

CEFS-EFFAT-CIBE CONFERENCE

June 28th 2005

Social impact of the reform of the sugar regime and accompanying measures

PRESS RELEASE

On Tuesday June 28th 2005, the social partners in the European sugar industry organised a Conference, with the backing of the European Commission, bringing together the entire beet-sugar sector: CEFS¹, CIBE² and EFFAT³. This Conference addressed in particular the social impact of the reform of the sugar regime and the accompanying measures to be implemented. Around 230 people attended the Conference, from the three organisations, the European Parliament, the European Commission, the Permanent Representations and various other bodies.

The Conference was chaired by Mr Joseph DAUL, Chairman of the European Parliament's Committee on Agriculture, which is shortly to deliver its opinion on the reform of the sugar regime. He said that the Parliament will organise a hearing on 13th July and the rapporteur will produce his report by September. More important he made clear that the Parliament will adopt its report if the agriculture budget is secured until 2014 and if the SWAP issue is properly managed. Mrs Mariann FISCHER BOEL, the Commissioner in charge of agriculture, opened the Conference by describing the broad lines of the reform. She said that she is still ready to go on with an open dialogue with all the stakeholders. Mr Fernando VASQUEZ, adviser to Mrs Odile Quintin on restructuring at the Commission's Directorate-General for Employment, recalled the content of the recent communication on restructuring underlining that it is coherent for the EU to bear the cost of the policies that it introduces. He welcomed the proactive attitude of the social partners aimed at anticipating the social effects of the reform.

On the basis of the draft adopted by the Commissioners on June 22nd, the social partners consider that this reform – providing for a reduction in production of around 35% over three marketing years – will affect at least 25,000 direct jobs out of the existing 60,000 and five times as many indirect jobs, i.e. a total of 150,000 jobs. Four factories in ten will have to be closed down. Factories are generally situated in rural areas. In addition, 120,000 farmers will have to give up beet-growing, which will also have a substantial impact on rural development.

Aware of the extent of the restructuring to be planned over a short period - two to three years - the social partners are reflecting on the implementation of social accompanying measures and are in particular working on the production of a practical guide to access to the structural funds, aimed at quickly providing the local players in the sugar industry with all the necessary information, Member State by Member State, on the financing possibilities for the current financial period and for the next period (2007-2013).

The European social partners have been implementing a Code of Conduct on Corporate Social Responsibility since 2003. Faced with the challenge posed by the rapidity and the magnitude of the restructuring that is expected, they underline that positive social measures to accompany the reform of the sugar regime will require extensive mobilisation of all the players concerned, both at Community level (European Institutions) and at national and local level (public authorities, regional authorities, companies and social partners). Only on this condition can the reform - incorporating the necessary economic factors for the sustainability of the sector which are lacking at present⁴ - be managed in a really responsible manner and set an example, as far as possible, showing that restructuring can also generate employment and competitiveness. This challenge can only be taken up within the framework of the solidarity which has always been at the heart of the European social model and without which the European Union will be unable to claim that economic change is synonymous with growth and wealth creation.

¹ Comité Européen des Fabricants de Sucre

² International Confederation of European Sugar-Beet Growers

³ European Federation of Food, Agriculture and Tourism Trade Unions

⁴ See CIBE and CEFS press release of June 22nd 2005 and EFFAT press release of June 23rd 2005