import food or feedstuffs other than that which cannot be produced within the European Union; and should limit the export of farm products to regional specialities.

Food quality. Major food scares in recent years have raised public awareness of the vital importance of healthy food. Precautionary standards have been raised as a result. But there is still widespread disquiet about the impact of industrial food production and processing on human health, animal welfare, biodiversity and the environment. Obesity, diabetes and other ills reflect unhealthy diets which are offered to consumers with ever more processed and composed foods. Consumers increasingly take responsibility for what they eat by checking on ingredients, additives and origins of food, and by pursuing alternatives such as organic, free-range or known-origin products. Producers, processors and traders will respond to such assertive consumers. There is need for widespread education about food, diet and the link to health, and for promotion of regional and local foods and of direct links between consumer and producer.

Added value. The adding of value to food and other farm and forest products forms a vital link between agriculture and forestry (as primary producers) and other parts of the economy. This link can have crucial importance to rural economies. But at present, for perhaps four-fifths of the food produced by commercial farmers in the EU, and for most forest products, the adding of value takes place largely not in truly rural enterprises, but rather in large-scale centralised processing units. This removes the potential for adding value to food and timber in the rural areas, and places the primary producers within economic chains in which they are at a disadvantage vis-à-vis ever more powerful buying industries. Review of the CAP must include a major effort to secure a fair sharing of value between farmers, processors, traders and consumers, so that farmers can secure remunerative farm-gate prices. This may involve political framework conditions which enable farmers to better their position on the market; provision for farmers to form producer groups with higher bargaining power; and removal of export subsidies which encourage over-production. Balanced markets are an essential pre-condition for maintaining farm-gate prices at a reasonable level, with less need to intervene afterwards. Major effort should also go into encouraging added-value activity at local and regional level, through small and medium-sized enterprises, including those run by farmers.

A multiplicity of markets. A major element in the future paradigm should be the multiplicity of national, regional, local and 'niche' markets which already exist in Europe. These markets contain a significant and potentially growing dimension of true added value to food and other agricultural products. They can sustain and build upon regional and local traditions of cultivation and food products, strengthen the links between producers and consumers, minimise food miles, and sustain employment and income in the rural areas. Future policies for agriculture and for rural and regional development should promote the strengthening and vitality of regional and local food systems.

Public goods. The agenda of public goods, when related to agriculture, forestry and rural areas, has until now been mainly focused on conservation of ecosystems, and the maintenance of farming in mountains and other special areas. But the agenda has been gradually widening. For example, 22 EU member states have (by ratifying the European Landscape Convention) committed themselves to reflecting landscape values in all policies, including those for agriculture and rural development. The Health Check of 2008 emphasised the ‘new challenges’ of adapting to and mitigating climate change, generating renewable energy, managing water resources and protecting ecosystems. Other public goods lie in the social field, including alleviation of poverty, nurturing of social vitality, reduction of gross disparities between territories, and the search for social inclusion. This wider agenda forces attention to what is meant by ‘public goods’, and how they may be secured. For us, it means those sustainable cultivation practices, products, services or shared outcomes which have European value, which cannot be secured through normal economic activity and which may therefore justify public intervention to secure them. Public finances are currently severely constrained. The EU must take a rigorous approach to defining which public goods can be secured through sustainable practice in agriculture, forestry and rural development; how far this can be done by the better functioning of markets and by regulation; and what targeted public intervention and support may be needed.

Economic renaissance of rural areas

Rural regions in Europe vary greatly in the structure and strength of their economy. Some, by their location and by vigorous policy, have strong and diversified economies. Others have been gravely weakened by the collapse of collective farming, the centralisation of industry and commerce, out-migration of young people, and other forces. The result of these trends is gross and growing disparity between regions, mass migration, loss of social capital, and in some regions abandonment of valuable farmland and loss of the environmental and cultural values which were created and sustained by farming. The EU should honour its commitment to social, economic and territorial cohesion by launching an economic renaissance of rural areas. This has clear implications for the farming and forestry sectors, the wider rural economy, the approach to special areas, and integrated rural development.

Farming and forestry. In many rural regions, farming and/or forestry have in the past been the mainstay of the local economy. But recent years have seen a drastic and continuing loss of jobs in these primary industries, because of growth or merging of farm units, mechanisation and other processes, and the lack of support for small and family farms. The new paradigm for agriculture must include more effective support for small and family farms; for labour-intensive farming activity; for diversified enterprises on and off the farm; and for new young entrants into farming, including measures to secure access to land for sustainable farming. Such action can maintain a true farming community, which in turn can sustain the farming activity upon which the maintenance of habitats and landscapes may depend.

The wider rural economy. In most rural regions, there is potential to strengthen the secondary and tertiary sectors, including added value to farm and forest products near to their origins, development of tourism, innovative use of information technology, generation of renewable energy, and the location of high-tech industries in high-quality rural settings. This renaissance can build upon the remarkable diversity of rural regions in different parts of Europe. It can draw upon local knowledge; and upon research and development, funded where appropriate by the EU. It will place new demands upon advisory services, and upon systems of education and training, which can encourage young unemployed people to enter rural work and can help farmers to gain skills in organic and biodynamic cultivation, multifunctional agriculture etc.

Special areas. Particular need and opportunity for a dynamic and imaginative approach to development applies to those special areas which may be called ‘peripheral’ or ‘less favoured’ but which, from the perspective of those who live there, may be central to their lives and highly favoured in

cultural, environmental or other terms. Such areas vary greatly across the face of Europe, from the sparsely populated regions in Sweden and Finland to mountain communities in the Pyrenees, Alps and Carpathians, subsistence farming communities in Bulgaria and Romania, concentrations of poverty in some regions, and isolated communities in many island and coastal regions. Such regions may indeed now suffer - to varying degree - from demographic imbalance, out-migration, loss of young energetic people, narrow economies, severe handicap for farmers, weakness in community services and in infrastructure. But they also act as stewards of ecosystems, landscapes and cultural heritage of European importance, notably many grasslands of high nature value; they manage resources of farmland, grazing land, forests, minerals, water supply and energy on which Europe depends now and in the future; and they represent a social capital of communities which can sustain and absorb population. Rural and regional policies should support rural communities in turning perceived disadvantages into economic and social advantages, focusing on sustaining social vitality, maintaining social services, diversifying the local economy, rewarding farmers (however small) for the public goods that they produce, and (where appropriate) accepting the value of informal economies.

Integrated rural development. Looking more broadly across rural Europe, there is a strong case for continuing programmes of rural development, focused in each area on the needs, the development potential and the skills and involvement of the people. All rural areas, in different ways, are affected by changing pressures and demands. Rural development programmes, prepared at national or regional level, provide the framework for analysing the broad pattern of needs and for allocating resources. Within that framework, sub-regional development strategies should be prepared at the level of territories, that is areas which have clear social and geographical coherence, which attract a degree of common loyalty among their inhabitants, and which are large enough to tackle sub-regional projects and programmes. Where appropriate, these territories, and the development strategies that apply to them, should embrace both urban and rural areas. The EU should establish a clear model for these sub-regional development strategies. The main practical effort of development should then be handled by sub-regional partnerships, structured on the basis of the LEADER experience, but with a wider brief and greater delegated responsibility. By these means, the formidable resources and energies of the private and civil sectors can be brought into play alongside those of public authorities. It will be vital to ensure adequate funding for the operational costs of these sub-regional partnerships.

Complementarity between European policies and funds. The new approaches which we advocate will depend not only on a close link between policies for agriculture and those for rural development, but also upon other European policies and funds. In relation to **agriculture**, there is a clear need for coherence and complementarity between a future CAP and policies related to Energy, Climate, Biodiversity, Development, Trade, Industry, support to SMEs, Health, Research and Development and other fields. As examples, we may emphasise growing policy contradictions in the impact of agro-fuel policies, the salience of World Trade negotiations, the EU's "knowledge based bioeconomy" initiative and bio-patent rules, and the policy on GMOs.

In relation to **rural development**, an integrated approach must mean not only synergy between social, economic and environmental measures within the rural development fund, but also the focusing where appropriate of Regional, Cohesion, Social and Fisheries Funds. In the present period, these Funds contribute substantially to the action in rural areas. This complementarity between Funds will be vital from 2014 onwards. The EU should provide a clear strategic direction for developmental effort; establish a broad array of major Funds, between which there is a clearly stated complementarity and potential for geographic overlap; and encourage and enable national and regional governments to take a broad and flexible approach to development processes. National and regional governments should then set a clear strategic framework for development activity, within which different European Funds and national matching funds are deployed, with clear provision for complementarity between the funds and for flexibility to meet the distinct needs of different areas.

ARC summary of principles 1607