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## Report

drawn up on behalf of the Committee on Regional Policy and Regional Planning

**on the contribution of rural development to the re-establishment of regional balances in the Community**

**Rapporteur: Mr F. FAURE**

By letter of 8 January 1980 the Committee on Regional Policy and Regional Planning requested authorization to submit a report on 'the decline of regional economies in Europe in predominantly rural regions'.

By letter of 5 February 1980 the President of the European Parliament authorized the committee to draw up a report on this matter. The Committee on Agriculture and the Committee on the Environment, Public Health and Consumer Protection were asked for their opinions.

On 21 January 1980 the Committee on Regional Policy and Regional Planning appointed Mr Edgar FAURE rapporteur.

The committee considered the draft report at its meetings of 22/23 September and 27/28 October 1980. It decided that this own-initiative report would take account of the motions for resolutions concerning improvements to the common agricultural policy, on which it had been asked to deliver an opinion for the Committee on Agriculture.

However, in view of the priority accorded to the report drawn up by the Committee on Agriculture (originally scheduled for debate at the March part-session), it then decided to submit those parts of its own-initiative report touching on the issues discussed in that report in the form of a separate opinion, while reserving the right to deal with these same issues more fully in the own-initiative report.

The committee considered the draft opinion at its meetings of 23/24 February and 16/17 March 1981 and adopted it unanimously at the latter meeting (PE 71.991/fin.).

The committee decided to modify the wording of the title of the report in preparation as follows: 'the contribution of rural development to the re-establishment of regional Balances in the Community'.

It considered the draft report at its meetings of 12/13 May, 23/24 June and 19/20 October 1981 and adopted it unanimously at the latter meeting.

Present: Mr De Pasquale, chairman; Mr Faure, vice-chairman and rapporteur; Mr Blaney, Mrs Boot, Mr Cardia (deputizing for Mr Fanti), Mr Cronin, Mrs Ewing, Mrs Fullet, Mr Griffiths, Mr Harris, Mr Hume, Mrs Kellett-Bowman, Mr Pöttering, Mr J.D. Taylor and Mr von der Vring.

The opinions of the Committee on the Environment, Public Health and Consumer Protection is attached, and that of the Committee on Agriculture will be published separately.

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The Committee on Regional Policy and Regional Planning hereby submits to the European Parliament the following motion for a resolution together with explanatory statement :

MOTION FOR A RESOLUTION

on the contribution of rural development to the re-establishment of regional balances in the Community

The European Parliament,

- having regard to the report of the Committee on Regional Policy and Regional Planning and the opinions of the Committee on Agriculture and the Committee on the Environment, Public Health and Consumer Protection (Doc. 1-648/81),
- whereas the rural exodus has reached such proportions over the last thirty years that whole areas of the Community are threatened with depopulation and excessive concentrations of populations in small areas are producing harmful economic effects and serious social and human disadvantages,
- whereas the process of depopulation is making it more difficult to continue to maintain a minimum level of economic and social life in rural areas,
- whereas the use of rural areas simply to provide recreational or retirement facilities for the urban population is not compatible with a genuine revitalization of these areas,
- whereas the present economic crisis and the life style that people now want are reasons for developing the potential of rural areas and justify a directive approach to regional policy,
- whereas this policy should take account of all the problems of rural life and should not be confined to certain aspects or sectors,
- whereas the whole subject must be viewed in terms of two principles:
  - there can be no rurality without the maintenance of a certain level of agricultural activity,
  - rural life and the rural economy cannot be confined to agriculture alone.
- whereas the common agricultural policy has undeniably contributed towards maintaining certain farms and developing others, but the advantages gained are very unevenly distributed among sectors and regions; and whereas a large number of owners of small and medium-sized farms in the dairy and livestock, fruit and vegetables and oil and wine-growing

sectors do not have an adequate standard of living and are uncertain about their future

(a) with regard to the contribution of agriculture and the agri-foodstuffs industry to rural development

1. Calls for the necessary measures to be taken to guarantee that farmers actually obtain the target price, while pointing out that this support must be accompanied by regulation of the quantities guaranteed in order to avoid surplus expansion of production;
2. Considers that this may be achieved preferably by the system of 'degressive prices', whereby the average price is adjusted on the basis of the volume produced, or by a system of progressive contributions calculated by applying a fixed coefficient to certain products acknowledged to be in surplus, or by distributing some of the aid in the form of a premium per hectare under cultivation or per head of livestock with a ceiling for each farm on the number of hectares or animals to be taken into account;
3. Asks in any case that the co-responsibility levy should not be imposed when the price has not actually been obtained;
4. Recommends measures to encourage regional specialization, taking account of both the natural and structural characteristics of a region;
5. Requests that due attention be paid, in the context of the CAP to the legitimate interests of nature, environmental and animal conservation on the one hand, and the supply of healthy, high quality foodstuffs for the population on the other;
6. Calls for the introduction of European quality labels to protect the integrity of traditional products from the point of view of their geographical origin and method of manufacture;
7. Calls also for appropriate legislation to guarantee the origin of 'ecologically sound' products;
8. Calls for better coordination of the different structural aids granted by the Community, the Member States and regional and local authorities, and, with this in view, proposes that greater consideration be given to land development as a whole;

9. Observes that there has been an increase in part-time farming in recent years and that it would be useful at present to encourage this type of activity in certain areas;
  10. Recommends that farmers with supplementary employment should be guaranteed specific training to enable them to become accustomed to their new work pattern;
  11. Recommends that the necessary improvements be made to public services to encourage the pursuit of supplementary employment in regions where this meets the requirements of the economy and the wishes of a sector of the population;
  12. Recommends that the allocation of aid to agri-foodstuffs industries should take account of the desirability of encouraging such industries to set up near the centres of production;
  13. Suggests that regional development programmes be drawn up for agriculture and the agri-foodstuffs industry;
  14. Recognizes the roles of fishing and forestry in remote rural life and employment and recommends that:
    - (a) the role of fishing in small communities be adequately safeguarded through such means as Fishing Plans;
    - (b) the essential role of forestry in land use, particularly on the poorest hill and less-favoured land, be recognized and encouraged by all Community institutions;
- (b) with regard to measures relating to non-agricultural activities as a whole
15. Calls for the provision, as part of an overall policy to create employment in rural areas, of special facilities to encourage the creation of jobs in craft trades, small industries, the hotel business and rural distribution services;  
also calls on the Commission to undertake a study and subsequently publish a report on measures taken within the Community to maintain or revitalize rural communities. This study should include national and local measures to encourage employment and retain shops, services and public facilities in rural areas;
  16. Affirms its wholehearted support for the concept of integrated development programmes and demands that all the relevant Directorates participate fully in the present pilot projects to ensure that the machinery of integration is adequately tested;

17. Proposes that a study be carried out of the provision of finance in rural areas, and that recommendations be made, where necessary, for action at local, national and Community level. The terms of reference for the study should include:
- existing structures for the provision of finance in the regions, including finance for the retention or creation of employment, construction or renovation of buildings and the purchase of land and buildings (private and industrial),
  - recommendations for improvement in the provision of financial services, and indications of the finance required,
  - recommendations on possible financial structures such as a European Bank for Rural Activities and a Rural Land Development Bank;
18. Proposes the setting-up of a European youth service which could, among other things, help to revitalize rural areas by enabling a certain number of young people to enter working life, to secure a job and an income, under circumstances which would help them to develop their potential and allow them to familiarize themselves with one or more European countries other than their country of origin;
19. Instructs its President to forward this resolution and the report of its committee to the Council and Commission.

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EXPLANATORY STATEMENT

A. INTRODUCTION

I. The transformation in our way of life brought about by the population movement - the flight from the land and its corollary, overcrowded cities - is undoubtedly one of the most remarkable developments of our time. It has already had significant effects on the quality of life and is likely to pose serious threats to it in the near future.

This movement consists of a series of related and complementary developments:

- population transfer from what we call rural zones to urban centres and their immediate periphery,
- in these urban and suburban centres an excessive concentration of human groups built up in a restricted space, with very poor living conditions,
- at the same time, a tendency to the desertification of entire areas.
- survival becomes more difficult for scattered population units which suffer a gradual erosion of the foundations of their communities as administrative, educational, cultural and similar facilities disappear one by one. These residual populations are simultaneously affected psychologically by the uncertainty as to their own and their children's future in the locality where they live. Human beings naturally need a climate of stability, they have to be able to plan ahead on the basis of adequate and reliable information.

It is true that an inverse and to some extent compensatory movement may be observed from urban centres to the countryside, with the proliferation of secondary residences. City dwellers, oppressed by the artificiality and stress of their living and working conditions, aspire to the kind of double dichotomy of space and time. They spend their working days in a state of discontent, waiting for the merciful release provided by the weekend or a holiday; all too often they spend their adult life impatiently waiting for retirement, only to be disappointed in the end. At the same time many people, and in particular workers of modest means, find themselves unable to take advantage of such a periodic physical displacement, and of this permanent psychological transfer. This gives rise to a frustration complex which aggravates the tension created by social inequalities. Even for those who do have the means, can such a dual existence, which may in fact lead to a dual identity, be regarded as satisfying? Is it really a happy philosophy to treat working days as a kind of limbo, the monotony of which has to be suffered whilst awaiting the signal of



deliverance, which itself can be seen as no more than temporary?  
And is it justified to regard as a superior existence these hours devoted to 'rest and recreation', which come to an end before one has a chance to decide what to do with them and which are often no more than a kind of unwinding in vacuo, alternating with overwork in boredom?

Can we regard as genuine countryside regions where the link between the inhabitants and the natural environment, provided by normal family life, work and the crafts, is broken?

II. The situation we see is the outcome of a serious pathological disorder in our so-called progressive civilization. Over hundreds and even thousands of years, a slow, sometimes imperceptible evolution, occasionally arrested or reversed, produced a moderate expansion of urban areas. With the industrial revolution, which began in the United Kingdom in the 18th Century and then spread to the countries of continental Europe in the 19th and early 20th Centuries, large urban and industrial concentrations appeared on maps like enormous warts. However, even as recently as the second world war, most of the towns had been in existence for a long time and one could easily discern in them the basic town planning patterns described by historians.

It is during the last few decades that we have witnessed a headlong and haphazard acceleration of the historic movement from countryside to town. Little attempt to control or direct this movement has been made by the public authorities, whose efforts at town and country planning have been belated, inadequate and sometimes misguided. Thus, some countries sought to compensate what they regarded as the excessive development of one or more existing cities by establishing a number of new towns, without realising that they were merely exacerbating and multiplying the anomaly which they were trying to remedy.

This movement was not, however, by any means fatal, even if it was anarchical. It was produced by the employment situation, the towns being regarded as centres for recruitment despite the fact that it would have been perfectly feasible to decentralize recruitment and seek labour away from the urban areas. Account must also be taken of the low esteem in which maintenance of the rural way of life was held, and of the power of attraction of the towns, which were seen as having something special to offer by way of entertainment and other facilities. In fact, with the resources of today's world - transport, communications and so on - it should have been possible to compensate for the negative and frustrating aspects of country life as it is still sometimes depicted. Rural life was wrongly represented as inferior to town life, as if to do justice to the old adage from the troubled periods of the ancient world: vivunt rustici epulis urbanorum. For their part, the authorities concentrated their attention on urban centres and treated the problems of rural life with a kind of contempt, as if they were dealing with

human anachronisms fated to disappear in the near future, whose useless life it would be tedious and pointless to prolong artificially.

III. This situation calls for sharp criticism and serious concern.

In the first place it is undoubtedly a paradox and inconsistent with a rational, reverential and conscientious conception of the destiny of the human species.

Whilst man as a species has made incredible progress in his perception of his own biological nature and in his ability to protect his own existence, it must nevertheless be recognized that his essential characteristics have not undergone any fundamental change. The average life span is longer, thanks to nutrition and medicine, but there has been no increase in the maximum age; the number of centenarians is not growing. Whilst, for analogous reasons, the average height has risen, the maximum height has not, the number of people taller than 2 metres remaining very small and no one goes much beyond that mark. Our physical make-up shows no change in the sense of the addition or disappearance of organs. (It has been quite rightly pointed out that we saved ourselves a genetic mutation by placing at our disposal external resources such as libraries and computers, which serve us very well in lieu of a fourth brain). This circumstance inevitably fixes and confirms man in his identity and in his permanence, which in turn require certain living conditions and exclude certain other conditions. Man, being neither an insect nor a head of cattle, is not made to live in ant-hills or to lead a gregarious existence. Given his height, his build, his mobility, his respiratory system, he needs to have around him a certain space, he must not be rationed as to the amount of unpolluted air he breathes in, he must not be deprived of light, he must be able to exercise his muscles. At the same time he cannot be content to live in a world of mineral and metal. It is essential for him to retain contact with the vegetable and animal kingdoms. There is a striking difference in the well-being and vitality of children according to whether they have or have not been cut off from that kind of communication. It is symbolic that prison regime is defined precisely by the small dimension of the abode and by the uniform appearance of the stone walls. People who have committed no crime ought not to be condemned to the cell-like existence typical of so many urban housing complexes. In this connection it is worth mentioning the findings of certain opinion polls, according to which the majority of country dwellers want to continue to live in the countryside. It is by necessity that they are often compelled to abandon this preference. Furthermore, a significant percentage of town dwellers would like to move to a rural area.

This general appreciation, which might be questioned as being something of a philosophical abstraction, is confirmed in everyday life very specifically and most regrettably in areas relating to the quality of life, public order, morality, delinquency, state of mind of young people, nervous disorders, etc.

For example, scientific research conducted by a committee chaired by Mr Alain Peyrefitte established that above a certain threshold of population concentration, to be precise 225,000 inhabitants, criminality and immorality increase disproportionately with the growth in the population.

The point made in the above paragraph is so familiar as to require no lengthy explanation. Due emphasis needs, on the other hand, to be laid on another syndrome, namely economic decline, rather than moral decline. Behind the imbalance between town and country lies an aspect that all too often escapes notice - a strong inflationary factor. This may be demonstrated with the aid of just two remarks:

- (1) In densely populated areas undertakings benefit from an economy of scale by virtue of the concentration of labour, equipment, etc., but the public authorities have to shoulder the heavy infrastructural burdens, which suffer a non-economy of scale and are inflationary factors of the budgetary type. Every man who comes from the countryside to establish himself in an urban or suburban area is worth, as has been pointed out, his weight in gold if account is taken of the per capita cost of the investment in building, roads, drainage, telephones, hospitals, schools, police, hostels, prisons, etc., required by the surplus population that he has joined.
- (2) At the same time, in areas subjected to progressive depopulation it is still necessary to maintain and build on a minimum level of facilities which cannot be denied even to a dispersed population and which becomes more costly precisely because it is more dispersed. Thus the provision and purification of water, drainage, electrification, road-building, telephones, etc., are all expenditure that has to be borne by the economy, be it through the national or local budget or by some other means, expenditure that is non-remunerative and inflationary.

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These arguments demonstrate the urgent need, not for a series of palliatives or ad hoc measures, but for a genuinely global policy that will put an end to the apparent and spurious inevitability of the decline of rural areas.

### Community powers

The tendency to distortion between major towns and rural areas is a feature common to our European nations, even though the symptoms may vary from one country to another.

In fact, it is not so much a question of contrasts between different national types, each considered as an overall unit, as of characteristics specific to different European regions, which may be classified independently of their national location. This provides an additional reason for seeking to overcome the problem at the level of the Community as a whole, thus lending European regional policy one of its most characteristic objectives. Secondly, it must be borne in mind that some measures (in fact the most important ones) cannot usefully be envisaged except on a European scale:

- because of the additional resources needed, a burden not readily accepted by individual countries acting on their own,
- because also of the interrelationship between the different national economies and the large multi-nationals. Wherever it is necessary to impose constraints or rules on these stateless giants it is essential to avoid the risk of differential treatment, which might lead these companies to transfer to countries with the most lax legislation, for this would militate against, penalize and discourage those countries most determined to conduct an effective battle against a pernicious tendency.

It is worth stating at this point that among all the European institutions Parliament appears best qualified to attack the problem as a whole, although it must of course draw on the competence and authority of the Commission at the stages of both conception and implementation.

The Council of Ministers, a conference of government authorities, seems badly equipped to grasp a subject which calls for both such a broad perspective and such long-term perseverance. It cannot organize a debate on that subject in which all voices - including those of the opposition in each country - would have a chance to be heard. The governments focus their attention on short-term problems, they are obsessed by the need to reconcile their views on matters that call for ad hoc decisions. The unique value of a Parliament, one of its strongest *raison d'être*, is that it is able to give consideration to guidelines for a genuine civilization plan.

Special mention should be made of our committee, which, with the Bureau's authorization, took the initiative of drawing up this report. The fact that the subject falls within its terms of reference is underlined twice over in its title, which at the same time defines the purpose of its work: regional policy and regional planning.

To avoid any misunderstanding it should be pointed out that maintenance of the way of life associated with the concept of rurality is not the sole object of regional policy, and that it is not fully covered by regional policy. It is quite distinct from the set of functions attributed to the Regional Fund, and it will call for resources quite distinct from those available to the Fund. Nor should rurality be considered in terms of the general reference that distinguishes the regions we call rich from the regions we call poor. These problems will of course very often be most acute in the economically most deprived areas, but in one way or another they will arise virtually everywhere.

In the first place, poor areas are found in rich regions and vice versa. Secondly, some rural regions - which for different reasons appear to be relatively well off - are often threatened by short-term impoverishment. Our anxiety to help raise them up from their low level should not make us indifferent to the emergence of new areas of poverty.

We ~~must~~ not lose sight of that 'rurality' which is found in some regions where fairly advanced urbanization gives the impression of a relatively acceptable average level.

Generally speaking, we must beware of adopting an attitude which might interpret the defence of rural interests as a policy opposed to urban interests. There is in fact no antagonism, but on the contrary complementarity and solidarity. One may even go so far as to say that town dwellers have an even greater interest in the survival of the countryside than country dwellers themselves. The inhabitants of large cities are directly exposed to the nuisances associated with excessive concentrations.

'It is the cities that suffocate when the countryside breathes no more.'

Consideration must be given, before concluding the introduction, to a question that is raised frequently, namely the precise definition of rurality. In actual fact this is a problem that is difficult at the theoretical level but that is perfectly simple when it comes to practical application. Accordingly, we think it best to avoid ~~a~~ dogmatic approach.

Formal yardsticks have been proposed, such as the population of the largest urban centre; 15,000 and 20,000 have been suggested, and, after all, why not more? The essential point is to consider the population pattern in the area in question. Wherever the bulk of the population lives in isolated farms, in hamlets, in villages, in small towns and intermediate centres, even where there is a principal centre with some 20 or 30,000 inhabitants (50,000 can be regarded as a maximum that will seldom be approached), it may be said that there we have a rural area.

This 'quantitative' approach can usefully be supplemented by a 'qualitative' approach that would accentuate the different functions of the countryside (agriculture, forestry, recreation, crafts, etc.) and the relationship between rural life and the surrounding towns. One could thus draw up a rural counterpart to the urban hierarchy, which would also make it easier to work out a specific policy. It would therefore be useful for the Commission, as part of its programme on studies, to instruct a working party of experts to carry out a classification of rural regions in the Community, analysing their features and their problems.

In our search for solutions, we should proceed along two main lines. We must consider on the one hand agriculture, and on the other the whole complex of non-agricultural activities, and we must then work on these two sectors, which are at the same time distinct and inseparable. The basic formula to be applied may be summarized as follows:

1. There is no rurality without agriculture;
2. Rurality must not be equated with agriculture alone.

We are thus inevitably obliged to look at the whole problem of the Common Agricultural Policy, but from the particular standpoint defined above: agriculture considered from the standpoint of the rural and regional balance.

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B. THE CONTRIBUTION OF AGRICULTURE AND THE AGRI-FOODSTUFFS INDUSTRY  
TO RURAL DEVELOPMENT

From the point of view which concerns us here, the common agricultural policy has brought undeniable benefits since its inception: it has enabled us to avoid on the one hand a collapse in market prices and on the other stringent controls on production. It has also ensured that most of those employed in agriculture have had a minimum of resources available; without it the rate of exodus from the countryside would have increased more sharply, and that would have been disastrous for the social situation.

We must now take a fresh look at the problem. In so doing we must not be blinded by the financial aspect, nor even by economic results on their own; instead we must look carefully, as is our natural role, at what the agricultural policy may be expected to achieve in terms of supporting community life in rural areas.

Accordingly, we must aim to achieve the best results possible while keeping costs constant. We have often heard it said that the common agricultural policy has adequately safeguarded the interests of the cereal producers, and more particularly in this period those of the relatively wealthy farmers. The benefits of the policy have been less obvious for the owners of small and medium-sized farms who predominate in the milk and livestock products sectors, in fruit and vegetables, in wine-growing and in the olive oil sector.

We also note that farmers who sell a substantial proportion of their produce directly to the consumer do not qualify for support from the common agricultural policy although this practice is of considerable benefit to both parties.

At the Commission's request, a group of national experts examined this problem in a study on the regional effects of the common agricultural policy. They calculated that Community support for cereals and sugar beet was five times as great as that for fruit and vegetables or table wine and approximately twice as much as that for livestock products.

The fact is, however, that:

1. the largest number of farms are devoted precisely to the sectors enjoying the least support, and
2. these sectors form the basis of production in the

Community regions which are least developed in agricultural terms and frequently from a general point of view as well.

The measures adopted to support the prices of agricultural products are largely to blame for the disparity in treatment mentioned above. The common agricultural policy normally takes effect at the marketing or initial processing stage, not at the farm gate, and as a result the prices laid down correspond to wholesale rather than producer prices. The price received by the producer may vary substantially from that laid down in the regulations, depending on the nature of the product, the marketing system and the effectiveness of the farmers' sales campaign. In some cases, the disparity between the statutory price and the actual price may be very considerable, especially in the milk, beef and veal, fruit and vegetables and table wine sectors. These are the sectors which form the basis of production in the agriculturally least-developed regions of the Community.

As regards milk production, which in 1975 involved 37% of all Community farms and virtually every farm in some areas, there is no guaranteed price for milk, only for butter, skimmed milk powder (a by-product of the butter-making process) and some Italian cheeses (although there is some indirect aid available for storing some long-keeping cheeses). Beef and veal are in a similar situation. The farmer usually sells the animals on the hoof, but the Community only buys in the carcasses of slaughtered animals (although intervention is triggered by a live-weight price quotation).

The situation is aggravated by the fact that some farmers supply unfattened animals for fattening elsewhere since they lack the resources required to do so themselves (stock fattening). This practice is widespread, especially in the less-favoured areas of the Community such as the West of Ireland, hill farms in Scotland and Wales, the Massif Central and the Apennine range. As a result, the absence of an efficient common market organization means that sharp fluctuations in the price of animals exacerbate the effects of the unsatisfactory natural and structural conditions.

As for wine and fruit and vegetables, they are subject to mechanisms which are even less well-developed, mainly because such produce is perishable; in addition, the plant production



cycle is naturally very lengthy and requires unproductive investment over a period of several years.

It appears, therefore, that although the CAP has generally been a success in that it has safeguarded the agricultural economy and rural life, the benefits it has bestowed have varied widely according to the areas and sectors involved. Although it is clearly preferable that progress - albeit unequal and imperfect - should be made rather than that there should be general but equal regression, the time is ripe for us to deal with the problem in a manner which is more comprehensive, less differential and more equitable.

One essential fact should be emphasized at this juncture, namely that as regards support for agricultural production, the accent has been placed on the marketing stage, irrespective of origin. Consequently, quantity has been regarded as more important than quality. Accordingly, producers have tried to offset the inadequate support they receive by stepping up production and increasing yields. But in so doing, not enough attention has been given to the sales potential of the produce, and increasing use has been made of inputs from sources outside the farm, in particular industrially manufactured animal feed-stuffs.

As in other respects, the regions most suited to intensive production are situated mainly in the centre of the Community in its economically most highly developed areas; at the same time, farms and land in the peripheral areas of the Community have been abandoned, and this has resulted in excessive concentration on certain products already in surplus in the centre of the Community. This process culminates in a highly mechanized agriculture designed to process products rather than produce them.

The two extremes are demonstrated by Ireland and the Netherlands. These two countries export a large proportion of their agricultural products. If we express total production and consumption in cereal equivalents, using figures relating to the 1977/78 marketing year, the total overall self-sufficiency rate in Ireland is 243% and in the Netherlands 158%. But if we subtract from these totals the imports of feed for livestock production, the domestic self-sufficiency rates come out respectively at 221% for Ireland and 84% for the Netherlands: that means that the Netherlands cannot even meet its own food requirements from its own resources.

We must, therefore, examine ways of making the common agricultural policy more attentive to the need to distribute farming and the benefits deriving therefrom more harmoniously. Without going into excessive detail or exceeding the terms of reference of this report or our committee, we may posit two major guidelines for an agricultural policy drawn up on a territorial basis:

1. the alignment of aids to farming, and
2. encouragement for specialization in regional policies.

The policy we define as alignment of aid may be pursued along two paths that are perfectly compatible with each other.

The first consists in making the guaranteed price payable to farmers obligatory and effective. Accordingly, all Community aid would be made subject to the payment of a given price to the producer. To prevent this increase in aid being coupled with an uncontrolled expansion in production, it would be necessary to fix a ceiling on the amount payable to each farm; that would simultaneously strengthen the territorial nature of the price guarantee. The system of progressively reduced prices, whereby the average price is modulated according to the volume produced, would be the most appropriate to ensure that the greatest number of farms survived.

This system already applies to sugar beet growers; in addition, limited experiments have been carried out successfully into voluntary restraint by producers. One of the systems adopted involves the producer buying labels to be affixed to his produce at prices which increase progressively (as reasonable limits are exceeded).

A second system would be to distribute some of the aid in the form of a premium per hectare under crops or per unit of cattle.

This has the advantage of including an immediate territorial link, of not discriminating between farms and of not fuelling the output race described above. It also provides an opportunity of varying the amounts involved according to the region concerned without, however, adversely affecting the unity of the market. Durum wheat already receives aid per hectare, but such aid is limited to the Italian Mezzogiorno and South-West France where natural conditions result in high quality produce. Current premiums paid for the birth of calves in Italy

and premiums per head of cattle in hill farms have features in common with this kind of aid. Any alteration to the aid mechanisms must be accompanied by incentives for certain types of crops in specific regions. Over the past twenty years we have seen an increasing uniformity in agricultural produce. Areas which previously specialized in one type of product are now either facing competition from other areas not traditionally connected with such products or are themselves being forced to change to different products or to diversify into products they had not been involved with before. One such instance concerns Gruyère cheese, which was previously made mainly in the Jura and the Alps, but which nowadays may come from Brittany or Holland. In order to protect the integrity of traditional products, a European quality label should be introduced showing the nature and regional origin of and the method used in making the product, a label similar to that required by the legislation on wine which shows where the wine comes from and guarantees its origin. Along the same lines, and without wishing to limit the farmer's freedom to choose his own production methods, we may assume that 'ecologically sound' products are fairly widespread in the Community and popular with consumers but that their future development could be jeopardized by unfair commercial practices whereby it is suggested that a product is 'ecologically sound', although in fact it is not. We therefore consider that a Community regulation should be drawn up to deal with this matter.

We should bear in mind that there is very little competition between the individual European countries as such; more frequently it occurs at regional level, with one region facing competition from other regions within the same country or from those in foreign countries.

When we consider the amount of aid given to agriculture by the Community and by the individual Member States, and also take into account the financial expenditure and even the economic wastage involved in creating more and more surpluses, it is logical that each region should be encouraged to devote itself principally to the crops and types of farming for which it is particularly suited and that they should not be encouraged to take up different types of farming which would adversely affect the situation in other parts of the Community.

Apart from climatic and natural conditions, there are also structural requirements which make regional specialisation a necessity. If we bear in mind, for example, that as a rule in northern Europe a dairy farm employing one or two people full time requires 20 - 40 hectares of flat land but that some 80 hectares are needed for fattening cattle on pasture land and 120 hectares for cereal crops, it is clear that the options of many regions are limited by structural characteristics. When the production of certain crops is being encouraged or discouraged by measures for changing to alternative crops, such as grubbing up trees or slaughtering cattle, the effectiveness of such measures can only be guaranteed if they are concentrated in those areas which have the natural and structural characteristics required for the new crop. The effective implementation of investment aid also requires account to be taken of the regional situation and in particular of the need for certain regions to produce particular crops, even though such crops might result in the creation of surpluses. In this connection we could stress the importance of dairy production for the West of Ireland and wine production for Languedoc-Roussillon and the Mezzogiorno.

When considering the development of the natural resources of a region, we must not overlook the important contribution which can be made by forestry. It can very often provide additional revenue for farmers, while at the same time assuring greater diversification of agricultural activity and effective protection against the threat of erosion. Forestry is furthermore a sector in which the Community shows a large deficit and its development could therefore improve the trade balance.

Similarly, local fishing activities, particularly fish farming, can provide a useful accompaniment to small-scale agricultural production in remote coastal areas. Modern techniques require considerable investment, but it would appear that companies are prepared to undertake the task provided that a skilled labor force is available. This type of activity should therefore be encouraged.

It is striking to note in this connection that Community aid of a structural nature, and therefore aimed at the regions, is much lower than that granted by the Member States acting individually: the EAGGF Guidance Section has never accounted for more than 5% of the total expenditure on agriculture. Expenditure on the common agricultural policy totals 6,959 million ECU, whereas expenditure by the Member States totals 13,165 million.

(These figures include everything connected with:

- investment aid for production and marketing,
- land development, especially the infrastructures,
- advisory services, and
- training for farmers and certain social expenditure).

Although the Community cannot and must not act in place of the Member States, the regions and the local authorities, it should act more effectively to coordinate the various measures, and in particular establish their compatibility with the objectives of the common agricultural policy. Certain measures, those concerning land development as a whole and dealing at the same time with land distribution, the equipment available to local authorities and farms and the potential for agricultural developments, are to be particularly recommended. The Netherlands and the Federal Republic of Germany have already acquired wide experience in this field, especially as regards integrated land consolidation measures which could be applied more generally. Indeed, such measures enable account to be taken of all the physical and economic factors which affect the development of the farms and the possibility of keeping a satisfactory number of them alive.

We must now focus attention on two series of measures, the first concerning part-time farming, the second the establishment of a better link between production and processing (agri-foodstuffs industry).

#### Part-time farming

This type of farming has become increasingly popular in recent years. It can no longer be regarded as a transient and short-lived phenomenon. Studies on this subject have demonstrated that part-time farming is most prevalent in areas on the outskirts of big cities and in the Community's remote areas. Although the first instance prompts no specific comment, the opportunities for the less-favoured regions should be taken into account when a rural policy is drawn up. The agricultural labour force in some regions of the Community, notably the Mezzogiorno, Languedoc and part of North-West Europe, is affected by serious under-employment. In such cases, although the farmers have no alternative source of income, they cannot work on their farms full time since they lack adequate resources, especially as regards the farm's potential. There are too many farmers in this situation for the problem to be solved by merging farms or by changing over totally to an alternative crop.

Part-time farming, by bringing in extra income and preparing the ground for subsequent economic development in areas without any industrial traditions, may well lead to a situation which, if allowed to go unchecked, could result in serious economic and human problems.

Accordingly, we may recommend two kinds of incentive and supplementary measures:

1. farmers finding additional employment should be guaranteed specific training as appropriate to enable them to become accustomed to the new work patterns on the farm (e.g., when changing from dairy to beef farming);
2. improvement of services such as postal deliveries, the establishment of more flexible administrative norms, etc.

#### Alignment of the agri-foodstuffs industry

To an ever-increasing extent, the development of farms depends on the development of the agri-foodstuffs industry. As recently as 10 years ago, 61% of all agricultural produce was industrially processed. At the same time, the added value of the foodstuffs system (suppliers and distributors) exceeded that of agriculture. As regards employment, the food industry employed 2.8 million people in 1978, agriculture 7.5 million. Furthermore, employment levels in the food industry have remained relatively stable since 1961, whereas agriculture has shed half its labour force (see attached table). We cannot, therefore, ignore the effects on rural areas of decisions as to where this huge industry should be located.

Traditionally, a large part of the agri-foodstuffs industry has always been located near the major centres of consumption, i.e. the major conurbations. Today, however, improvements in transport and food-preserving techniques have reduced the need for it to be situated near the markets. As a result, the processing industries have tended to move closer to the centres of production. These being rural areas, this movement may result in an increase in the number of jobs available and in prosperity. It should be encouraged, in particular by the adoption of specific measures which might provide increased aid for the establishment of food processing plants in rural areas. The Community rules on marketing and processing (embodied in Council Regulation (EEC) No. 355/77) would have to be amended accordingly.

Two comments must be made when we consider agriculture and the agri-foodstuffs sector together in the context of rurality. Firstly a systems policy enables greater weight to be given to planned production, and secondly, no worthwhile action may be taken in this matter unless the dimension of the region is taken into account. The region is the indispensable link between the major lines of Community and national policies and their effective implementation. It enables the measures contemplated to be tailored to meet local conditions and the farmers to be involved in the drawing up of the measures adopted.

This result may be achieved in particular by drawing up regional development programmes for agriculture and the agri-foodstuffs industry which set out the existing situations and problems and the measures to be implemented. They would thus lead to better coordination between Community, national and local measures, coordination which is sadly lacking at present.

#### C. MEASURES RELATING TO NON-AGRICULTURAL ACTIVITIES AS A WHOLE

The second aspect of a European policy to support rurality concerns measures relating to non-agricultural activities as a whole since the increase in productivity has resulted in a situation where farmers producing a given amount or even an increased amount account for no more than a small number of labour units; there will be far too few of them to ensure the survival of villages and rural centres.

The movement which has led to a reduction in the number of farmers as a result of increased productivity is clearly irreversible. Although we may hope that beyond a certain point some stabilization will occur, in particular as a result of the measures we recommend, it is nonetheless true that farmers, their families, employees and retired persons will not be sufficient in number to ensure the survival of villages and rural centres. If the population of rural areas consists solely of such people, services and those responsible for providing them will disappear in their turn. It is imperative to ensure that families engaged in occupations other than agriculture should continue to live in the country. Rural life is particularly well suited to craft trades and small industries; experience shows that small industries established in country areas are on average more likely to survive than those in the big conurbations. Furthermore, if an undertaking employing 10, 20, 50 or even 100 people should get into difficulties, it is easier to get it on its feet again or to redeploy its staff than would be the case with a large undertaking employing more than 1,000 people.

The current upsurge in subcontracting may well provide small-scale units with greater opportunities. Experience also shows that even with a very modest amount of aid, preferably in the form of a low-interest loan, a relatively high number of jobs may be created. Measures have already been drawn up along these lines by national governments or regional authorities in the various countries. The ~~success~~ of such ~~measures~~ is naturally limited in scope.

In addition to craft trades and small or medium-sized rural industries, there are a number of other activities which could create employment outside the agricultural sector and thereby ensure the revitalization of rural areas. The first that come to mind are tourism and leisure activities. However, the development of tourism infrastructures must be compatible with rural development as we understand it. It is not a question of using capital from outside the region to create vast centres, such as holiday cottages. First place should be given to facilities on a moderate scale, which are most easily combined with existing rural activities, and also have the advantage of appealing more to ordinary people.

In order to avoid seasonal difficulties steps should be taken to develop open-air activities which are well suited to the rural environment and ensure a better allocation of available facilities throughout the year.

It is becoming increasingly clear that the human element forms the basis of all social and economic progress and that external constraints are less important than might have been thought in the past. Human resources must therefore be developed and it is here that training plays a crucial part. Until now, the main training centres have been situated in the towns and have taken little account of the specific needs of the rural areas. The populations ~~of rural areas~~ very often show a great sense of initiative and a certain practical ability, which must be supplemented by appropriate training, particularly in economic management, if they are to be fully realized. A non-conventional training programme in the rural areas is particularly necessary in view of the inadequacies of 'formal' education.

In these circumstances we would make a specific proposal that a European Bank for Rural Activities be established.



On a proposal from the European Parliament, the Commission could assume responsibility for setting up the institution. The Bank could be made up of public and private establishments; its objective would be to operate along the same lines as the outstandingly successful Crédit Agricole in France, except that its powers would extend to every country in the Community, and its aim would be to encourage non-agricultural rural activities. In addition, it would not be out of the question to extend the Crédit Agricole to the whole Community at the same time. However, that is not the major problem at the moment since satisfactory measures have already been implemented in that area. The European Bank for Rural Activities would be set up principally to grant low-interest loans in conjunction with regional authorities - and to encourage the establishment or expansion of undertakings established in rural areas in accordance with the criteria for the latter which would be drawn up.

The efforts made to promote the establishment of new activities in rural areas and the funds provided will have little effect unless the rural population shows an interest in the projects. A strategy for rural development must therefore take as its starting point the need to stimulate and direct local initiative.

To this end, use should be made first of all of existing structures, local bodies, and, where they exist, associations. In a European context, a specific proposal could be made, namely that the creation and expansion of rural development associations should be encouraged. These associations could be set up at different levels, depending on the legislative provisions in force in the various countries concerned. They should also promote the establishment of federations or groupings of associations, at regional or even inter-regional level, whereby they could combine their efforts, pool their experiences and, possibly, their resources.

It would, of course, be unrealistic to envisage an institution of this type covering the whole of the Community, but the idea of groupings of two or more regions going beyond the limits of national authorities is entirely reasonable. For example, the less-favoured coastal regions in the North-West (Brittany, the West of Ireland, Northern Ireland and the rural areas of Wales and Scotland), the alpine regions of the Community, or the Mediterranean islands (Corsica, Sardinia, Sicily, Crete and numerous Greek islands). This list obviously does not exclude other possible groupings, but it covers specific types of regional problems.

Within these associations it would be particularly useful to employ general development agents who could work in a country other than their country of origin. They would then be able to study new and useful initiatives abroad and use them to assist their own region.

#### D. COMMON MEASURES

Certain measures may be contemplated with a view to supporting farms, non-agricultural rural activities and in a general manner the daily life of the groups and families living in rural areas.

In addition, a Rural Land Development Bank should be set up, either as a separate establishment or as a second arm of the Bank for Rural Activities, designed to promote the construction of or improvements to dwellings providing accommodation conforming to modern living standards.

In particular, this bank could turn its attention to the renovation of a large number of buildings which, although dilapidated, are still habitable and frequently have the advantage of blending in with the landscape of which they form a natural part.

It could also help young farmers to retain or buy the land they require for their farms.

That is one of the crucial problems for the maintenance of farms on a human scale, since the repayments on loans contracted to buy land constitute a heavy burden and may discourage farmers.

Assistance from the Land Development Bank would lighten the burden and prevent farming land from being acquired by non-farming persons and used for purposes other than its natural one.

The European Bank for Rural Activities and the Land Development Bank could be set up as separate establishments or as two arms of one establishment; in either case, a division for assisting local authorities in rural areas could be set up to grant loans to local authorities, county councils or regions at favourable terms.

#### Resources:

These establishments would need to have available sufficient resources for them to offer low-interest loans of the various types.

In the first place, initial capital could be provided by the Community itself and by the Member States or by various bodies established under private or public law. Regular contributions could be made along these lines. In addition, specific resources might be envisaged such as:

1. a share of the profits made by national bodies involved in agricultural and rural loan operations;
2. contributions claimed from operations leading in the direction opposite to the one sought here (excessive concentration and urbanization).

A further possibility: European youth service

The maintenance and revitalization of rural areas poses a number of problems different from those concerning the economic activities considered above, whether agricultural or not. Nonetheless, it is specifically in the economic field that the Community can most easily draw up intervention measures, as it has in fact already done. In addition, it is clear that as soon as a certain economic level is guaranteed, we may generally assume that local populations will maintain or re-establish themselves and be in a position to solve their various problems of an administrative, cultural or social nature.

The Community itself may also assist them by means of the financial resources outlined above which would be obtained from local authorities, especially from those which are in the best position to cope with the needs in the various sectors.

However, another kind of intervention may be recommended, and here we return to a subject broached in a different context. This is the possibility that the Community might establish a department to provide initial employment for young people; under this scheme, over a set period of 12 or 18 months, the Community could take on a number of young people of various nationalities who have been unable to find a first-time job. Clearly, the Community action could never be widespread enough to solve this crucial problem for all the young people affected, but it would be valuable as a pilot project and help those taking part in it to develop a European awareness within the fields under consideration; young people recruited in this way would be successively seconded to various jobs in different countries, and this would enable them to familiarize themselves with the languages and customs of European countries other than their own. This scheme would, moreover, retain a completely voluntary character, and those taking part would be free to leave whenever they wished. In that event, they would cease receiving payment.

If this project were to get off the ground, as we hope it will, some of the young people involved in the scheme might be seconded to duties in the public interest in rural areas. They could assist local authorities which are frequently short-staffed, working where necessary on building sites or in offices, undertake social work in the home, provide replacements on farms, or undertake additional services in the field of communications (school transport, auxiliary posts in teaching, on-the-spot teaching in rural areas where there is no kindergarten, cultural activities or direct teaching of their mother tongue).

**ANNEX I**

**National and Community expenditure on agricultural policies in 1978**

*(Mio ECU)*

1	2
<i>National expenditure</i>	
A General measures	812.7
B Production	2 986.9
C Processing and marketing	475.5
D Forestry and general regional development	86.6
E Unspecific measures	821.7
F Food consumption	394.7
G Tax relief	1 757.9
H Total (A - G)	7 336.0
I Financing of farmers social security	6 279.3
J National total	13 615.3 (*)
<i>Community expenditure</i>	
K EAGGF Guarantee	6 662.4
L EAGGF Guidance	296.7
M EAGGF total	6 959.1
N Total	20 574.4

Source: EC Commission, Directorate-General for Agriculture.

(\*) Nederland + Ireland: 1976.

**59 Share (in %) of each category in the total national effort in favour of agriculture - 1977**

*(%)*

	EUR 9	Deutsch- land	France	Italia	Neder- land	Belgique/ België	Luxem- bourg	United King- dom	Ireland	Dan- mark
1	2	3	4	5	6	7	8	9	10	11
A General measures	6,0	0,3	8,0	0,5	17,9	13,0	0,0	7,1	5,8	14,0
B Production	22,0	38,8	11,6	31,4	40,1	30,3	54,2	17,6	19,0	12,2
C Processing and marketing	3,5	2,3	2,4	5,8	11,8	2,3	9,0	4,3	10,0	5,0
D Forestry	0,6	0,6	0,8	0,4	:	0,6	0,0	0,3	:	1,8
E Unattributable	0,0	0,0	14,1	0,5	:	0,0	0,0	0,4	-	0,1
F Consumption	2,9	0,0	0,2	0,0	0,1	0,1	0,0	13,4	17,6	10,8
G Tax relief	12,9	14,3	3,4	0,0	13,9	0,0	0,2	46,8	21,5	0,0
Social security	46,1	43,7	59,5	61,5	16,3	53,8	36,6	10,1	26,0	56,2
Total	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Source: EC Commission, Directorate-General for Agriculture

National expenditure on agriculture — 1977

(in million ECU)

	FR	Germany	France	Italy	Netherlands	Belgium	Denmark	United Kingdom	Ireland	Denmark
1	2	3	4	5	6	7	8	9	10	11
<b>A - General measures</b>	<b>812.7</b>	<b>19.4</b>	<b>456.6</b>	<b>6.1</b>	<b>57.0</b>	<b>42.5</b>	<b>0.0</b>	<b>152.7</b>	<b>15.6</b>	<b>58.3</b>
- Research	360.2	9.7	138.8	2.3	67.7	0.7	0.0	72.4	7.9	30.2
- Advisory services	122.1	7.3	56.7	3.7	—	2.1	0.0	17.7	7.0	27.6
- Training	265.8	0.4	177.8	0.8	—	0.0	0.0	4.9	—	0.4
- Other	64.6	0.0	3.2	0.0	—	0.7	—	60.9	—	0.1
<b>B - Production</b>	<b>2 986.8</b>	<b>1 152.6</b>	<b>654.8</b>	<b>412.3</b>	<b>151.3</b>	<b>59.2</b>	<b>75.4</b>	<b>364.8</b>	<b>51.9</b>	<b>50.9</b>
- Cessation of farming	304.0	57.1	733.1	0.0	1.5	—	0.0	1.7	—	0.6
- Improvement of varieties and breeds	155.3	48.5	21.0	75.5	8.8	12.0	0.3	16.4	5.7	5.5
- Plant health and veterinary measures	170.3	31.1	59.2	8.7	20.1	10.6	0.1	36.7	9.1	3.6
- Lowering of operating costs	734.0	220.1	32.7	72.6	3.0	1.8	3.0	5.8	6.7	2.3
- Income support	593.6	355.6	76.9	4.2	—	0.3	2.5	145.3	0.1	0.0
- Compensation for natural disasters	137.5	25.9	18.1	50.9	—	—	10.5	9.0	0.0	0.0
- Investments in farms	389.3	5.2	47.6	21.3	25.1	29.6	5.2	105.1	7.0	23.4
- Land improvement	451.6	150.1	191.4	55.5	73.8	29.4	1.8	32.2	22.9	4.0
- Collaboration between farmers	155.4	4.6	52.2	103.3	—	0.3	0.0	1.8	0.0	0.3
- Aid for young farmers and newcomers to farming	138.7	109.7	11.7	0.1	—	1.4	0.0	0.0	—	4.8
- Grubbing and demolition	0.8	0.0	0.5	0.0	—	0.6	0.0	0.2	—	0.0
- Other	146.8	62.7	1.9	41.4	—	0.1	0.0	38.7	—	0.0
<b>C - Marketing and processing of agricultural products</b>	<b>475.5</b>	<b>67.2</b>	<b>135.4</b>	<b>97.1</b>	<b>16.1</b>	<b>7.8</b>	<b>1.9</b>	<b>93.7</b>	<b>27.1</b>	<b>16.6</b>
- Market support	32.6	6.0	19.7	3.1	5.3	0.0	0.0	14.0	0.7	9.0
- Quality control, labels	85.3	9.8	3.0	7.6	21.4	1.1	0.0	41.8	5.1	10.5
- Sales promotion	60.0	44.3	7.0	1.4	24.9	2.6	0.1	14.2	3.3	0.6
- Operating costs	67.5	1.4	24.0	27.4	0.1	0.5	1.5	17.6	9.0	0.0
- Investment	172.5	13.3	63.8	40.2	14.2	2.2	2.3	3.2	23.5	0.1
- Other	27.2	7.5	17.9	1.5	—	0.9	0.0	2.9	—	0.4
<b>D - Forestry (4000 total) and general development</b>	<b>86.6</b>	<b>17.3</b>	<b>47.1</b>	<b>5.7</b>	<b>—</b>	<b>2.1</b>	<b>0.3</b>	<b>7.3</b>	<b>—</b>	<b>7.4</b>
<b>E - Miscellaneous measures</b>	<b>821.7</b>	<b>0.0</b>	<b>805.6</b>	<b>6.6</b>	<b>—</b>	<b>0.0</b>	<b>0.0</b>	<b>9.2</b>	<b>—</b>	<b>6.3</b>
<b>F - Consumption</b>	<b>394.7</b>	<b>0.6</b>	<b>9.2</b>	<b>3.0</b>	<b>0.0</b>	<b>—</b>	<b>0.0</b>	<b>13.1</b>	<b>47.1</b>	<b>—</b>
<b>G - Tax relief</b>	<b>1 751.6</b>	<b>476.2</b>	<b>193.7</b>	<b>9.6</b>	<b>57.5</b>	<b>0.0</b>	<b>0.1</b>	<b>1 074.0</b>	<b>56.7</b>	<b>0.0</b>
<b>H - Total</b>	<b>7 036.0</b>	<b>1 574.2</b>	<b>2 269.3</b>	<b>725.2</b>	<b>315.3</b>	<b>113.2</b>	<b>77.4</b>	<b>1 960.2</b>	<b>98.1</b>	<b>462.6</b>
<b>I - State contribution towards the financing of farmers social insurance</b>	<b>6 279.3</b>	<b>1 299.1</b>	<b>1 392.5</b>	<b>186.9</b>	<b>16.4</b>	<b>77.3</b>	<b>15.1</b>	<b>219.5</b>	<b>20.4</b>	<b>234.4</b>
<b>K - Total (H+I)</b>	<b>13 315.3</b>	<b>2 873.3</b>	<b>3 661.8</b>	<b>1 312.1</b>	<b>321.7</b>	<b>190.5</b>	<b>92.5</b>	<b>2 179.7</b>	<b>118.5</b>	<b>697.0</b>

Source: EC Commission, Directorate-General for Agriculture

AB These figures in general include the national contribution towards measures adopted on the basis of the common provisions

- 1) Agronomic research, including payments to research institutes
- 2) Advisory services, including implementation of Directive 77/11/EEC concerning the provision of information guidance for and the organization of vocational skills by persons engaged in agriculture
- 3) Agricultural training
- 4) Other measures in this category not listed in the above sub-categories
- 5) Cessation of farming, mainly payments to outgoers
- 6) Varietal and breed improvement, replanting, conservation, yield and quality control, purchase and keeping of breeding animals, herd books, breeding, etc. aimed at performance improvement
- 7) Plant health and veterinary measures, slaughter of infected animals, protection of animals
- 8) Lowering of operating costs, energy aid and tax relief (fuel, electricity), reduced rate on agricultural machinery, supplies, medicines, and inputs, farm accounts aid for all members of fertilizer, pesticides, feedstuffs, transport and
- 9) Income support, monetary compensation, premiums in mountain and hill farming areas and other special measures (e.g. 1976/1977) in the form of additional income
- 10) Compensation for natural disasters, contribution towards insurance, compensation for tax on profits
- 11) Investments in farms, restoring of farm dwellings, costs associated with lease transfer, purchase of new farm buildings, machinery and equipment
- 12) Land improvement, replanting, agricultural roads, irrigation, drainage, soil improvement, erecting fences, control of fox damage
- 13) Collaboration between farmers, joint use of machinery and labour, joint farming, seasonal, permanent, temporary, etc. arrangements
- 14) Aid for young farmers and newcomers to farming, inheritance tax relief, launch aid
- 15) Grubbing and demolition operations
- 16) Market support for products not subject to the common organization of markets, export
- 17) Quality control, labelling of agricultural produce for marketing
- 18) Sales promotion, advertising, exhibitions, fairs, market research, market development
- 19) Costs borne by farming organizations, groups and associations in respect of agriculture, marketing, transport, etc. (e.g. 1976/1977) and operation of local organizations, etc. aid and tax relief in respect of farm trade organizations
- 20) Investment in the collection, conditioning, storage, preservation, and marketing of agricultural products, processing, etc. (e.g. 1976/1977) and operation of local organizations, etc.
- 21) Silviculture, afforestation, reafforestation, improvement of management of woods, forest, etc. (e.g. 1976/1977) and operation of local organizations, etc.
- 22) Miscellaneous measures: France: aid of agricultural credit unions and other measures; Denmark: aid for the purchase of land; Ireland: aid for the purchase of land; regional development works and aid to the food industry; Italy: aid for the purchase of land; etc.
- 23) Aid to promote consumption of foodstuffs: free distribution, price reduction
- 24) Income tax relief, rebate on local taxes

## Employment in agriculture, the food industry and the economy as a whole

	Deutsch- land	France	Italia	Nederland	Belgique/ Belgie	Luxem- bourg	United Kingdom	Ireland	Danmark	EUR 9
1	2	3	4	5	6	7	8	9	10	11
<i>Agriculture</i> 1 000										
»1961«	3 433	3 983	6 186	448	320	:	1 113	:	:	15 483
»1971«	2 135	2 602	3 514	321	170	:	738	:	:	9 480
1977	1 644	1 996	2 950	289	128	:	656	:	:	7 663
1978	1 597	1 933	2 919	284	124	:	652	:	:	7 509
<i>Food industry</i> 1 000				‡						
»1961«	983	608	471	687	225	:	687	:	:	3 123
»1971«	966	589	469	661	200	:	661	:	:	3 020
1977	845	577	467	619	174	:	619	:	:	2 800
1978	850	582	492	615	170	:	615	:	:	2 827
<i>Agriculture</i> as % of the agri-foodstuffs sector (!)										
»1961«	77,7	86,8	92,9	66,6	68,2	:	61,8	:	:	83,2
»1971«	68,8	81,5	52,8	61,6	55,7	:	52,8	:	:	75,8
1977	66,1	77,6	86,3	62,4	52,0	:	51,5	:	:	73,2
1978	65,3	76,9	85,6	62,6	51,2	:	51,5	:	:	72,6
<i>Agriculture + food industry</i> as % of the economy as a whole										
»1961«	16,8	23,4	32,3	15,8	13,3	:	7,3	:	:	18,8
»1971«	11,7	15,2	20,3	14,3	8,2	:	5,7	:	:	12,5
1977	10,0	12,0	16,9	9,9	6,6	:	5,1	:	:	10,5
1978	9,7	11,2	16,7	9,7	6,5	:	5,1	:	:	10,3

Source: Eurostat.

(!) Agri-foodstuffs sector = agriculture + the food industry.

**Value added: Percentage share of the agri-foodstuffs industry in the national total**

NACE-CLIO groups (R 44)		Deutsch-land	France	Italia	Neder-land	Belgique/ België	United King- dom	Ireland	Dan- mark	EUR 9
1	2	3	4	5	6	7	8	9	10	11
A	Agricultural, forestry and fishery products	3.3	6.9	9.0	6.3	3.7	2.2	14.6	6.1	5.1
31	Meat, meat preserves	0.7	0.8	0.6	0.5	1.0	0.2	1.2	0.3	0.6
IA	Milk and milk products	0.2	0.7	0.3	0.5	0.2	0.2	0	0.2	0.4
35	Other food products	1.7	1.8	1.8	2.8	1.9	1.4	3.1	2.2	1.7
37	Beverages	1.7	0.8	0.5	1.2	1.2	2.7	5.2	2.1	1.5
39	Tobacco products	1.3	0.5	1.5	1.1	0.8	2.6	0.6	1.9	1.4
41	Textiles, clothing	2.6	2.8	3.5	1.8	3.5	2.7	3.6	1.5	2.8
45	Wood, wooden furniture	1.9	1.0	1.5	1.2	1.5	0.9	1.1	1.2	1.3
59	Hotel and catering trade	1.2	2.0	1.7	1.1	2.8		2.6	1.4	1.3
A	'Agriculture' (No 01)	3.3	6.9	9.0	6.3	3.7	2.2	14.6	6.1	5.1
IA	Food industry (No 31, 33, 35, 37)	4.3	4.1	3.2	5.0	4.3	4.5	9.5	4.8	4.2
A+IA	'Agriculture' and food industry (*) (A+IA)	7.6	11.1	12.2	11.3	8.0	6.7	24.1	10.9	9.3
IAA	Industry upstream of agriculture**	1.7	1.9	1.3	2.5	1.8	1.6	3.4	2.8	(1.9)
CAI	Agribusiness (*)** (IAA + A + IA)	9.3	12.9	13.5	13.8	9.8	8.3	27.5	13.7	11.2
IAA	Industry upstream of agriculture (*)	18.3	14.7	9.6	18.1	18.4	19.3	12.4	20.4	17.0
A	Agriculture	35.5	53.5	66.7	45.7	37.8	26.5	53.1	44.5	45.5
IA	Food industry (*)	46.2	31.8	23.7	36.2	43.8	54.2	34.5	35.0	37.5
CAI	Agribusiness (*)	100	100	100	100	100	100	100	100	100

Source: Eurostat  
 (\*) Excluding tobacco



OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND  
CONSUMER PROTECTION

Letter from the Chairman of the committee to Mr DE PASQUALE, Chairman  
of the Committee on Regional Policy and Regional Planning

Luxembourg, 7 October 1981

Dear Mr DE PASQUALE,

At its meeting of 2 October 1981 the Committee on the Environment, Public Health and Consumer Protection considered the draft report by Mr Edgar FAURE on the contribution of rural development to the re-establishment of regional balances in the Community (PE 72.970/rev.)<sup>1</sup>.

Since this document, presently under discussion in your committee, has changed its title and its content with the effect that it no longer deals with the ecological and consumer protection implications of the subject, as originally intended, my committee decided not to give a detailed opinion but to ask your committee to insert just one additional paragraph 4(a) into the motion for a resolution, as follows:

'4(a) Requests that priority be given, in the context of the CAP, to the legitimate interests of nature, environmental and animal conservation on the one hand and the supply of healthy, high quality foodstuffs for the population on the other;'

Please regard this letter as the opinion for your committee.

Yours sincerely,

pp. Kenneth D. COLLINS

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<sup>1</sup> Unanimously adopted. Present: Mr Collins, chairman; Mr Alber, vice-chairman; Mr Combe, Mr Del Duca (deputizing for Mr Ghergo), Miss Hooper, Mrs Lentz-Cornette, Mr Mertens, Mrs Puvot, Mrs Schleicher, Mrs Seibel-Emmerling, Mrs Scrivener, Mrs Spaak, Mr Sherlock and Mr Verroken.