

## **Towards sustainable agriculture in Europe**

### ***Observations of the Commission of the Bishops' Conferences of the European Community (COMECE)***

*In March 2001, we, the Bishops of COMECE, published a position paper on agriculture in which we spoke out in favour of continuing the reforms of the European Common Agricultural Policy and the model of a multi-functional agricultural sector in view of the BSE and foot-and-mouth disease crises.<sup>1</sup>*

Since the publication of our position paper, a series of events at international and European level have given rise to significant decisions for agriculture and the forming of Europe's agricultural policy in the future which we would like to comment on here from our viewpoint.

#### **The European Council of Göteborg held in June 2001**

In June 2001, the European Council of Göteborg specified as part of Europe's sustainability strategy that "one of the objectives of the Common Agricultural Policy and its future development should be to contribute towards establishing sustainable development by placing greater emphasis on promoting healthy, high-quality produce and products, environmentally friendly production methods – including ecological production –, as well as renewable raw materials and the protection of biological diversity."

*We support this new and additional goal for European agricultural policy by virtue of its coming significantly closer than the previous array of objectives to the Biblical duty to preserve creation<sup>2</sup>. The reform of Common Agricultural Policy is essential to make possible sustainable development in Europe.*

*We believe, however, that sustainable production will only be possible once the behaviour of consumers – and that means all of us – changes. Clearer awareness of the social and ecological consequences undoubtedly requires more intensive education, clarification and information. However, we also ask whether a new and deeper spirituality is not also necessary in this regard. The Christian teaching on Creation provides stimulating hints for changing the way we treat the produce of our Earth. Sustainable development and agricultural policy need a fundamental ethical inspiration.*

#### **The WTO Conference held in Doha in November/December 2001 and the Global Sustainability Summit of Johannesburg in August/September 2002**

At the last Ministerial Conference of the World Trade Organisation held in Doha/Qatar in November 2001, the EU agreed to negotiate the reduction of export subsidies with a view to

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<sup>1</sup> A series of Bishops' Conferences have also dealt intensively with agricultural issues and published their findings. The Holy See has likewise elucidated the Catholic Church's stance at international level.

<sup>2</sup> As objectives, Art. 33 of the EC Treaty cites increasing agricultural productivity, raising incomes, stabilising the markets, guaranteeing supply and delivering to customers at reasonable prices.

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abolishing them completely<sup>3</sup> after already opening up its market to the products of the poorest countries with the “Everything but arms” initiative introduced in the spring of 2001<sup>4</sup>. The European Union then also confirmed its commitment to negotiate on export subsidies by 2005 at the Global Sustainability Summit held in Johannesburg in August 2002.

*In our view, the immediate and complete removal of export subsidies is not only a matter of political credibility for the European Union, which wants to play a more important and exemplary role at international level in particular; it is also imperative on ethical grounds. It cannot be right or good for European production surpluses resulting from a false price policy to be made even cheaper through renewed subsidies to such an extent that other producers – often from much poorer countries – are ousted from the market. Nor is the US policy of occasionally declaring agricultural surpluses as food aid and flooding underdeveloped markets in this way an appropriate solution. This simply transforms the difficulties of a wealthy, surplus-based society into problems for poor societies.*

*The removal of export subsidies and the opening-up of European markets does not automatically ensure a better livelihood for the poorest of poor farmers in the developing countries, since it cannot be ruled out that big landowners and multinational companies based in developing countries will be the those that will primarily reap the benefit of such measures. Indeed, it is, amongst other things, the global concentration movements in the food industry that makes necessary the creation of a global competition policy. This would be important to avoid cartels and monopolistic situations in the global market. We therefore welcome that global competition policy is an important part of the WTO’s development agenda established in Doha. Setting up cooperative structures and parallel distribution networks could be a solution in assisting small and very small farmers, with the Church involved through its relief organisations and movements.*

### **European Commission proposals of 10 July 2002**

To implement the resolutions adopted in Göteborg, Doha and Johannesburg and, with a falling agricultural budget, to also involve future Member States in the Common Agricultural Policy as rapidly as possible after their accession, the European Commission used the “half-time review” assigned to it under the Agenda 2000 to propose the reform of central elements of the Common Agricultural Policy to the Member States.

*Opinions on the European Commission’s reform proposals also differ widely among Christians. Dissociating direct subsidies from production outputs and linking them to performance in the areas of environmental protection and the humane breeding and keeping of animals has, for example, been subject to much criticism because this is very difficult to implement in practice and farmers would, in particular, appear to become entirely dependent on state benefits. However, it must be said in response to the latter argument that in the existing system real market conditions are also distorted in favour of farmers through state intervention.*

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<sup>3</sup> "We commit ourselves to comprehensive negotiations aimed at ... reductions of, with a view to phasing out, all forms of export subsidies" (Doha Ministerial Declaration, no. 13) and in the same wording under no. 86c of the Implementation Plan drawn up by the Global Sustainability Summit of Johannesburg.

<sup>4</sup> However, very long transition periods up to the full opening of markets in 2006/2009 were agreed upon for a number of ‘sensitive’ products like bananas, rice and sugar.

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*It is clear that the objectives of sustainable agriculture cannot be achieved at present without state support. This is also justified because sustainable agriculture benefits the whole of society and provides goods which are approved by and serve all. These include the humane treatment of animals, keeping the soil, air and water clean, as well as the value of well kept landscapes for recreation. However, what benefits everyone – and is advocated by everyone – must also be contributed to by everyone. For this reason, we consider the objective of public support for a multi-functional agricultural system, which offers the whole range of possible functions of agriculture and the countryside to society, to be sensible and appropriate insofar as it gives farmers the freedom to opt for a particular type of agriculture that is to their liking and adapted to the geographical, climatic and geological conditions of their farms. Faced with these differences in external conditions, which will become even more pronounced following the accession of new Member States, great flexibility in the organisation of agriculture in Europe's regions will be needed. On the other hand, we are critical of the Commission's proposal to base the amount of direct subsidies on historical reference values as this would perpetuate the existing income situation: at present, 5% of farming enterprises receive half of direct subsidy funding.*

### **The European Council of 24 -25 October 2002 held in Brussels**

At the European Council held in Brussels last October, the EU Heads of State and Government abandoned their intention originally pursued under the Agenda 2000 and adopted a proposal following the Commission to the effect that the new Member States will gradually be involved in the system of direct subsidies for agricultural enterprises from 2004 on. In doing so, they smoothed the way for the completion of negotiations with the countries of Eastern and South-Eastern Europe, thus bringing Europe a substantial step closer to the goal of political unification. At the same time, the European Council rejected the Commission proposal to reduce direct subsidies in favour of additional funds for rural development from as early as 2004 because several governments considered that this would have breached the current agreement running up to 2006 on agricultural expenditure arising from the Agenda 2000.

*The decision – a surprise to many - in favour of a gradual introduction of direct subsidies as a negotiating position of the EU Member States in the accession negotiations also has our support. This overcomes the risk of cementing a two-tier system between new and old Member States in the Common Agricultural Policy.*

*The decision taken in Brussels establishes the funding for the agricultural policy from 2007 on, which must then also be sufficient for a greater number of farms owing to enlargement. Although this may appear a tough and unfair measure to many representatives of agriculture, all social groups will be forced to go without from the middle of this decade on by virtue of the drastic deterioration in the demographic situation and, therefore, in public finances.*

*From the point of view of a foreseeable and significant worsening of the budget situation, we also regard the resolutions adopted by the European Council in Brussels as constituting a sound basis for commencing negotiations on reform of the Common Agricultural Policy with due regard for the financial obligations vis-à-vis farmers arising from the Agenda 2000.*

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*The rural development funds are, incidentally, excluded from the capping of agricultural spending from 2007 on. We hope for large-scale further development in this policy domain in order to counter the structural and social problems of the rural regions and migration from the land, especially in a number of new Member States. With its pastoral programmes and the initial and further training schemes supported by it in rural regions, the Church sees itself, together with its organisations and movements, as an important partner and player in the area of rural development policy.*

### **Convention on the Future of Europe from spring 2002 to summer 2003**

The Convention on the Future of Europe plans to submit a draft for a European constitutional treaty by the summer of 2003 aimed, in particular, at redefining the institutional and legal constitutional structure of a Union with 26 Member States or more.

*We raise the question as to whether the Convention could examine the legal basis of the Common Agricultural Policy (Articles 32 - 38 of the EC Treaty) in light of the reorientation of European agriculture described above. In its capacity as the elected representative body of the peoples of Europe, we feel it is appropriate for the European Parliament to be more involved in agricultural policy<sup>5</sup> given that agriculture is everyone's responsibility and not merely a peripheral social phenomenon.*

### **Conclusion**

These reflections are not definitive. We regard them as an invitation to dialogue on the best way forward for European agriculture. We should be grateful to receive reactions, in particular from the Bishops Conferences and movements within the Church.

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<sup>5</sup> See European Parliament motion for a resolution (B5-0563/2002) on the proposals presented by the European Commission concerning the 'interim results', which extensively welcomes these proposals while at the same time pointing out the need for increased external protection in the case of their implementation.

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