

E L O

European
Landowners
Organisation

A RESPONSE TO THE CORK DECLARATION - A LIVING COUNTRYSIDE

Introduction

The ELO was pleased to have participated in the Cork Conference. The objectives were challenging and the conclusions well focused. The only general criticism that we raise is the artificial distinction that was attempted between changes in the CAP and a new approach to rural development. Whilst we understand the political expediency of doing so, the issues are so complex in themselves that trying to present them as separate factors is not the way ahead. It is the pressure for changes in the CAP that demands a more fundamental and rigorous approach to rural development policies, and the need to present the vision of a new rural policy for the European Union.

Although the agricultural contribution to the GDP of the European Union is reducing, it remains a vital core industry and is part of a much bigger agri-food industry. Agriculture and forestry dominate the land use of rural Europe. Agriculture, forestry and the millions of small and medium size enterprises are significant to the economy and communities of rural areas, and vital to environmental conservation.

The pressures on the current agricultural policy were clearly pointed out by Monsieur Guy Legras in his address, whilst Commissioner Fischler stressed the importance of rural areas and communities to the future economic success of the EU. From this we draw the conclusion that the context of any future policy changes must, therefore, be Europe's countryside as a whole. Future policies must reflect an integration of the agricultural, forestry, rural business, environmental, and socio-economic elements of rural policy - if this equals the concept of rural development as presented at Cork, then the Cork Declaration has the full support of the ELO.

The Ten Point Programme

We comment below on a number of aspects on the Ten Point Programme.

Rural Preference

It is important that the rural areas of Europe are well served by the institutions of the EU (Council of Ministers, the Commission and the European Parliament) to champion their cause. In an ever increasing urban society, the rural voice needs to be heard and understood. Many traditional rural practices are being devalued because of uninformed prejudice. (Field sports, for example, hold a special place in the economy and culture of rural areas, yet too often they are challenged by non-rural decision makers.)

The CAP is in a continuing state of change, and pressure seems to be building for a major review. Unless this period of change is managed, and alternative rural policies are developed before the next WTO round is concluded, there will be major economic, social, and environmental consequences for the countryside of Europe. If the vision is to use the current structural and cohesion funds as a means of supporting a new rural development policy, then it is important to realise that less than 10% of the present funding goes to rural areas. There needs to be a full debate on future funding. The negative impact on rural communities and the managed environment of a major reduction in the support mechanisms of food production, needs to be understood fully in policy formulation.

Integrated Approach

A multi-sectoral approach to policy is essential in rural areas. Too often, urban policy development techniques are applied with disastrous results. Yet at the same time, the policy approach should be framework rather than prescriptive. The cultural, climate, and geographical differences in the European Union require a more flexible approach in policy determination than hitherto. Many of the complexities in the current procedures of the CAP are due to trying to make a single policy fit circumstances in every Member State. There needs to be a period of concerted debate at local and national levels as well as at the EU level.

Diversification

The scale of the change involved, as agriculture moves closer to world market prices, is so significant that the pressure for non land related jobs will be considerable, both to increase farm incomes from non-farm activity, and also to find jobs for redundant farm labour. There will be a need for new jobs from new industries in the countryside, in order to maintain both an economic and social balance. There will also be a need to encourage farmers to diversify into higher quality outputs and new productive land use activities (e.g. forestry and energy crops).

The EC White Paper on growth, competitiveness, and employment highlighted the crucial role of the smaller medium sized enterprises(SMEs). The SMEs should be the target firms for development in rural areas - they have the greatest potential for job creation. But they do need to be assured of a stable and predictable regulatory environment with the minimum bureaucratic burden on their operations. New solutions must be found and developed to promote employment in the countryside.

Job creation is one example of where there will be a need for significant resources. Such resources could then be used to lever in further additional private sector funds to rural areas. This is not a ploy to move the resources from the supported agricultural industry to perpetual support for others - it is a bid to pump-prime appropriate commercial and industrial development in the countryside.

Sustainability

The concept of 'sustainable development' is unclear to many farmers and landowners. Uncertainty arouses suspicion and resistance - there is a major communication task ahead to convince them that it is not a smoke-screen for further negative regulation of land use.

The specific role played by landowners and the importance of secure and stable property rights must be recognised explicitly. Where transfers of property rights are necessary for the public good, appropriate compensation will have to be provided. Land management policies and plans created by statutory or non-statutory organisations will not prove sustainable if they exclude from the decision making process those who own the land.

The ELO favour a focused approach to sustainable development - based on the definition of clear objectives with an assessment of what actions are required to achieve them. The aim should be to agree measurable targets for economic, social and environmental sustainability.

We recognise the conflicts that are inherent in such an approach. But at least if an attempt is made to define what society wishes to sustain, then a full debate can be held over specific and measurable objectives. Such a debate would reveal the inconsistencies and conflicts amongst many existing policies.

If widely agreed economic, social and environmental goals can be established, it becomes easier to determine the changes in current law, policy, practice and attitude needed to achieve them. Such process would require existing conflicts in resource limitations to be identified and resolved, and would lead to a more coherent integrated approach to sustainable development.

As part of this process, it would be important to establish the relative roles of state intervention and the market. The ELO do not see regulation as the only option - there must be more incentive led policies. It is important to stress that incentives do not always mean direct state subsidies. Given the recognition of property rights there is much scope for contracts between owners and the public to promote the concept of sustainable development in alternative uses of the land.

Subsidiarity

The concept of subsidiarity is important and, as expressed previously, local participation and ownership of rural development concepts and mechanisms is crucial to their success. Moreover, the specific circumstances of each Member State have to be taken into account. But in practice, subsidiarity of European policy implementation is not without its difficulties. The Accompanying Measures of the 1992 reforms (and in particular the Agri-environment measures), which serve as examples of policy subsidiarity, in practice have shown up weaknesses. Because the funding of scheme projects is shared by individual Member State Governments, the uptake has not been universal throughout the European Union. In some it has been good, in others, very poor.

If European funding is to be identified for an enhanced rural development policy, then we would need to be reassured that the mechanisms were in place to prevent individual Member States from diverting such funding away from rural areas.

Simplification

We share the view that there is a need for simplification of the schemes and fund allocation in the area of rural development. We will support a new rural development policy if it results in real simplification and the creation of a coherent set of objectives. It should not (as has happened in the past) result in a patchwork of separate policies. There is, however, a strong correlation of simplification with the degree of subsidiarity. The greater the number of accounting units (Commission, Member States, Regional Government, Agencies) involved in the management of the system, the more complex it will be.

Programming

The concept of a single rural development budget for a particular region is attractive. The problems of delivering such a policy are very considerable; but that should not stop a serious attempt to achieve it. A programme that does not deliver resources to all regions of the EU will be rejected by those Member States who will be expected to fund the major share.

The ELO is aware that in certain parts of the EU, there are doubts about the claim of 'rural distinctiveness'. For example, it is said that there is no such thing as the rural economy, in that the industry and trade of rural areas is now totally integrated into national and in many cases the international economy. We do not share this view, and support the line that has been proposed by Commissioner Fischler in his focus on rural development needs. There will, however, be a continuing pressure to define "rural areas". Our advice is that we should not seek to have it too tightly defined - and certainly it must not be based solely upon areas of agricultural production.

Finance

It is interesting to compare the relative scales of the CAP and the Structural/Cohesion budgets over recent years. In percentage terms, the CAP is reducing whilst the Structural/Cohesion is fund increasing. Without having access to the details, it is very clear to us that as and when enlargement to the CEECs gets underway this will put a very significant pressure on the present Structural Funds. The redistribution effect is of particular concern to our members in the south of the EU. For the future, we also have concerns about the distribution of rural funds as outlined in the previous section on 'Programming'.

Management

The ELO supports fully the notion that good quality advice needs to be available to rural communities and industries at all levels.

Although some knowledge and experiences can be exchanged around the European Union to good effect, we should not lose sight of the wide geographical and cultural spread and the need, therefore, for much of it to be regionally targeted and delivered to specific areas.

Evaluation and Research

There can be no doubt of the requirement for continuing evaluation of this major policy development. It must, however, be recognised not as an experiment in social engineering, but rather a long term commitment to maintaining the quality of life, the natural environment, and the economic contribution of Europe's rural areas. As well as the traditional evaluation and auditing exercises, we believe that there is a need for a major communication and public relations exercise to remind the urban dominated decision takers of the consequences of not developing the total rural resource.

Conclusion

The ELO supports the Cork Declaration, and looks forward to working with other partners in putting some substance to the relatively "light weight" statements of intent. It is only if all the players in the rural world are consulted, and are involved from the beginning, that a successful rural policy can be developed. Landowners and the security and stability of their property rights will play a major role in the development of this policy.

Our major concern is that the scale of change is so great that we do have concerns as to whether the institutional arrangements of the European Union and its Member States are structured appropriately for the management task involved. Before any further major changes in the present support systems are implemented, we will need to be assured that alternative policies for agriculture, forestry, the environment, and social and rural development are in place throughout the EU.

**ELO POLICY GROUP
5 February 1997**

A0809071

**EUROPEAN LANDOWNERS ORGANISATION - ORGANISATION EUROPEENNE DE LA PROPRIETE RURALE
Galeries du Centre - Bloc II - 6^{ème} étage - 1000 Bruxelles
Tél: (0)10 84 40 00 Fax: (0)10 84 24 00**