

# AGRICULTURAL SUBSIDIES AND THEIR REPERCUSSIONS ON FAMILY FARMING IN THE LATEST COMMON AGRICULTURAL POLICY REFORMS (2014-2020) IN THE EUROPEAN UNION: CHANGING EVERYTHING SO THAT EVERYTHING REMAINS THE SAME?

**José Antonio Segrelles**

Department of Human Geography, University of Alicante.  
ja.segrelles@ua.es

The Common Agricultural Policy (CAP) implemented in the European Union (EU) has always been interpreted and assessed positively, highlighting its excellent features: a truly common policy shared by all countries in the EU; a programme aimed at maintaining agrarian activity within the EU; and a key instrument in rural development, to name a few of its virtues. However, we need to make a concerted effort to reflect on the slightly less positive if not directly negative aspects of this policy, as well as its contradictions, the creation of agrarian and social imbalances, as well as territorial and agrarian disorder. Based on an understanding of the EU as a neoliberal club, geared towards external markets, where capital is increasingly prioritised over labour and the Welfare State, and any kind of social spending is questioned almost constantly, it makes no sense to think that the CAP is the panacea that solves and will resolve fairly and justly all the evils of the European Union, let alone those affecting southern countries, including Spain.

We rarely find authors much less politicians who are critical of the CAP and who go further than the typical clichés. One example is the text provided by Miguel Arias Cañete (2013) when he was the minister for Agriculture, Food, and the Environment in Spain, serving in the conservative *Partido Popular* (PP) government, a position he held between December 2011 and April 2014. A little more critical, albeit within a generally conciliatory and condescending tone, is the contribution made by the secretary general of the *Unión General de Trabajadores* (UGT) trade union, Cándido Méndez (2013), in the same volume.

What is certainly true is that, as we have observed in recent years, new rural strategies developed within the EU, resulting from the quashing of the very philosophy that led to the creation of the CAP, are wreaking territorial havoc when it comes to farming production. Discourse about the environment and rural development contained in EU policies for the immediate future (2014-2020) should not be allowed to mask the underlying movement towards the liberalisation of agricultural markets and the selection and specialisation of more competitive farms, leaving family-run farming businesses out in the cold. All of this is accompanied by the concentration of production in more profitable regions and the abandonment of more underprivileged areas, such as the Mediterranean countries. Certainly agro-rural abandonment has been a constant feature of Spain since the 1950s and 60s, and the CAP has been unable to slow this tendency down in spite of all its rhetoric about promoting rural development.

The dogma of deregulation and the free market is still deeply entrenched in the ideology of the Brussels authorities, initiatives imposed by the World Trade Organisation (WTO) since 1995, which has signified a categorical move towards the reduction of any public regulation, the decoupling of subsidies and financial aid, and backtracking away from solidarity between member states and regions, a fact that implies the renationalisation of agro-rural policies.

The hypothesis put forward by this research is that agricultural production and territories are becoming disordered in the name of competitiveness and efficiency, although it is also true that in the name of rural development, known as the second pillar of the CAP, efforts are being made more or less to correct the most evident damage caused. This creates clear antagonism not only between northern and southern EU countries, between continental and Mediterranean agricultures, and between different economic sectors (farming businesses pitted against tourism and other services), but also within the heart of each country, between family-run farms and agro-industry, between mere farmers and major organised food distribution companies. Just by looking at how the CAP distributes subsidies and the criteria followed when awarding them we can see how the EU itself is helping to create such antagonisms.

Delving a little deeper, a subtle nuance needs to be introduced into such antagonistic matters: rural development, although the resources available might vary, is stimulated with public money that comes from the taxes paid by European citizens, whereas the unquestionable gains derived from the concentration of farming in more efficient and profitable regions bolster the profits of major capitalised businesses and dynamic transnational companies in the agro-food sector.

The methodology used is holistic and dialectic since, in first place, Europe's rural territory is a space in which the different elements do not function or act in isolation within the spatial and socioeconomic context (farming businesses, sustainability and environmental conservation, the management of natural resources, rural employment, agro-food commerce, food safety, territorial planning and organisation, among others). The EU's CAP subsidies for agriculture and rural development are similarly not determined and granted in an isolated and aseptic context, since they have multiple ramifications that affect the rural environment as a whole. For example, in the case of Spain, the growing abandonment of numerous towns and villages in many regions is an acute problem. This depopulation could be halted if young people could set themselves up in the countryside and go into the farming business, but

to do that they need financial assistance and major investment, within the farming sector itself and also in other industrial and tertiary economic activities. As soon as the distribution of subsidies becomes imbalanced, the main beneficiaries are individuals and companies that need them the least, and the price at origin of products is unfair. The result is the absolute opposite of the stated aim of corrective measures taken: fewer family-run farming businesses, more rural emigration, more uninhabited areas, zero rural development through a lack of inhabitants to justify possible investments. The CAP provides financial assistance to stimulate rural development, but the promotion of neoliberalism and market economy mechanisms means that only the strongest farmers and territories will survive.

The dialectic method is grounded in a set vision of the world and of human societies, based on the contradictory nature of reality. It involves applying a series of fundamental reasonings aimed at highlighting the essential, and revealing the internal structure, evolution, and interrelations of processes. With regard to dialectics, the geographer D. Harvey (2014: 20) argues that, in order to act coherently in the world, we must scratch beneath superficial appearances, since they often lead to taking action with disastrous consequences. In his view, the most important contradiction is found between reality and appearance in the world we live in.

The ideas analysed here from a dialectic and holistic perspective are integrated within a line of thought grounded in the principle that the market economy has an unparalleled capacity to generate wealth, but also to concentrate this wealth within certain social classes, activities, and also territories, to the detriment of others. Capital feels comfortable and free to move when disorder and imbalance are prevalent, obtaining profits, accumulating, and reproducing. The new reforms of the CAP (2014-2020) are consolidating the status quo, already set out in previous reforms (1992, 1996, 1997, 2003 and 2008), and establishing even more marked antagonisms between the north and south of the EU, and between family-run farming activity and commercial capitalised agriculture. And all of this is happening within a discourse that is acceptable to society, regarding the decoupling of subsidies, sustainability, multifunctionality and rural development, and environmental protection.

This article is structured into two main sections. The first examines the relationship between the CAP and the endurance of subsidised agriculture that is strongly dependent on public funds, a strategy that is undoubtedly necessary to maintain family-run and social farming and a thriving rural environment, but which demotivates rather than stimulates farmers because the CAP does not undertake any true reforms (perhaps owing to the neoliberal imperatives of the WTO), which could promote fairer prices for farmers, something that is required above all in the southern countries of the EU.

The second section highlights the uncertainty generated by the most recent CAP reforms (2014-2020) about the maintenance of skewed EU subsidisation, since the real consideration of the 'active farmer' will be devalued completely, opening the doors once again to allow those who need it the least to benefit from subsidies: absent farmers, landowners, the nobility, speculators, agro-industrial companies and agro-food distributors, among others.

Although this article focuses on the characteristics presented by European subsidised agriculture and on the imbalanced distribution of financial assistance, between different EU member states and within each country, as in the case of Spain, the latest CAP reforms for the period 2014-2020 also include other new features apart from the misguided notion of the

‘active farmer’. This is the case of the ‘green payment’, a payment for engaging in farming practices that are beneficial for the climate and the environment. The environmental bias of the new CAP has been scrupulously regulated by European authorities and encompasses aspects and conditions that merit detailed analysis in a separate article. For the moment, we can mention a few ideas in this regard.

The environmental measures adopted and required by the new CAP appear more as an obstacle preventing farmers in underdeveloped countries from accessing the European market than as a true instrument for ecological respect and integrity of farming ecosystems. And this is even despite growing social awareness regarding the overexploitation and depletion of resources and the loss of their natural heritage. Hence, the aspiration to extend the environmental requirements demanded of farmers in order to qualify for a substantial part of EU subsidisation (30%) seems destined more to ingratiate themselves with urban society (making up the majority in the developed world) and with environmental groups rather than to achieve real results in the natural world. The drive to avoid pollution and contamination derived from intensive farming practices, to conserve the environment and preserve natural resources is laudable; no one in their right mind would oppose that. However, farmers fear that these measures are difficult to implement, that they might reduce harvest yields and drive up production costs. They might indeed represent another turn of the screw, carefully chosen to continue marginalising family farms, fundamentally in countries in the south of the EU, since the prevailing ideology in Brussels considers them useless, irrelevant and unviable.

In this same regard, another important problem is the proposal to make entitlement to a third of subsidies contingent on the implementation of environmentally respectful farming practices derived from certain specific requirements: practice crop rotation, create permanent pastureland on farms, and allocate 7% of the land on each farm to activities with ecological value, in other words, fallow land. In the same way that the 2000 Agenda (1997), which reformed the CAP reforms of 1992, barely took into consideration Mediterranean agriculture in its approaches and proposals, now, in this latest modification, those in charge of farming policy in Brussels have forgotten, consciously or unconsciously, that although these environmental practices are common in European agriculture, in actual fact they cannot be applied indiscriminately in any part of Europe. Clearly, it is not possible to leave permanent pastureland in intensive horticultural farms, to carry out crop rotation in citrus groves, or to leave fallow land in vineyards, which are the most characteristic, profitable, and competitive crops in Mediterranean agriculture. Once again it would appear that these measures are designed to foster continental crops typical of central and northern EU countries: cereals, dairy, and beef, products that are developed on large-scale farms that are capitalised, profitable, competitive, and with a major exporting vocation.

Ultimately, the widely held opinion in Spain is that once again a historic opportunity has been missed to make the CAP fairer and more balanced, to make it a fundamental instrument in true rural development in which agrarian activities are viable, create employment, and form a backbone running through European territory. However, as of August 2015, it is still unclear how the basic payment rights will be affected, or the subsidies in the Rural Development Programme, leading to immense uncertainty surrounding the future of agricultural farmers. Indeed, these latest CAP reforms seem to have further increased the insecurity of the sector.

According to the environmentalist organisation *Ecologistas en Acción* (2010), it is time to construct a broad coalition of European groups to challenge once and for all the new CAP and EU plans to maintain and increase the competitiveness of the EU's food industry in international markets. From the perspective of family farming, the right to food sovereignty, and the need to keep the rural world alive, it makes no sense for major European translational agro-food companies to prefer buying cheaply abroad than producing more expensively within the EU.

