



CAP post-2013 and impacts on marginalised producers and workers in the South

Fair Trade Advocacy Office Position Paper – 3 June 2010

The present Position Paper aims at giving the Fair Trade movement's preliminary views to kick-off the discussions on the review of the EU Common Agricultural Policy (CAP) Post-2013.

Fair Trade & the Fair Trade movement

Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade Organizations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.¹

The Fair Trade Advocacy Office (FTAO) speaks out for Fair Trade and trade justice with the aim to improve the livelihoods of marginalized producers and workers - especially in the South. Based in Brussels, the office is a joint initiative of Fairtrade Labelling Organizations International FLO (www.fairtrade.net), the World Fair Trade Organisation WFTO (www.wfto.com) and the European Fair Trade Association EFTA. (www.european-fair-trade-association.org).

These three networks bring together over 2 million Fair Trade producers and workers from more than 65 countries, 19 labelling initiatives, over 500 specialised Fair Trade importers, 4,000 World Shops and more than 100,000 volunteers.

Take into account the impacts on marginalised producers and workers in the South...

The Fair Trade movement has been working with marginalised producers and workers for over 60 years and has seen the negative impacts of internal EU agricultural policies have on these producers. There are countless reports² and testimonials that show that certain aspects of the Common Agricultural Policy (CAP) have had a detrimental effect for producers in the South, in particular marginalised producers and workers.

This is not coherent with other EU policies on development that specifically highlight the importance of producers in the South to food security, sustainable development and poverty alleviation.

In reviewing the EU Common Agricultural Policy (CAP)³, the Fair Trade movement calls on the European Union (EU) to take into account and minimise the negative impacts that the CAP has on countries outside the EU, in particular marginalised producers and workers in the South.

¹ Definition of Fair Trade as laid down by the Charter of Fair Trade principles, available under http://www.fairtrade-advocacy.org/index.php?option=com_content&view=category&layout=blog&id=69&Itemid=143.

² Among the latest, see the International Centre for Trade and Sustainable Development (ICTSD) information note "Ensuring EU farm policy supports the Millennium Development Goals" of June 2009 (available under <http://ictsd.org/downloads/2009/08/capreformweb3.pdf>).

³ Council Regulation (EC) No 72/2009 of 19 January 2009, Council Regulation (EC) No 73/2009 of 19 January 2009, Council Regulation (EC) No 74/2009 of 19 January 2009, Commission Communication on "A simplified CAP for Europe - a success for all".

...carry out a sound impact assessment

The European Commission Impact Assessment Guidelines recognize that EU policies “*can also have unintended economic, social and environmental impacts*” and “*can affect developing countries in a number of areas*”.⁴

We call on the EU, before finalising the ‘new’ CAP Post-2013, to review the CAPs’ past external impacts. The contribution of which could help to better understand in which areas the CAP negatively affects agriculture in the South (in particular marginalised producers and workers in the South) and measures that can be taken to prevent this.

Further to this specific call and in line with its guidelines, the EU should carry out impact assessments on marginalised producers and workers in the South before any future proposed policy is agreed

....remember the objectives of the Treaty

The new CAP post-2013 should be built in line with the multilateral agreements legal framework and also with the EU objective of sustainable development as laid down by Art. 3. Treaty on European Union. Art. 21 of the Treaty on European Union also highlights that the Community internal and external policies must be mutually consistent.

....be careful not to make standards into barriers to trade

Standards can play an important role to promote sustainable agriculture and ensure the environmental, quality or other aspects in food and agricultural products. However, standards can also be used, or can have as indirect effect, to exclude certain producers from trade, in particular those marginalised and disadvantaged from conventional trade. This is especially true when the standards are complex, unclear, expensive and hard to administer, and where producers are not part of the system that develops such standards.

Setting higher standards without facilitating compliance and capacity-building would be against the goal of free and, most of all, fair trade, as recognized in art. 3.5 of the Treaty of the European Union. It is therefore important that if any standards were developed⁵ in the new CAP Post-2013, that they do not negatively affect producers from the South, in particular marginalised producers and workers.

.... stop trade distorting subsidies and dumping

The export subsidies of agricultural products by developed countries have led to dumping on world markets. The impact of these practices on agriculture in the South has had a devastating effect on domestic production, livelihoods and food security. The CAP Post-2013 should remove all trade distorting subsidies that would impact on the South, in particular marginalised producers and workers. This would be inline with the promises made for the Doha Development Round and in keeping with the development policies of the EU.

...support local market development in the South

The EU has on many occasions stated the need for supporting small producers to develop and enhance local and regional markets. This should be taken into account when developing the CAP Post-2013 to make sure that no mechanism developed will have a negative affect on the ability for developing countries and their producers to have food sovereignty, build local and regional markets, protect natural resources, add value to their products and by doing so contribute to sustainable development and poverty alleviation.

⁴ The EC guidelines also require that, in the social and environmental areas, the MDG indicators (health, education, food security, environment...) should be used as measurement to carry out the impact assessment on developing countries. European Commission Impact Assessment Guidelines, 15 January 2009 - SEC(2009) 92.

⁵ E.g. Commission Communication on “Agricultural product quality policy” May 2009

... contribute to a healthy, sustainable, fair and mutually supportive EU Common Agriculture and Food policy

The Fair Trade movement calls on the European Union to put in place a healthy, sustainable, fair and mutually supportive Common Agriculture and Food policy, in line with the work by many organisations towards a fairer, more inclusive and sustainable food system. This should be done in the wider context of EU policies and budget, with the overriding objective to support a fair and equitable economic system

The European Union must recognize and support the crucial role of sustainable family farming in the food supply of the population, in Europe and abroad. At the same time, all people should have access to healthy, safe, and nutritious food.

The Fair Trade movement looks forward to a transparent, informed debate on the review of CAP post-2013.

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