

# How can the CAP improve job creation in rural areas?

2015/2226(INI) - 27/10/2016 - Text adopted by Parliament, single reading

The European Parliament adopted by 237 votes to 201 with 67 abstentions, a resolution on how the CAP can improve job creation in rural areas.

Members highlighted the fact that rural areas represent more than 77% of EU territory and that many jobs in those areas depend on Members recalled that **rural areas represent more than 77 % of EU territory**, but nowadays employs only a fraction of the working population. Many rural areas **face a series of challenges** such as low income, negative population growth, a lack of jobs and a high rate of unemployment, slow development in the tertiary sector, a lack of processing capacity for food products, low skills and limited capital.

Whilst the economic crisis hit all parts of Europe, **none were more affected than rural areas**. In that connection, the CAP must be made more effective and its legitimacy reaffirmed as one of the principal tools for EU action aimed at the retention and creation of employment and competitiveness in rural areas.

Parliament made the following recommendations:

**Under the current CAP:** the resolution noted that it is of crucial importance to maintain the two pillars of the CAP. Pillar I prevents out-migration of small and family farms from the sector and maintains jobs in the agricultural sector, while Pillar II funds ensure job creation in other areas such as tourism, food processing and other related sectors.

Members called upon the Member States to:

- give **young farmers long-term prospects** in order to address rural depopulation by making full use of all the support measures for young farmers and new entrants to farming (especially those aged over 40);
- step up their support for small and medium-sized farms, in particular by making more use of the **redistributive payment**.

The resolution called for a better distribution of CAP payments **towards small farmers**, as well as greater account taken of **territories with geographical handicaps** (such as mountain areas, overseas territories, the most outlying areas and sensitive natural areas).

Members pointed out that the Member States have made extensive use of the option of **granting coupled aid** – which secures jobs in disadvantaged areas. They called on the Member States to increase the proportion of such aid for active farmers, to make it more flexible and to earmark more of it towards producing more plant proteins in the EU, which currently depends on imports from third countries for supply of this commodity. They also noted that there is a need to implement the **environmental dimension of direct aid**.

Parliament also recommended:

- adopting a **genuine European strategy for bee repopulation**, given the high mortality rate among honey bees in several EU countries and the essential role they play in food security and the economy of many plant sectors;

- developing **more rapid and effective intervention systems** which can prevent the most negative effects;
- regularly adjusting **intervention prices** in line with trends in cost prices so as to have a direct impact on producers' income and the perpetuation of their activities, as well as on employment;
- establishing **prevention tools** in all major production sectors in order to monitor markets, which would help steer production and ensure a response to crises by means of flexible and responsive market management tools which would be activated when necessary;
- developing **short supply chains** linking farmers to local producers since quality schemes, geographical indications and organic farming represent an opportunity to develop the agri-food sector and potentially create rural-based jobs;
- establishing binding rules on **fair payment** in the food supply chain between food producers, wholesalers and processors to ensure that farmers receive an appropriate share of the value added which is sufficient to enable them to practice sustainable farming.

Members also felt it necessary to simplify the implementation of rural development policy, to adopt more coherent approaches, along the same lines as multi-funds, and to stop the Member States and the Commission imposing overly painstaking administrative and financial checks.

**Under the future CAP after 2020:** Parliament emphasised that the CAP procedures must be simplified and must have sufficient funding, maintained at least at the current level. Greater importance should be attached to instruments geared towards modernisation and investment.

Highlighting the importance of the **tourism sector** as a source of income for farmers (e.g. farm holidays), Members urged instituting programmes to support investment and entrepreneurship, and launching tourism campaigns.

The funds under the future CAP ought to provide more support to **slow the loss of small and medium-sized farms**. Furthermore, CAP **direct payments** should only be allocated to persons whose main area of activity is agriculture. Direct payments should remain a CAP instrument beyond 2020, in order to support and stabilise farm incomes and compensate for the costs arising from complying with high EU standards.

The resolution stressed the need to:

- support a competitive and sustainable European **agricultural model based on a family-run, diversified and multi-functional farming model**, with particular emphasis on territories facing specific constraints;
- encourage the development, marketing and sale of **high-quality** agricultural products;
- provide more effective support for **organic and biodynamic** farming and all other sustainable production methods, including integrated farming and agroforestry.

With regard to the recent animal epidemics and the 2013 horsemeat scandal, Members considered that a **significant increase in the amount spent on food and feed security** is needed, since the EUR 1.93 billion allocated for the current seven-year period is completely inadequate.

Lastly, Parliament took the view that **ensuring food security in the European Union** must remain the primary principle action under the future CAP, without neglecting markets outside the EU. Trade agreements could pose a real risk, as well as possible opportunities, for European agriculture. Members believed that **free trade agreements** should not lead to unfair competition towards small and medium-sized farms and undermine local economies and jobs.