Policy Lab 2 - Orientation Paper: ‘Food Environments’

Orientation paper by the IPES-Food Secretariat to support the Policy Lab on ‘The Food Environment in Europe’ on 7 December 2016, co-hosted by IPES-Food and Marc Tarabella MEP at the Committee of the Regions.

Building a ‘Common Food Policy’ that supports healthy diets

The round-table meeting on December 7 represents the second in a series of six ‘policy labs’ that IPES-Food will convene over the 2016-2018 period. These policy labs are the central tenet in the 3-year process of research and reflection being undertaken by IPES-Food to identify the tools needed to develop a ‘Common Food Policy’ vision for Europe, co-constructing a reform vision for sustainable food systems in Europe by building coalitions of interest and shared visions. Rather than offering a comprehensive plan, IPES-Food offers a platform, and a reflection process, for such a plan to emerge from the inputs of participants in these Policy Labs.

The findings of Policy Lab 1 on the Agriculture-Diets-Health nexus (June 2016) and Policy Lab 2 on the Food Environment (December 2016) will feed into a briefing note to be published by IPES-Food in early 2017. This briefing note will map out what tools and measures are needed in order to support a durable shift towards healthier diets in Europe, as the first installment of a Common Food Policy vision.

The EU’s current state of (un)health

Supporting healthier diets is an urgent imperative in Europe and beyond. According to the latest data, more than half of adults in the EU are now either overweight or obese (53%) (WHO, 2015). Obesity rates range from 8% in Romania to 25% in Hungary, Malta and the United Kingdom (ibid.). Further, around one third of children aged 6-9 in the EU were overweight or obese in 2010 (WHO, 2010). This is of particular concern given that 60% of children who are overweight before puberty will likely remain overweight in early adulthood (WHO, 2016). In the EU, it is estimated that obesity is the primary cause of 80% of all type 2 diabetes cases, 35% of heart disease, and 55% of hypertensive diseases in adults (Brandt and Erixon, 2013). Poor diets also contribute to

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1 The full concept note ‘Towards a Common Food Policy for the EU’ can be found here: [http://www.ipes-food.org/images/Reports/CFP_ConceptNote_May2016.pdf](http://www.ipes-food.org/images/Reports/CFP_ConceptNote_May2016.pdf)
cardiovascular diseases, type-2 diabetes and cancers through channels other than obesity (Eurostat, 2008). While type 2 diabetes was previously limited to adults, at least 27,000 children now suffer from this disease in the EU and 400,000 suffer from impaired glucose tolerance (Lobstein and Jackson-Leach, 2006). At the same time, micronutrient deficiencies remain a persistent problem in Europe. An estimated 33 million Europeans are at risk of some type of deficiency, usually as a result of poor diet (Ljungqvist and de Man, 2009; Eggerdorfer, 2014). The most common deficiencies amongst EU populations include low levels of vitamin D, vitamin B, vitamin E, iron, and iodine; these have been associated with developmental difficulties in infants and children, and greater instances of disease and later disability amongst adult and elderly populations (WHO, 2007; Kaganov et al., 2015; Cashman et al., 2016).

These diseases are preventable, and eating habits play a leading role in any prevention strategy. The rise of obesity, NCDs and the persistence of nutritional deficiencies are all linked to the overconsumption of certain foods and the underconsumption of others. More specifically, diet-related diseases have been attributed to a high intake of calorie-rich, nutrient-poor foods, foods high in trans fats, and a low consumption of fruit and vegetables (Birt, 2007; Dixon, 2015). It has been estimated that increasing consumption of fruits and vegetables by 400-600g per day could decrease the incidence of NCDs by up to 18% (Schäfer Elinder et al., 2006). However, some 22 EU Member States are currently below these recommended rates, with poorer households tending to be far below this threshold (EPHA, 2016b). Indeed, the average European diet is deemed too high in processed and red meats, sugar, saturated and trans fats (Birt, 2007; Schäfer Elinder et al., 2006; EPHA, 2016a). Sugar makes up 7-17% of average European energy intake among adults and up to 25% among children (EPHA, 2016b). While the consumption of trans fats is on the decline, certain population groups (e.g. low income groups) may exceed or be at risk of exceeding recommended intake level (Laaninen, 2016). Alongside the decline in consumption of plant proteins since the 1960s (European Parliament, 2014), European meat consumption is twice as high as global averages, and dairy consumption three times higher (Westhoek et al., 2011: 13).

**Drivers of diets on the supply side: the limits of agricultural policy levers**

The factors driving unhealthy diets are wide-ranging, and so too are the solutions put forward to remedy the problem. Food production patterns have been identified as a key factor in determining what food is available to consumers and at what price, and
therefore in shaping diets: these patterns were discussed during IPES-Food’s Policy Lab 1 on the agriculture-diets-health nexus. However, the impact of agricultural policies on diets - and their potential as a lever for sparking a shift to healthier diets – is highly contested. A range of factors mediate the pathway between what is produced and what is ultimately consumed. The way food is processed, distributed and made available to the consumer are crucial factors in determining dietary patterns. In particular, there has been increasing attention to the range of factors influencing consumers and guiding their food choices – in other words, the ‘food environment’ – and the multiple ways in which this environment could be adapted to support healthier diets.

What is the food environment and why does it matter?

In the past, discussion of improving diets has tended to focus on the individual, with little attention to the context in which people are making their food choices (Garnett et al., 2015). The growing focus on the ‘food environment’ reflects a shift away from simply blaming the individual for his/her choice. The ‘food environment’ has been defined in a variety of ways, but tends to include a range of physical and cultural influences on the consumer, operating in the immediate retail setting and beyond. According to the Food Foundation, food environments are the “collective physical, economic, policy and sociocultural surroundings, opportunities and conditions that influence people’s food and beverage choices and nutritional status”; healthy food environments therefore exist when “the foods, beverages and meals that contribute to a population diet meeting national dietary guidelines are widely available, affordably priced and widely promoted” (Food Foundation, 2016). The food environment has been seen to operate on the community level and the consumer level (Health Canada, 2013). Price, affordability and taste tend to emerge as the elements of the food environment exercising the strongest pull on consumer choice (Garnett et al., 2015). However, a range of other important factors have been identified, from written information to portion size to the sensory attributes conveyed via the smell, colour and touch of a product (Degeratu et al., 2000). Indeed, food manufacturers and retailers have a wide range of tools at their disposal, ranging from traditional advertising campaigns to product placement in television broadcasts to offering toys and online promotions (Colby et al., 2010), tools that have served to develop brand preferences and even to prime automatic eating behaviours (Harris et al., 2009). Food environments are also shaped by physical realities such as access to grocery stores compared to fast food outlets (Thornton et al., 2009). While many consumers want to know how to adopt healthy and sustainable diets, it is often difficult for consumers to
make the healthy choice - and too easy to choose low-nutrient, high-calorie diets (BEUC, 2015). Public policies – in addition to voluntary measures – are often seen to be essential to pave the way for healthier food environments (Vandevijre and Swinburn, 2015; Garnett et al., 2015).

The precise mechanisms through which consumer choices are shaped are the subject of a wide-ranging literature arising from a variety of disciplines, including consumer psychology, behavioural economics and public health. These studies have tended to rely on modelling behavioural responses to changes in a range of variables (e.g. changed aesthetics of a given product, making a specific item harder to access), or have reviewed the impacts of real-life changes in retail practice or public policy in specific locations (Garnett et al., 2015). In many cases the policy interventions in question are very recent and the impacts are still to be measured; tools to assess the efficacy of the diverse policies in this field are seen to be lacking (Vandevijre and Swinburn, 2016). It is therefore difficult to make comprehensive assertions about what truly shapes consumer choice, or to predict uniform responses in reaction to changes in the food environment. However, it is possible to identify a series of trends in the literature, and to identify the key types of interventions being undertaken (by retailers, by governments, at EU level) to alter the food environment.

Table 1 synthesizes the key understandings taking shape around how and to what extent the various elements of the food environment determine consumer choice, and which interventions hold the greatest potential to shift the balance in favour of healthier food environments and healthier diets. Key pieces of EU legislation relating to the food environment are mentioned in Table 1, and are listed in Annex 1. Key legal rulings from the ECJ are listed in Annex 2.

The synthesis is provided for the purposes of supporting the discussion at Policy Lab 2 around the following questions:

- What tools are currently being used (at EU and at member state level, in the retail sector, etc.) to create a healthier food environment where people can make healthier choices, and how could they be improved?
- What are the key obstacles to the transition to a non-obesogenic environment in Europe, and which governance reforms and alliances could overcome these obstacles?

IPES-Food’s first briefing note on a Common Food Policy for the EU will draw on the discussion at Policy Lab 2 as well as covering the literature on the food environment in greater detail.
### Table 1: Synthesis of the key elements of the food environment

<table>
<thead>
<tr>
<th>Element of food environment</th>
<th>How does it influence consumer choice and how could it be addressed to improve diets?</th>
<th>Examples of action taken (at various levels):</th>
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</table>
| Portion/package size        | Perception of ‘normal’ portion size is a major factor in determining differences in diets and incidence of obesity between countries. Research shows that these perceptions are influenced by product packaging, servings, cookbooks, etc., and affect consumption behavior, sometimes over-riding factors such as taste. People tend to under-estimate calorie content of larger meals and to generally under-estimate their own intake. These perceptions are also embedded in one’s social context: people have been found to eat more if those around them are eating big portions. Actions to address portion size (e.g. in food service sector) may therefore have a significant impact on reducing consumption. Some studies show consumers willing to pay the same for reduced portions. Smaller/altered plate or glass sizes can potentially reduce consumption (though data are scarce on strength or duration of impact). However, the challenges include:  
  - Substitution by eating more snacks during the day.  
  - Restrictions on product innovation.  |  
  - Some voluntary actions in retail sector, e.g. Mars programme to reduce calorie intake per portion by reducing bar weight.  
  - No significant regulations at EU or Member State level mandating smaller portion sizes in food service sector.  
  - EU Directive on prepacked products does not regulate pack size (but stipulates that portion be quantified on food label). |
| Product presentation and packaging style | Sensory attributes of products have proven to be strong determinants of consumption. For example, the colour of food brings clear associations (e.g. acceptable colours, healthy colours, colours denoting ecological value) with impacts on consumption. Studies have shown that colour cues can over-ride flavor/texture, and act as shorthand for quality, influencing the choice of which product is bought and how much is consumed, making it less likely that consumers will consult the ingredient list or other information. Interventions suggested to reduce consumption of unhealthy products include requiring plain/opaque packaging, or forbidding the use of specific images. |  
  - Precedent for tobacco: packaging restrictions at EU & Member State level.  
  - ECJ ruling (interpreting EU regs. on misleading food info/ nutrition and health claims) against fruit tea depicting fresh fruits on package but not containing natural fruit-based ingredients. |
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<th>Product composition</th>
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<td>Rising consumption of processed foods with high sugar, salt and fat content has been clearly associated with obesity. Products offering instant gratification and triggering intense reactions have been found to over-ride other responses in consumers, facilitating over-consumption. Altering the composition of these products through voluntary private sector actions or mandated schemes therefore offers a potential avenue for encouraging healthier diets, and is already seen to have delivered some successes. Public image tends to matter to food businesses, making them open to such initiatives. Some challenges have also emerged:</td>
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<td>- Expensive to invest in product reformulation, so that legislative action at EU level may be required to avoid distortions of intra-EU competition.</td>
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<td>- Private schemes tend to require complementary government action/involvement, e.g. robust monitoring, clearly defined goals, disincentives for non-participation in order to deliver results.</td>
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<td>- Reduction commitments forthcoming for some ingredients (e.g. salt, saturated fat) but less for others.</td>
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<th>Product positioning &amp; store layout</th>
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<td>The way food retail spaces are organized has been found to influence consumption habits strongly and in various ways. These mechanisms tend to be well known by retailers, while consumers are less aware of how their choices are being guided. The following factors have been identified to help increase consumption of specific products: placement of products near checkout (typically sweets and soft drinks) leading to impulse purchases under time pressure; unlimited volumes, e.g. all-you-can-drink soda fountains; prominent positioning at hand/eye level; changing the order or location of products in a cafeteria (e.g. putting salads first); positioning of items in restaurant menu (e.g. special boxes for healthy options). In addition, the general size of the store and the atmospheric/sensory factors, e.g. music and smell, have been found to increase time spent in the store and total consumption. While these tools have often been used to increase consumption of discretionary (and unhealthy) items, the case has increasingly been made for harnessing these mechanisms in order to nudge consumers towards healthier choices.</td>
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<td>Nudging strategies are politically attractive and proponents argue that nudging allows people to be subtly guided towards healthier choices without requiring any items to be banned. However, several</td>
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<td>- Multiple voluntary schemes to reduce salt and saturated fat content.</td>
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<td>- National salt reduction targets for 76 categories of food in UK; EU ‘Salt Reduction Framework’ promoted by DG SANCO (now SANTE) in 2012 to support national plans.</td>
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<td>- Legal trans fat limits in Denmark, Latvia, Hungary and Austria.</td>
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<td>- Adding sugars to fruit juices banned by EU directive (2010).</td>
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<td>- Tesco &amp; Lidl ban on sweets at checkout in UK.</td>
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<td>- Changing the default option in canteens (e.g. rice instead of chips).</td>
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<td>- Footsteps leading shoppers to healthy food section of store.</td>
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<td>- Currently no obligations on companies to promote in-store availability of healthier foods.</td>
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<td>- Legislation unlikely to be required to facilitate nudging approaches.</td>
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<td>Price &amp; fiscal incentives</td>
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| - Seen by some as manipulative and ineffective in shifting long-term health norms.  
- Some voluntary action, but no systematic evidence of what works. |

**Price & taste** - is often considered to be the primary influence on consumer choice, particularly during an economic downturn. **Taxing unhealthy foods/ ingredients** has thus emerged as a potential avenue for adjusting prices and sparking consumption shifts. In other cases, using fiscal tools to **subsidize healthy foods** has been advocated, e.g. via subsidies for fruit and vegetable production, sales tax reductions, or even free distribution schemes. These measures have generally been found to spark at least modest shifts in consumption and some positive knock-on effects, e.g. on household members. Evidence from real-life interventions to tax sugary drinks (e.g. Mexico, France) have shown potentially significant impacts. **Minimum prices for unhealthy foods** have been advocated as an alternative to taxation, whereby retailers are required to pass the cost onto the consumer in full transparency. In other cases, **social support schemes** (e.g. using food vouchers) have required their beneficiaries to purchase healthy products. Several challenges and gaps in understanding have been identified in regard to the various approaches:

- Wealthier households may be unresponsive to price changes.
- Price reduction for healthy goods needs to be large to have impact on poorest households; risk of regressive effects of all such taxes.
- Uncertainty over substitution behaviours, e.g. money saved on cheaper healthy foods may be used for increased purchase of unhealthy products; people may continue to purchase more expensive (taxed) unhealthy foods and make savings by buying less healthy products, or shift to non-taxed but equally unhealthy products;
- Retailers may not pass on the cost ('strategy pricing').
- Impacts contingent on context in given country, e.g. baseline tax rate, consumer behaviour, general obesity rate, etc.; multiple interventions (e.g. free provision plus education, a mix of tax and subsidies) may be required rather than a single measure.
- Not clear whether tying welfare-based purchases to healthy products can spark long-term diet shift.
- Little experimentation of or research on minimum pricing beyond limited alcohol pricing initiatives.

**Price & fiscal incentives**

- Saturated fat tax introduced in Denmark (but abandoned due to economic concerns).  
- Taxes on sugar-sweetened beverages in several members stages, e.g. Finland, France, Hungary and UK.  
- EU has limited power to intervene fiscally; within CAP EU School Fruit Scheme (90m euros/year).  
- Minimum alcohol pricing in Scotland (implemented) and Ireland (announced).  
- ECJ 2015 judgment left it up to the referring court (Scotland) to decide on minimum alcohol pricing, considering the measure to be trade-distorting but potentially ‘proportionate’.  
- UK government Healthy Start vouchers for low-income families limited to the purchase of milk, fruit and vegetables.
### Access, availability and the urban environment

Ease of access to healthy/unhealthy foods within a given space, institution or community is also seen as a key influence on consumption habits, both in terms of facilitating immediate access and shaping the norms that underpin long-term habits. Associations have been found between obesity and a high concentration of shops/restaurants selling highly processed foods in a given area, although there may also be correlation with low-income ethnic minority groups with generally poor health profiles. Similarly, ‘food deserts’ where fresh healthy food is hard to come by have been identified as a key factor in unhealthy diets. With an increasing share of the population living in medium-sized cities and metropolises, the local urban environment – or ‘foodscape’ - has been identified as a potentially important factor in shaping diets. Access and availability of food in the school environment has been singled out as particularly important in shaping dietary habits (positively and negatively) and affecting perceptions of what is ‘normal’. As a result, there has been increasing interest in interventions to facilitate/prevent access to specific foods within these spaces. Changing zoning rules and mobile vending of healthy foods have been among the solutions advocated for overcoming physical access issues. Questions remain in regard to how to use these tools to create durable change:

- Risk of nurturing preference for the forbidden items.
- The banning of certain foods from certain locations such as schools can be circumvented by sales nearby/smuggling in of product.
- May require complementary measures (e.g. educational) in order to be effective.
- Active interventions (e.g. banning sales of a specific product) tend to be more successful than those acting less directly on consumers (e.g. new supermarket in ‘food desert’ not effective alone).

### Advertising, marketing and branding

Studies have shown that consumers tend to rely on brand attributes to guide their choices. **Brand identification** plays an important role in consumption habits. Though this generally facilitates increased consumption with reduced attention to general quality or nutritional profile of the product, it also is an opportunity, as incentives may exist for investment in brand reputation in nutritional quality." More broadly, **food advertising** (on product and through media) has been found to have major impacts on consumption patterns even with low exposure. While the findings of studies may vary, evidence of the impacts on children tends to be strong enough to justify action on precautionary grounds. Evidence suggests that marketing restrictions can shift consumption patterns. However:

- School vending machines prohibited in France.
- Specific foods and drinks banned in Latvian schools.
- UK school lunch rules place stringent limits on fried foods, desserts, etc.
- Multiple city-level initiatives across Europe to increase access to healthy food.
<table>
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<th>&quot;Product information, labelling and health claims&quot;</th>
<th>&quot;Future EU-level intervention not excluded re marketing in schools; EU Audiovisual Media Services Directive currently under review.&quot;</th>
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<td>Consumers are generally provided with considerable information on the products they are purchasing (e.g. ingredient list, nutrition declaration, labels). Labels on pre-packaged foods tend to be an important information source for consumers, but it is consumers with pre-existing health consciousness who tend to seek them out. Generally, nutrition labels are well-understood, but a lack of motivation or attention to those labels may hold people back from taking the information into account in their purchases. Studies have shown that the category a food is claimed or perceived to belong to has a major impact on behaviours (e.g. calling a pasta salad a salad rather than a pasta would lead to lower calorie estimation and increased consumption). Private and national-level schemes have attempted to simplify nutritional information by using traffic lights, smileys and other visual devices. Traffic light schemes, as introduced in the UK, are generally seen to have had a positive impact. Attempts have also been made to regulate and restrict the health and nutrition claims made by the food industry in order to help consumers to manage the information they are provided with and avoid misleading information. Several challenges and drawbacks to these approaches have been identified:</td>
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<td>General risk of information overload to consumer and problems interpreting the information.</td>
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<td>Product information-based approaches tend to focus on groceries while ignoring food service sector.</td>
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<td>Traffic light-style schemes raise objections regarding the categorizations of specific products as unhealthy (including products using the ‘PDO’ and ‘PGI’ EU quality logos).</td>
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<td>Food information not generally the main factor (ranks below price); choices not generally made on rational information basis.</td>
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<td>Measures focusing on individual foods/nutrients ignore overall consumption patterns.</td>
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<td>Severe restrictions on nutrition and health claims may discourage investment in R&amp;D for the development of healthier products.</td>
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<td>Provision of mandatory information on food labels harmonised at EU level through EU ‘Food Information Regulation’ (1169/2011).</td>
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<td>Commission reporting December 2017 on potential benefits of graphic forms/symbols (e.g. traffic lights).</td>
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<td>EU Nutrition and Health Claims Regulation (1924/2006) prohibits some claims while regulating other authorized claims in relation to the nutritional profile of foods.</td>
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<td>UK traffic lights scheme; other private traffic light-style schemes put in place by retailers.</td>
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<td>‘Keyhole’ labelling scheme in Sweden, Denmark and Norway identifies products low in fat, salt and sugar foods and high in fibre/whole grains; to</td>
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| Nutrition education | Education on healthy diets has generally been found to be effective in helping to shape dietary patterns, including in some long-term studies. Studies have found the overall knowledge of EU shoppers on nutrition recommendations to be good but uneven (e.g. high knowledge of the nutritional benefits of fruits and vegetables and dangers of sugar; less knowledge on fat quality, salt/sodium) and dependent on socio-economic status. However, while politically popular and widely applied, several factors hold back to capacity of educational approaches to lead a diet shift:  
- Factors such as habit, taste, cost & convenience tend to rank higher than health/sustainability awareness at purchase.  
- Consumers face disconnect between abstract values and concrete practice.  
- Educational approaches tend to reach the already well-informed.  
- Additional steps likely to be required in combination with education; main impact may be to pave way for hard action (e.g. taxes, restrictions) by creating a baseline awareness that makes these measures acceptable when applied. | use this label manufacturers must meet specific nutrition criteria for a given food group.  
- EC ‘Tasty Bunch’ initiative (2009) targeted improved diets among EU schoolchildren through roadshows, games and educational resources.  
- 125 ongoing healthy eating campaigns identified by the non-profit European Food Information Council in 2008-2009; more than one in most countries. |

**Annex 1: The EU regulatory and policy framework on the food environment: key elements**

- Regulation (EU) No 1169/2011 **on the provision of food information to consumers** acknowledges that consumers must have proper access to information to make informed and appropriate food choices. The regulation recognizes that consumer choice can be influenced by health, economic, environmental, social and ethical considerations. Requirements primarily apply to pre-packed foods, and include mandatory labelling of allergen information, consistent nutrition labelling, and labelling guidelines for particular packaging processes (e.g. freezing).

- Regulation (EC) No 1924/2006 **on nutrition and health claims made on foods** offers regulatory advice and best practice suggestions to protect consumers from misleading or false claims in food advertising (e.g. claims to low fat, or foods high in a particular nutrient). It identifies which nutrition and health
claims may be used on specific food products, and emphasizes the necessity for scientific rigor in making claims for food manufacturers and processors.

- **EU Directive 2007/45 on laying down rules on nominal quantities for prepacked products** provides manufacturers with more freedom concerning package size. It abolishes regulations 75/106/EEC and 80/232/EEC regulating the nominal volume and weight of certain food products (e.g. juices, milk, pre-packaged foods, alcoholic beverages). All pre-packaged goods (with the exception of wine and spirits) previously under 75/106 and 80/232 can now be sold in any size. The Directive’s stated intent is to give consumers more transparency on retailers’ pricing practices by displaying unit pricing information and greater freedom to manufacturers to remain competitive.

- The **EU’s Audiovisual Media Services Directive** governs EU-wide coordination of national legislation on all audiovisual media, both traditional TV broadcasts and on-demand services. The AVMSD directive is currently open for review. A new legislative proposal amending the AVMSD (2010/13) has been adopted by the European Commission in May 2016; protecting children and consumers is one of the key goals of the review.


- The **EC ‘Tasty Bunch’ Campaign** launched in 2009 aimed to promote healthy eating habits in children as part of the EU’s strategy for Europe on Nutrition, Overweight, and Obesity related health issues. The Campaign’s objective was to raise health awareness by promoting a balanced diet and healthy lifestyle in primary and secondary schools around the EU. A roadshow visited 180 primary schools across the EU for children to participate in food and health-related games and activities. Teaching and educational resources were also provided to schools, teachers, parents, and children on healthy foods and sporting activities.

- The EU Food Quality package 2010 and related Regulation (EU) 1151/2012 on quality schemes for agricultural products and foodstuffs aim to guarantee quality food products to consumers while securing fair prices for farmers. The Food Quality Package offers a comprehensive policy on labelling and certification schemes as they relate to value-added agricultural product
qualities. It provides quality and minimum standards compliance for the production of highly specific products (e.g. PDO and PGIs). It outlines optional quality terms (e.g. ‘free-range’, ‘first-cold pressing’) for producers, as well as voluntary best practices and labelling guidelines for PDO and PGI products.

- The EC’s 2015 **Circular Economy Strategy** is an integrated approach to waste management, including an action plan to address waste at the production and consumption levels. Its action plan (COM 2015/614 on Closing the Loop – An EU action plan for the Circular Economy) encourages greater recycling and reuse of raw materials, products, and waste. The Strategy sets EU wide recycling targets for municipal and packaging waste, proposes measures to promote the use of by-product across industries, and provides incentives to introduce greener products on commercial markets. A series of Proposed Directives on landfill waste (2015/0274 (COD), 2015/0276 (COD) on packaging waste, and 2015/0275 (COD) on waste (including agri-food waste) have already been adopted.

- **Report from the Commission to the European Parliament and Council regarding trans fats in foods and in the overall diet of the Union population** (COM(2015) 619 final, of 3.12.2015) calls for the mandatory limiting and labeling of transfats in processed foods. In order to protect consumer health, the report also suggests voluntary reductions of transfats by the food industry. As a result, the EC has plans to conduct a full impact assessment of transfats to inform upcoming policy decisions. Currently, only four EU Member States have legal limits on industrially-produced transfats in foods.

**Annex 2: Key ECJ rulings regarding the food environment**

- The **Teekanne ruling** of the European Court of Justice (Case C-195/14) revolved around a fruit tea which does not contain natural ingredients from vanilla or raspberry or flavouring obtained from them, yet whose packaging comprised depictions of raspberries and vanilla flowers. The Court held that where the packaging of a foodstuff gives the impression that a particular ingredient is present in that foodstuff, even though it is not in fact present, such packaging could mislead the purchaser as to the characteristics of the foodstuff in question.
Questioned by the Scottish Court of Session about the compatibility of the Scottish law introducing minimum prices for alcoholic beverages with EU free movement principles, in a 2015 judgment the European Court of Justice held that increased excise duties might be considered less restrictive of trade and competition within the EU than the introduction of minimum prices. At the same time, the Court held that it is for the referring court to determine whether alternative measures such as increased taxation are capable of protecting human life and health as effectively. In 2016 the referring court held that minimum pricing of alcohol is an appropriate and proportionate restriction on the free movement of goods since alternative measures, including higher taxes, are not capable of protecting public health equally effective.
Bibliography


Policy Lab 3 - Orientation Paper:
Alternative Food Systems in Europe

Orientation paper by the IPES-Food Secretariat to support the Policy Lab on ‘Alternative Food Systems in Europe’ on March 29, 2017, co-hosted by IPES-Food and Anneli Jäätteenmäki MEP at the European Parliament.

Building a ‘Common Food Policy’ that supports sustainable food system alternatives

The round-table meeting on March 29 represents the third in a series of five ‘policy labs’ that IPES-Food will convene over the 2016-2019 period. These policy labs are the central tenet in a 3-year process of research and reflection to identify the tools needed to develop a ‘Common Food Policy’ vision for the EU, co-constructing a reform vision for sustainable food systems in Europe by building coalitions of interest and shared visions. Rather than offering a comprehensive plan, IPES-Food offers a platform, and a reflection process, for such a plan to emerge from the inputs of Policy Lab participants.

The findings of Policy Lab 3 on Alternative Food Systems will be published in a briefing note following the round-table discussion. It will draw on meeting discussions and provide further insights from alternative food systems literature not covered here. The briefing note will map out what tools and measures are needed to support alternative food systems in Europe, as the second instalment of IPES-Food’s Common Food Policy vision.²

The need for alternative food systems in the EU

The European Union has inherited a food system designed in the 1950-60s to increase production through the industrialization of the agricultural sector. While this food system has provided large volumes of food commodities and reduced food insecurity in Europe, the logic of industrialization and liberalization underpinning it has led to significant environmental, economic, and social costs: small-scale farms are disappearing³, soil degradation, water pollution, and biodiversity losses persist, obesity

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1 The full concept note ‘Towards a Common Food Policy for the EU’ can be found at [http://www.ipes-food.org/images/Reports/CFP_ConceptNote.pdf](http://www.ipes-food.org/images/Reports/CFP_ConceptNote.pdf)

2 IPES-Food’s first policy brief drawing on Policy Labs 1 and 2 will discuss a Common Food Policy that promotes healthier diets. It is scheduled for publication in April 2017.

and diet-related diseases are increasing in both children and adults, while power and decision-making fall into the hands of a diminishing number of food systems actors – namely large agribusinesses and retailers.⁴

In response, alternative food system initiatives have been emerging across Europe, with the promise to produce, process, sell, and encourage the consumption of more sustainable food than their traditional counterparts. These initiatives stress the need to transition from an opaque food system focused on increasing production and yields towards more sustainable and democratic alternatives that promote healthy diets and wellbeing. Through different organizational structures and agricultural priorities, they often circumvent traditional power relations, or erode them all together, allowing for greater participation in food system decision-making.

The potential for these alternatives to offer a transition towards sustainable food systems is evident, making it crucial to better understand which obstacles currently hold back their development, and which policy structures and governance supports could help them flourish. In sum, the purpose of this orientation paper is to guide the discussion of Policy Lab 3 around the following two questions:

- What type of initiatives and policies are being developed at local, national, and EU levels to support alternative food systems in Europe? Are these relevant to a majority of farmers (e.g. small-scale, living in remote areas) and consumers (e.g. low income, urban), and if not how may this be addressed?

- What further policies and incentives (at and between local/regional, national, and EU-levels) are needed to better support sustainable food system alternatives? How may policies be better integrated between multiple levels?

**Understanding alternative food systems initiatives in the EU**

While the aims of alternative food systems are many, they are generally characterized by a degree of opposition to conventional food system practices⁵. These systems seek to engage with public concerns over social justice, health, and environmental

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sustainability. To do so, alternative food systems frequently draw on the concept of re-territorialization, or rescaling, of food systems. In this context, “territories” are not merely understood as static, political units but as community-centered governance spaces that enable greater citizen engagement and participation in food policy processes.

It is difficult to present a unified definition of alternative food systems for all EU countries; initiatives vary greatly in their activities and their degree of opposition to mainstream trends, with many working in parallel or within existing structures. Yet the initiatives in question have enough common characteristics to merit a discussion around the collective potential of – and obstacles to – alternative food systems.

These systems can be broadly characterized by elements of community control and cooperation, as well as by more direct interactions between rural and urban areas and between producers and consumers. The relationships of proximity and trust created within alternative food systems are believed to support greater democratic control over food systems – understood as the opportunities for all food system actors to actively participate in how their systems take shape. Alternative food system initiatives also strive to improve environmental conditions by promoting on-farm biodiversity, natural resource conservation, carbon footprint reduction by minimizing ‘food miles’, while promoting greater consumer awareness on the origins and quality of their food. They also often aim to improve rural development and food security by promoting access to healthy, fresh diets for consumers while supporting small producers and local economies.

Seeking to understand initiatives beyond the proximate and small-scale, attention has also increasingly been given to ‘value-based supply chains,’ a term used to capture alternative supply chain organization and prioritization. Value-based supply chains create a role for medium and large-scale actors to participate in food system alternatives and can be coordinated at any scale from the local to the international. Within these supply chains, emphasis is placed not only on the values inherent to a particular food quality (e.g. production method), but also on the values associated to the interdependent relationships developed between supply chain actors; standards are applied throughout the entire supply chain; and value-based commitments are made out of mutual interest for the benefit of all actors involved. Drawing from globalized

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arrangements, examples of value-based supply chain initiatives can include the use labelling and certification schemes (e.g. Fair Trade), amongst others.

Table 1 presents a typology of main alternative food system initiatives. These have been categorized by the degree to which they bring food system actors closer together, particularly by reducing the intermediaries between producers and consumers. These initiatives are, by their nature, highly innovative and locally-specific. It is therefore difficult to provide a comprehensive up-to-date picture of these initiatives; a key goal of the Policy Lab is to help to complete the picture by sharing examples of the most promising emerging initiatives.

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9 This categorization was first offered by the Committee of Region’s study, ‘Marketing on Local Markets’ (2010): http://cor.europa.eu/en/documentation/studies/Documents/Marketing-on-local-markets.pdf
# Table 1 - Synthesis of alternative food system initiatives

<table>
<thead>
<tr>
<th>Type of Initiative</th>
<th>Description and benefits</th>
</tr>
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<tbody>
<tr>
<td>Community gardens/Urban agriculture (consumer as producer/actor model)</td>
<td>Citizens collectively cultivate and harvest food on shared private or public land, generally in urban or peri-urban areas. Benefits include food systems’ awareness and education, health benefits(^\text{10}), community-building, and increased urban green spaces.</td>
</tr>
<tr>
<td>Community Supported Agriculture (CSA) (producer-consumer partnerships)</td>
<td>Direct partnership between a group of consumers and producer(s) whereby the risks, responsibilities and rewards of farming activities are shared (typically) through long-term agreements. Generally operating on a small and local scale, CSAs aim to provide sustainably-produced quality food, with benefits both for access to healthy diets of ‘eaters’(^\text{11}) and more stable and higher incomes for farmers(^\text{12}).</td>
</tr>
<tr>
<td>Short supply chains: Farmers’ markets, farm-gate and/or internet sales (direct sale from producer to consumer model)</td>
<td>Consumers purchase food directly from local producers on-farm or in communal spaces, according to seasonal availability. Benefits can include higher revenues for producers, access to local, quality foods for consumers, and community development.</td>
</tr>
<tr>
<td>Direct to retail/institution schemes (direct third-party purchasing model)</td>
<td>Direct purchasing from producers by private retailers/restaurateurs to support local sourcing or meet consumer demand, or by public authorities for use in public institutions through public procurement programs (e.g. schools, hospitals, prisons, etc.). This involves a more direct interaction between public and private actors by removing intermediaries for storing, processing, and/or transporting food, and promote healthy, local and seasonal diets.</td>
</tr>
</tbody>
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Multi-level governance of alternative food systems: barriers and policy priorities

Policy-makers, from the local to the EU level, are beginning to recognize the crucial role alternative food systems can play in the transition towards sustainable food systems. Alternative food systems not only provide public goods such as maintaining ecosystems, local culture and community traditions, but also support higher farm incomes and improve the viability of rural spaces. These alternatives also contribute to food system innovation by promoting a competitive, vibrant, and more sustainable agricultural sector, while also strengthening rural-urban linkages, and addressing the increasing demand for traceable, high quality foods. Further, alternative food system initiatives are also most frequently sustained by younger farmers and consumers – crucial players in the transition towards long-term sustainable production and consumption\(^\text{13}\).

Already, the EU has increased its support for alternative and local food systems initiatives. Regulation (EU) No 1305/13 on Pillar 2 of the CAP encourages member states to consider short and local supply chains as means to promote economically, socially and environmentally-viable rural development. To date, Pillar 2 programmes include:

- The LEADER programme (‘Liaison Entre Actions de Développement de l’Économie Rurale’ or ‘Links between rural economy development actions’) outlines a method for local actors to collaborate in the design and implementation of local development strategies, decision-making, and resource allocation in various forms since 1991. Through LEADER, member states have the option of channeling Pillar 2 funding towards community involvement in rural development approaches (e.g. local development strategies). From 2000-2006, LEADER+ enabled the creation of 893 local action groups over the EU, covering 1,577,386 km\(^2\) through 2.1 billion euros of funding\(^\text{14}\). Over the 2007-2013 period,

all rural development programmes had to dedicate a small portion of their funding to LEADER approach activities.

- The General Renewal programmes seek to promote vibrancy within the farming sector and encourage young farmer entry. e.g. The Early Retirement Schemes (ERSs) offer farmers between 55 and 66 the opportunity to transfer their farms to younger farmers through an annual fixed-term pension.

- Rural development measures proposed under Reg. 1305/2013 relevant to alternative food system also include: Knowledge transfer and information actions (Art. 14), Advisory services, farm management and farm relief services (Art. 15), Investments in physical assets (Art. 17), and Animal welfare (Art. 33).\(^{15}\)

Further, the 2013 CAP reforms made short food supply chains and local markets an explicit element of the EU’s rural development policy for 2014-2020, with member states and regions benefiting from a wide range of allowances to support alternative projects along the food supply chain. For example, in 2014, the French government modified its rural Code (L. 2014-1170) on the basis of supporting national food security, environmental protection, and diverse and nutritious diets. In particular, Article L-1. III of the French Rural Code encourages the development of short supply chains, with actions designed to increase public procurement, support seasonal production, and promote labelling signs of quality and origin as well as organic labels.

However, support for alternative food systems are not limited to the CAP. While not exhaustive, further EU-level policies and frameworks affecting alternative food systems include:

- Regulation (EU) No. 2092/91 establishes the organic labelling scheme, based on harmonized production.

- Regulation (EU) No 1151/2012 sets the quality schemes for agricultural products and foodstuffs including Protected Designation of Origin (PDO), Protected Geographical Indication (PGI) and Traditional Speciality Guarantee (TSG), providing a marketing tool for producers to sell their products on the basis of regional origin, authenticity, and/or traditional production methods. The Regulation stipulates the drafting of a report on a possible new ‘local farming and direct sales labelling scheme to assist producers in marketing their produce locally’ (Article 55), focusing on the ‘ability of the farmer to add value to his produce’ and, among others ‘the possibilities of reducing carbon emissions and

\(^{15}\) For more information and a complete list of relevant policies see European Parliamentary Research Service (2016). \textit{Short food supply chains and local food systems in the EU.}
waste through short production and distribution chains’, and, if necessary, ‘accompanied by appropriate legislative proposals’.

- The EU Green Public Procurement (GPP) scheme provides a voluntary framework to encourage public bodies to sustainably procure goods and services. In the context of sustainable food procurement, GPP policies generally support demand for organic and/or local foods and products meeting higher animal welfare standards. The Legal framework of the GPP is provided by the Public Procurement Directives 2014/24/EU and 2014/25/EU.

- Regulation (EC) 854/04 exempts small farmers selling products directly to consumers from the Hazard Analysis and Critical Control Point (HACCP) system for food safety. The flexibility of rules, defined at the member state level, accounts for the challenges faced by small local farmers to adhere to costly criteria, while guaranteeing food safety and hygiene. However, not all member states capitalize on these allowances.

- The EU Council conclusions on ‘Strengthening farmers’ position in the food supply chain and tackling unfair trading practices’ of 12 December 2016 emphasizes that relationships between all food system actors must be balanced, that added value must be fairly distributed among them, and that consumers must have access to information to make informed choices. It further emphasizes facilitating access to local products.

Member state policies can also serve to support alternative food system initiatives at the domestic level. These policies can involve land market regulations to manage land sale and price, taxation exemptions (e.g. some family farms may benefit from exemptions on property or inheritance tax), or support for alternative farm business models (e.g. joint ventures), amongst others.

However, it is at the local and regional level that many of Europe’s most innovative food system initiatives are emerging. These strategies take various shapes and forms, from municipally or regionally-driven food strategies (e.g. Food Policy Councils16, the Amsterdam Food Strategy, the Milan Urban Food Policy Pact), collaborative initiatives between state and civil-society (e.g. Biovallée initiative in the Drôme Valley of France), to wholly civil society-based alternative food networks (e.g. Transition Network).

Certainly in the multi-level governance context of the EU, the complexity and interconnectedness of alternative food system actors and practices require a coherent

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16 Examples of municipally-based Food Policy Councils in the EU include Malmö (Sweden), Turin (Italy), Cork (Ireland) or (in progress) Barcelona and Valencia (Spain)
integration of policies across different levels and sectors to succeed. The question remains on the complementary roles the European Union, individual member states, and sub-national authorities can play in supporting alternative food systems.

While an impressive number of initiatives continue to emerge and flourish, they may be doing so in spite of – not because of – the policy frameworks governing food systems. Table 2 presents some of the main limitations experienced by alternative food system actors in the EU. It draws on ethnographic research conducted by the authors with local initiatives in Europe; participant observation at Nyéléni Europe 2016; and synthesizes obstacles identified in key European Commission documents\(^\text{17}\). The aim of this table is to serve as a starting point for discussion rather than to provide an exhaustive catalogue of the current challenges faced by alternative food system actors. Its purpose is to highlight whether existing policies are sufficient to support alternative food system initiatives, whether further policy tools are required, or even, whether more transformative structural changes are required for a sustainable food system transformation to occur. Further, a great number of the challenges below apply to actors operating in both conventional and alternative food system structures, and speaks to the broader issues of rural livelihood and the viability of small-scale producers in Europe.

Table 2 - Synthesis of obstacles faced by alternative food system actors

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Main obstacles</th>
</tr>
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</table>
| Access to public procurement programs         | - Required certifications/taxes can be too costly for small farmers;  
- EU non-discrimination principle can prevent access by small local producers when there are bigger and/or non-local contenders;  
- The terms of public tenders may not be compatible with the seasonal, diverse outputs of small-scale farms, and it may be difficult to compete without a collective offer/approach;  
- Sourcing local/sustainable foods often costlier for public institutions |
| Administrative burden in developing short supply chains | - Documentation and costs required to comply with food safety legislation often too high for small farmers;                                                                                                                                                                                                                                           |
| Infrastructural & logistical issues for direct sales | - Small farmers may lack adequate facilities to sell directly on farm;  
- Potential need to invest in buildings and selling facilities;  
- Inability for producers in remote areas to access common processing facilities or distribution points;                                                                                                                                                                                                                       |
| Political representation and levels of association | - Low representation of certain groups (e.g. remote farmers, low-income, urban populations, fisherfolk, pastoralists) in relevant policy fora;  
- Levels of association of ‘alternative’ farmers lower in some member states or regions;  
- Cooperative models, despite strengthening farmers’ position in markets, may be difficult to implement;                                                                                                                                                                                                                           |
| Fair revenues/pricing                          | - Current price matching policies encourage productivity as opposed to social and environmental sustainability;  
- Prices scales based on supply and demand may ignore farmers’ real income/needs and increase their dependence on private insurances  
- Local/sustainable food schemes (e.g. CSA, farmers’ markets) may be pricier for consumers than similar purchase through mainstream retail |
| Knowledge, training, and skills               | - Marketing and selling of products require different knowledge and skills from those required for production;  
- Training is often necessary but farmer-to-farmer exchanges are not facilitated by public policies;                                                                                                                                                                                                                                      |
| Access to land and credit                     | - New and young farmers face more difficulties in accessing land;  
- Farmers find it difficult to set up new selling and marketing activities because of cash flow difficulties or limited access to credit;                                                                                                                                                                                                 |
| Development of                                | - Some markets are not very responsive to changes, while others see |
| **local markets across Europe** | increasing interest and demand for local products;  
Developing short food supply chains can be a challenge depending on conditions of the local market (e.g. remote community, low-income areas); |
| **Consumer behaviour, information and promotion activities** | Supermarkets offering all food all year round, and predictable, homogenous produce has led to unrealistic consumer expectations;  
Knowledge of locally and seasonally produced products may be low, including farm animals and fisheries;  
Public support/spaces to provide information on how to access local seasonal products is often lacking;  
Religious and nutritional/dietary concerns of consumers may make it difficult to meet the demands of certain local markets |

The breadth of challenges identified here stress the need for a range of national, regional and local policies and tools to redress them. They also suggest the necessity for coherence between policy levels, not only to promote alternative food system initiatives through an integrated strategy, but also to support food systems’ most marginalized actors, whether alternative or conventional. These concerns and the questions raised at the start of this paper will serve to guide the meeting’s discussion.
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Policy Lab 4 – Orientation Paper
The Trade-Development-Environment Nexus

Orientation paper by the IPES-Food Secretariat to support the Policy Lab on ‘Alternative Food Systems in Europe’ on May 2, 2017, co-hosted by IPES-Food and the European Economic and Social Committee.

The context of the Policy Lab on the Trade-Development-Environment nexus, 2 May 2017, is a 3-year process of research and reflection launched by IPES-Food to identify what policy tools would be required to deliver sustainable food systems in Europe – or a ‘Common Food Policy’ vision. The Policy Labs in this series aim to bridge the different policy areas and different policy levels through which food systems are governed. The Trade-Development-Environment nexus provides an illustration of the need for improved coherence, since a range of imperatives and a range of different policy frameworks intersect, but are typically dealt with in isolation. This has major implications for our ability to build sustainable food systems -- that deliver food security and nutritious diets, contribute to resilient ecosystems, and ensure decent livelihoods for farmers and foodworkers, in the EU and beyond.

The Lab will seek to address the following questions:

- How do the EU’s food systems and agri-trade policies affect developing countries? To what extent do EU policies support the development of (economically, socially and environmentally) sustainable food systems in those countries?
- How can we redesign agri-trade policies and trade agreements in a way that contributes to food security, healthy diets, environmental sustainability and poverty reduction in the EU and in partner countries?

This orientation paper provides a basis for discussion on these topics by reviewing the relevant EU policy frameworks affecting these areas, offering a basic overview of the current impacts of these policies, and identifying the key challenges in putting trade policy in the service of sustainable development and sustainable food systems. This orientation paper and the ensuing discussion at Policy Lab 4 will feed into a Policy Brief on the Trade-Development-Environment nexus to be published later in 2017.
The status quo: the EU’s increasing export orientation

The EU is the largest economy in the world, the biggest exporter and importer, the biggest aid donor, the largest source of foreign direct investment, and accounts for over 25% of global GDP. It is the biggest import market for over 100 countries. Almost 70% of all agricultural imports to the EU come from developing countries, and currently, almost three quarters of imports enter the EU market with reduced duties (i.e. below the maximum levels the EU could apply under WTO bound tariffs).

Agri-food trade flows have been increasing fast in both directions, with exports starting to overtake imports in recent years. In 2005, EU agri-food imports and exports were roughly equal in net value, but since 2010 the EU has been running significant and generally increasing surpluses; in 2014 EU agri-food exports outstripped imports by roughly €20m in economic value. However, even as the EU has developed these net surpluses, its reliance on imports of raw commodities and primary products has grown. In 2015, imports were nearly twice the value of exports in terms of raw commodities (e.g. cereals, vegetable oils). The net figures also mask major variations in terms of the balance of trade flows with different regions of the world. For example, EU-Africa trade has followed the general trajectory described above, with the EU shifting from net importer to net exporter over the past decade. However, in this case, the EU has built growing surpluses in processed goods and raw commodities. In 2015, a single commodity - wheat - accounted for 22% of EU agri-food exports to Africa, with milk powders and whey making up a further 6%.

While agricultural employment has been contracting, the EU agri-food sector as a whole provides some 44 million jobs, with export markets seen to play a crucial role in sustaining employment and generating value for the EU agri-food industry. Nearly 20,000 jobs in the EU agri-food sector were supported by recent trade liberalization with South Korea, Mexico and Switzerland alone, according to a recent survey. Current trends are likely to deepen over the coming years, with a growing premium on securing

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1 Unless otherwise referenced, data in this section is drawn from European Commission databases: https://europa.eu/european-union/topics/trade_en
agri-food export markets. With EU markets relatively saturated, the European Commission anticipates as much of 90% of additional demand being generated outside Europe over the next 10-15 years⁴.

**The commitment: putting trade in the service of sustainable development**

While trade liberalization has traditionally been pursued with the explicit aim of expanding trade volumes and boosting economic growth, this is no longer the only stated goal of EU policy. Over recent years the EU has made a range of unilateral commitments to supporting sustainable development, and reconciling trade and development goals:

**Policy Coherence for Development.** The EU’s commitment to ‘Policy Coherence for Development (PCD)’⁵ pledges to take account of development objectives in all policies likely to affect developing countries, to avoid contradictions between these policies, to build synergies and thereby increase the effectiveness of development cooperation. Since being integrated into EU law in 1992, the commitment to PCD has been reaffirmed and fleshed out in various ways, including the introduction of biennial progress reports (2007), the identification of issue clusters where synergies must be sought, including global food security (2009)⁶, and the creation of a toolbox for analysing the potential impact of EU policies on developing countries at early stages of policy development (2015: as part of the Better Regulation package⁷).

**Agenda For Change.** The 2011 Agenda for Change⁸ reaffirms the principle of PCD (see above), and underlines regional integration around the world as a key goal of EU trade

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⁵ Policy Coherence for Development is now referred to in Art. 208(1) of the Treaty on the Functioning of the European Union. https://ec.europa.eu/europeaid/policies/policy-coherence-development_en
policies, committing to support South-South partnerships, to help foster regional development and close competitiveness gaps through ‘Aid for Trade’.

**Trade for All.** The 2015 ‘Trade for All’ Communication⁹ makes the link between trade and development explicit, underlining the EU’s responsibilities as the world’s largest importer, expressing a ‘pro-development stance’ and pledging to continue promoting fair and ethical trade schemes, responsible supply chain management, market opportunities for small producers, and better conditions for workers in developing countries.

**Towards a new ‘European Consensus on Development’.** In November 2016, the European Commission presented a proposal for a new European Consensus on Development¹⁰. The document seeks to align EU policies with the UN 2030 Agenda for Sustainable Development, underling the goal to promote trade as a key driver of growth and poverty reduction, and pledging to use trade as a tool to achieve the Sustainable Development Goals (SDGs).

The EU has also taken steps to enshrine these principles through significant shifts in its internal and external policies, and through the provisions of its trade agreements and trade policies:

**Phasing out ‘dumping’ through CAP reform.** In the past, export refunds paid to EU farmers through the CAP were widely criticized for undercutting farmers and ‘dumping’ cheap produce on developing country markets. Following two decades of gradual reduction in export subsidies, the 2013 CAP reforms effectively phased out export refunds (restricting them to exceptional usage in periods of severe market crisis). In January 2014 the European Commission agreed to end the use of export refunds for all products exported to African countries entering into full economic partnership agreements (EPAs - see below), helping to pave the way for a multilateral commitment to phase out agricultural export subsidies in the 2015 WTO Nairobi Agreement¹¹. The

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abandonment of export subsidies has come alongside a broader reduction in market management tools (e.g. private storage aid), which are no longer used as systematically as in the past.\(^{12}\) Meanwhile, the CAP has gradually shifted away from coupled subsidies - product-specific payments that are generally considered trade-distorting. Coupled payments are now limited to 8% of Member States’ national CAP envelopes. However, this can rise to 15% when special circumstances are invoked; coupled payments represented €4.1 billion of CAP support in 2015, with as much as 50% of the EU dairy herd currently supported by coupled payments\(^{13}\) - and several Member States now setting out their stall in favour of maintaining or even expanding coupled payments in the post-2020 period\(^{14}\).

**Cooperation through the CAP.** An Advisory Group on International Aspects of the CAP was operational until spring 2014, and has since been replaced by the ‘Civil dialogue group on international aspects of agriculture’\(^{15}\). The group, bringing together a range of European NGOs with a development/food systems focus, has a mandate is to assist the European Commission in maintaining a regular dialogue on all matters related to the international aspects of agriculture, including trade and development issues.

**Generalised Scheme of Preferences.** The EU’s unilateral “Generalised Scheme of Preferences” (GSP), reformed in 2014\(^{16}\), allows 90 developing countries considered to be particularly in need of support to pay lower or zero duties on their exports to the EU. The standard GSP arrangement grants significant tariff reductions to these countries, whereas the GSP+ scheme envisions full removal of tariffs for countries that implement international conventions relating to human and labour rights, environmental protection and good governance. Finally, under the Everything But Arms scheme, all exports, except arms and ammunition, from the Least Developed Countries (LDCs) are granted complete duty-free access to the EU market.

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Economic Partnership Agreements. While the GSP scheme offers unilateral provisions for developing countries, the EU has also negotiated a series of reciprocal Economic Partnership Agreements (EPAs) over recent years to liberalize trade with regional groupings of the African, Caribbean and Pacific (ACP) countries. The non-reciprocal trade preferences offered to ACP countries under the Lomé Conventions (from the 1970s onwards) were deemed discriminatory and non-compatible with WTO rules, sparking the 2000 Cotonou Agreement and the concurrent shift towards EPAs. The majority of ACP countries are either implementing or have concluded an EPA with the EU. Sustainable development and poverty reduction are among the stated goals of the EPAs, as well as a commitment to supporting diversification of ACP economies away from specific commodity exports; the EU-East African Community (EAC) agreement recognizes the challenges faced by EAC member states “because of their dependence on export of primary agricultural commodities, which are subject to high price volatility and declining terms of trade”\(^{17}\) - and aims to address these challenges by supporting diversification, raising local processing and marketing capacities, and allowing the EAC countries to rise up the value chain. Some of the challenges and critiques in regard to the EPA approach are discussed below.

Free Trade Agreements. Given the stalemate in multilateral negotiations on the WTO’s Doha Development Agenda, there has been increasing emphasis on bilateral or region-to-region Free Trade Agreements (FTAs). The EU-South Korea FTA was the first of a new generation of agreements (provisionally applied since 2011). Others include the Multi-Party Trade Agreement with Peru and Colombia (provisionally applied since 2013), the Association Agreement with the countries of Central America (provisionally applied since 2013), the EU-Canada Comprehensive Economic Trade Agreement (CETA), signed in 2016, the EU-Singapore FTA (negotiations concluded in 2014), and the EU-Vietnam FTA (negotiations concluded in 2015). FTA negotiations are advanced but remain problematic with the US (‘TTIP’), India, Japan and Mercosur, and have been opened with Australia, New Zealand, Indonesia and Tunisia. The EU-South Korea FTA - now providing a template for other Asian FTAs - enshrines a common commitment to sustainable management of natural resources and biological diversity, and expresses a shared commitment to diversification of agriculture, and the integration of environmental requirements (e.g. sustainable forestry) into agricultural policy\(^{18}\).

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\(^{17}\) Economic Partnership Agreement between the EU and the EAC, art. 69.

\(^{18}\) Articles 23.1 and Article 25 of EU-South Korea FTA
Mainstreaming sustainable development into research programmes. The EU-Africa High Level Policy Dialogue (HLPD) on Science, Technology and Innovation seeks to mainstream sustainable development goals in the field of research and innovation. At the EU-Africa Summit in 2014, the Heads of State endorsed the decision to work on a roadmap towards a long-term, jointly funded and co-owned research and innovation partnership to ensure ‘Food security, nutrition and sustainable agriculture’. Research and innovation partnerships in the remit of Horizon 2020 have focused on sustainable intensification pathways of agri-food systems in Africa as well as the role of small farmers.

Development policies. A range of development assistance and cooperation programmes are operated by the EU and by Member States bilaterally, with considerable resources channelled to assistance in the agricultural sector - particularly since the food price spikes of 2007-2008. These wide-ranging programmes are not reviewed here, but shall be taken into consideration in the Policy Lab 4 discussion and the ensuing Policy Brief.

Market-based developments have also introduced new imperatives in agri-food trade over recent years. While they will not be reviewed in detail here, a variety of private-led sustainable supply chain initiatives and sustainability assurance schemes have been introduced in various sectors. Notably, ‘fair trade’ products have become significant in several agri-food sectors, with the EU market accounting for roughly two-thirds of global sales\(^19\). The European Commission’s 2009 Communication on the role of fair trade in sustainable development\(^20\) expressed support for these initiatives, while reiterating the private governance of sustainability assurance schemes. Meanwhile, EU public procurement rules were reformed in 2014 with a view to facilitating procurement of fair trade products\(^21\).

What are the impacts of EU agri-trade policies on developing countries?

The ‘dumping’ associated with the EU’s extensive usage of coupled support and export subsidies over previous decades - and the negative impacts on livelihoods in developing countries - has been well-documented. The question, therefore, is whether the EU’s current agri-trade policies continue to generate these impacts, and whether current policies and imperatives are helping to put food systems onto sustainable footing, and thereby achieving the stated goal of policy coherence.

The decoupled payments that now make up the bulk support for EU farmers are generally considered to be less trade-distorting than the forms of support that preceded them. However, the CAP still accounts for more than €50 billion of annual spending, and - despite recent reforms - continues to play a major role in supporting agricultural production. Some ongoing impacts on developing countries have therefore been identified; however, the effects tend to be marginal in size, indirect in nature and mediated by broader economic and political factors. According to one estimate, complete abolition of EU direct income support would result in an aggregate price increase for agricultural products in the EU of 0.5%, a slight decrease in exports and a slight increase in imports. Further reforms to EU farm subsidies are generally considered to be more significant in terms of shifting the distribution of EU production internally (e.g. concentrating it in the most productive areas), rather than meaningfully affecting developing countries or global markets.

The need to avoid generalizations about the impacts of EU agri-trade policies on developing countries has also been emphasized, given the heterogeneity of the EU’s trading partners. For example, the UK Overseas Development Institute (ODI) identifies limited value in trying to assess the impacts of the CAP on the developing world, since the impacts depend on the structure of a country’s agriculture sector, e.g. whether it is a net importer or exporter of given commodities.

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Indeed, the effects of agri-trade policies are hard to isolate from broader trends, and from the broader pathways of liberalization/globalization which are now embedded in the economic trajectories of many developing countries. Identifying detailed social and environmental impacts is even more challenging. This underlines the need to look beyond ‘impacts’ per se, and requires a nuanced analysis that can only be meaningfully conducted on the level of specific countries and sub-regions\(^\text{25}\). However, it is possible to identify a series of general challenges which current agri-trade policies - even after significant reforms - may be failing to address, and may in fact be unable to address within their current remits:

**i) New forms of ‘dumping’**

Allegations of dumping have not completely subsided. Criticism tends to be reserved for specific sectors, with some alleging that other EU’s aggressive export orientation continues to undermine livelihoods in developing countries, and to override the stated goal of ‘policy coherence for development’. For example, concerted efforts to export competitively priced and highly subsidized EU milk products into African markets have been criticized for undermining local production. One estimate suggests that milk products exported by the EU to the Southern African Development Community (SADC) in 2016 were subject to more than 18 million euros of subsidies, once the sum total of coupled and decoupled support (including for feed) are taken into account\(^\text{26}\) - and therefore constitute a major threat to farmer livelihoods in the region.

Elsewhere, the EU has been accused of dumping cheap produce through the back door. For example, market disruption and disadvantages for Kenyan farmers have been linked to influxes of cheap European imports being channelled into the Kenyan market via Egypt and other COMESA countries with preferential market access\(^\text{27}\). This ties into a broader dietary shift identified with colonization and globalization. For example, during

\(^{25}\) Detailed case studies are likely to be included in the full Policy Brief on the Trade-Development-Enviroment nexus that IPES-Food will produce later in 2017.

\(^{26}\) The EU28 dumping of its dairy products to SADC in 2016, Jacques Berthelot, SOL, March 27, 2017.

the British empire, wheat-based products were promoted in Kenya and other African countries, gradually becoming a key dietary component and displacing cassava, millet and other traditional foods; today the country produces less than 40% of what is now one of its key staple foods - and, combined with the strong demographic growth and nutrition transition for urban populations in the region, import dependency continues to grow.

ii) Over-specialization, import dependency and unfavourable terms of trade

Diversification of developing country production and exports has been increasingly underlined as a goal of EU trade policies moving forward (see Section 2). However, over recent decades, countries and regions around the world have shifted towards increasingly specialized and industrialized forms of agriculture, often with a focus on specific export commodities. While generating economic benefits for those with access to foreign markets, highly specialized export zones have tended to bring macroeconomic risks. The countries depending most heavily on agricultural commodity exports are commonly low-income countries. Reliance on a handful of commodities as the main means of participating in global trade can lead to major vulnerabilities by exposing an economy to price shocks. Having been a net food exporter in the 1970s, the African continent has become a net importer of food and agricultural products more broadly, with a total agricultural trade deficit of $22bn by 2007. Declining prices for tropical products (coffee, cocoa, tea, bananas etc.) have made it more difficult for net food-importing countries to afford the staple foods they no longer produce. FAO projections indicate a further deepening of the food import dependency of developing countries in the coming years. Though part of this trend is attributable to demographic

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28 Op cit. Fritz, T. 2010


growth and changing demand linked to urbanization and the rise of a middle class, the structure of trade relations also is a major part of the explanation.

In the face of these trends, it has been acknowledged that previous attempts to promote trade competitiveness, diversification and growth through the Lomé conventions did not have the desired effects\(^{34}\); poverty has remained endemic in many ACP countries despite around 98% of exports already entering the EU tariff-free prior to EPAs\(^{35}\). While it is too early to judge the impacts of EPAs, it is unclear how they will spark a meaningful shift towards diversification. Provisions to protect sensitive sectors in EPAs may mitigate short-term food security impacts, but are unlikely to support a shift towards diversification - and may in fact deepen existing highly-specialized food production patterns.

Meanwhile, recent EU trade liberalization with Mediterranean partners has failed to stem the tide of over-specialization - and may in fact have deepened it. For example, the Euromed agreement and the ‘Plan Maroc Vert’ have been criticized for encouraging a shift towards cash crops for European markets at the expense of traditional staples (e.g. cereals, sunflower oil) in Morocco\(^{36}\), while EU markets have failed to provide a stable market for the country’s more competitive products (e.g. citrus, tomatoes) as a result of a complex array of exclusions\(^{37}\). Elsewhere in the region, trade liberalization with the EU has exacerbated a general trend of reduced food production, increased import dependency and the loss of revenues from border tariffs, since increased volumes of imports have not compensated for the lowering of tariffs\(^{38}\). For critics, trade

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liberalization with the EU has only served to exacerbate Algeria’s increasing dependence on food imports39 - while costing the country $2 billion in budget revenues according to a recent estimate40.

**iii) Unsustainable land use patterns**

The increasingly specialized agri-development pathways mentioned above also have major implications for environmental sustainability, and underline the failure of current agri-trade policies and broader food systems governance to establish favourable dynamics for sustainable management of land and natural resources. According to the FAO, by the 1990s, some nine million km² of land - an area roughly the size of China - was considered to be moderately degraded, with a further 3m km² in a severely degraded state41. Overall, unsustainable practices associated with industrial agriculture remain the largest contributor to land degradation, which continues at an alarming rate of 12 million hectares/ year, equivalent to the total agricultural land of the Philippines42.

It is difficult to identify direct trade impacts on environmental sustainability; trade is generally seen to impact the environment via economic growth - which tends to worsen environmental outcomes at first, while paving the way for improvements at later stages in a country’s development43. However, some studies have identified trade liberalization as a key driver of specific cases of environmental degradation, on the basis of trade liberalization deepening the model of agricultural specialization - and placing major pressures on the local environment44: the more a country specializes in the production

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40 http://algerienews-fr.blogspot.it/2016/02/decryptage-laccord-dassociation-algerie.html
43 This trend is referred to as the ‘Environmental Kuznets Curve’. See for example: Andreoni, J., & Levinson, A. (2001). The simple analytics of the environmental Kuznets curve. Journal of public economics, 80(2), 269-286.
of cash crops for export markets, the fewer incentives farmers have to develop diversified types of production that build soil health and respect ecological balances. These trends and their environmental impacts are particularly relevant for the EU, which increasingly outsources raw commodity production to other regions of the world. The virtual land area required for EU food needs been estimated at 35 million hectares. Most developed countries are in fact net importers of biomass for human consumption, animal feed and industrial raw materials. Sustainability claims must be placed in this global perspective: while the EU’s agricultural CO2 emissions have been brought down over recent years, the overall environmental footprint of its food and farming systems has not followed this trajectory.

Attempts to promote sustainable development through trade policies have borne some fruit. According to a 2016 study, all 14 countries that signed GSP+ schemes have demonstrated progress in strengthening their commitment to tackling human rights, labour rights, environmental protection and good governance. However, trade incentives may be insufficient to stem the tide of unsustainable land use and environmental degradation arising from the current division of labour in global food systems. Nor do environmental clauses in trade agreements appear commensurate to the task. While the EU has the ability to suspend trade concessions or subject the conduct of a state to dispute settlement in case the human rights clause in its FTAs is violated, the clauses on sustainable development are significantly weaker, while EU treaty obligations to pursue such goals may be too broadly defined to act as a meaningful constraint.

**iv) Persistent power imbalances and fragmented governance**


45 Witzke, H., Noleppa, S., 2010. EU agricultural production and trade: can more efficiency prevent increasing “land grabbing” outside of Europe?

doi:10.1016/j.ecolecon.2009.05.007


The challenges described above raise questions about the balance of power between the EU and developing country partners, and whether countries are really able to secure favourable terms of trade and to put the conditions in place for building sustainable food systems. While ACP countries account for just over 5% of EU imports and exports, the EU is a much more significant trading partner for ACP countries. ACP countries are effectively obliged to sign EPAs in order to retain existing preferences, although countries failing to do so can fall back on the EU’s GSP preferences (or for LDCs, the duty-free access offered under the Everything But Arms agreement). Despite the commitment to support regional integration in Africa, difficulties reconciling key questions have led to individual countries breaking off from the regional blocs and signing preliminary agreements. For example, the ACP Council of Ministers denounced the pressures leading to Ivory Coast and Ghana breaking away from West African partners to sign bilateral interim EPAs\(^49\). Criticism has emerged from the European Parliament and the European Economic and Social Committee (EESC)\(^50\) in regard to the EPA process, and particularly uncertainties regarding renewal of the Cotonou Agreement post-2020 and the future of EU-African cooperation.

Furthermore, it is unclear whether safeguards integrated into EPAs are commensurate to the stated commitments to sustainable development - particularly in terms of food security. For example, the EU has insisted on eliminating emergency export restrictions in the EU-CARIFORUM EPA, while similar flexibilities are allowed in a separate EU-Mexico agreement, and in spite of the evidence suggesting that use of such measures by smaller countries can increase their food security without harming that of others\(^51\). Attempts to address food security through bilateral trade agreements have been more generally criticized for drawing attention away from the multilateral fora where these global questions must ultimately be addressed\(^52\). Meanwhile, the EU’s increasing focus on securing access to raw materials (particularly minerals but also farmland) has been alleged to undermine and override broader sustainable development imperatives\(^53\).


\(^{50}\) EESC (2016). *Trade for All – Towards a more responsible trade and investment policy*,


\(^{52}\) Op.Cit, Gruni, G.

Furthermore, formal trade agreements are now being outflanked by other fora for agricultural liberalization, raising the risks of fragmented governance and corporate capture. For example, the G8 New Alliance for Food Security and Nutrition, initiated in 2012, commits ten African governments to liberalize their agricultural sectors and paves the way for major agribusiness investments and land acquisitions. A recent European Parliament opinion warned that this initiative sidelines existing fora and risks further undermining the ability of developing countries to define their own policies and to consider alternative (e.g. agroecological) pathways for building sustainable food systems.\(^5\)

**Leverage points for change**

It is clear from the discussion above that a series of major challenges must be addressed for future policy tools to succeed where current agri-trade and development policies have failed - namely in supporting the development of sustainable food systems. The EU is yet to find convincing answers to deliver sustainable food systems on its own territory, let alone to promote similar pathways for its trading partners. Ultimately EU agri-trade policies and trade agreements are only one piece of a bigger puzzle; these policies shape and are shaped by underlying trends in agricultural production, land use and the economy more broadly, as well as the power imbalances and fragmented governance that characterize global food and farming systems.

Questions therefore remain in terms of how the EU will be held to its own stated objectives of Policy Coherence for Development (PCD). These challenges exist alongside the net economic benefits that trade agreements and agri-trade policies have generated in many cases. Rather than highlighting specific problems with trade, the discussion above underlines the insufficiency of trade agreements - and even EPA-style trade and development partnerships - as a framework for managing these complex social and environmental challenges. It is therefore crucial to consider what tools would be required to govern food systems with a sufficiently holistic and integrated vision. Indeed, the need for more integrated food systems governance is what characterizes the 'Common Food Policy' vision IPES-Food hopes to build through this process.

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Several key questions remain to be addressed in order to complete the picture above, and to point the way towards the more integrated approaches that are needed to address these challenges. Five potential leverage points/entry points are identified below as a basis for discussion:

- i) Set clear external objectives for the CAP and introduce stronger accountability measures for the EU’s Policy Coherence for Development;
- ii) Address sustainable food systems multilaterally through SDG implementation and reviving/completing the WTO Doha Round;
- iii) Promote sustainable land management and food systems planning in the EU and its trading partners as a prerequisite for/component of trade agreements;
- iv) Build on the EPA approach to develop increasingly ambitious trade and development compacts;
- v) Promote alternative retail circuits and alternative food systems for domestic and internationally traded goods; build North-South solidarity between farmers and consumers on the basis of ‘food sovereignty’.
Policy Lab 5 - Orientation Paper:
Access to Healthy Food for All

Orientation paper by the IPES-Food Secretariat to support the Policy Lab on ‘Access to Healthy Food for Low Income Groups’ on November 8, 2017, co-hosted by IPES-Food and Daciana Sârbu MEP at the European Parliament.

Building a ‘Common Food Policy’ that supports food access for all

The round-table meeting on November 8th represents the last in a series of five ‘policy labs’ that IPES-Food has convened over the 2016-2018 period in Brussels. These policy labs are part of a 3-year process of research and reflection to identify and co-construct a ‘Common Food Policy’ vision for the EU, culminating in the European Food and Farming Forum, 29-30 May 2018. Rather than offering a comprehensive plan, IPES-Food offers a platform, and a reflection process, for such a plan to emerge from the inputs of participants.

The findings of Policy Lab 5 will be published in a briefing note following the round-table discussion. It will draw on meeting discussions and further insights from food access literature not covered here. The briefing note will map out what tools and measures are needed to support access to healthy diets for all, as part of an integrated set of policies at EU, national and local level aimed at delivering sustainable food systems in Europe, i.e. a ‘Common Food Policy’ or ‘Comprehensive Food Policy’.

Access to healthy diets in the EU: A lingering problem

One of Europe’s greatest achievements during the post-war reconstruction era was in developing national welfare and social security systems for all citizens. Strong social safety nets, increased food production, the industrialization of the agricultural sector, and policies developed at both the EU- and member-state levels worked to dramatically reduce the number of Europeans suffering from hunger and food insecurity since the 1940s. At the

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1 The full concept note ‘Towards a Common Food Policy for the EU’ can be found at [http://www.ipes-food.org/images/Reports/CFP_ConceptNote.pdf](http://www.ipes-food.org/images/Reports/CFP_ConceptNote.pdf)
European level, the Common Agricultural Policy (CAP) played a major role in driving these advances and warding off widespread hunger.

Despite the dramatic reduction in poverty and hunger over the past 70 years, access to sufficient and healthy diets remains a challenge for many European citizens today. Food insecurity is most commonly experienced by low-income groups. While discussions on hunger and food security have typically emphasized how to increase European agricultural production and reduce food prices, there has been increasing recognition that ensuring sustainable and regular access to healthy food requires attention to a wider range of factors. Disparities in access to healthy food stem from the socio-economic, geographic, cultural and psychological constraints that limit access to food at the household and individual levels (Borch & Kjærnes, 2016).

Ensuring that all citizens, regardless of income, status or background, have secure access to sufficient healthy food is therefore an urgent challenge, and a key objective of an integrated food policy vision. This orientation paper assesses the key determinants of food access in Europe, and provides a brief overview of the policies and practices affecting food access, and the opportunities for reforming them with a view to delivering healthy diets for all. More specifically, this paper, and the discussion at Policy Lab 5, will be structured around the following questions:

- What are the different facets of poverty in Europe, and how do these affect access to healthy diets?
- What are the key determinants of access to healthy diets?
- What policies and incentives impact access to food in Europe, and how could they be reformed to deliver healthy diets for all?

**Food insecurity in the EU**

In contrast to the United States, Canada, Australia and New Zealand, Europe remains one of the only developed regions in the world in which household food insecurity is not regularly measured (Darmon et al., 2011). Thus far, the only EU-wide indicator is included the Survey of Income and Living Conditions (EU-SILC), in which households are asked whether they can afford a “quality meal” every other day, defined as one which includes a portion of meat, chicken, fish (or vegetarian equivalent)\(^2\). Based on this reference point, food insecurity across

\(^2\) In the EU, food-based dietary guidelines recommend at least 1–2 servings of meat, chicken or fish (or plant-based protein sources) every day.
the EU-28 has risen from 6.5% in 2003 to 8.7% in 2011 (Davis and Geiger, 2017). In 2016, 43 million Europeans (8.1%) were not able to afford a quality meal every other day (Eurostat, 2016).

However, this indicator is based on a narrow definition of what comprises a healthy diet, and fails to consider whether households consume other key healthy foods (e.g. fruit and vegetables). It also fails to specify duration of lack of access to certain foods, or experience of hunger, factors that are captured, for example, by the USDA Household Food Security Survey Module3 (Loopstra et al., 2016, Tarasuk et al., 2014, Darmon et al., 2011).

As indicated above, diets are closely linked to and dependent on people’s economic means, with unhealthy and insufficient diets tending to correlate with poverty. In the EU, poverty refers to a situation in which “income and resources are so inadequate as to preclude people from having a standard of living considered acceptable in the society in which they live. (Those living in poverty) are often excluded and marginalised from participating in activities that are the norm for other people and their access to fundamental rights may be restricted” (Council of the EU, 2004). In 2015, 118.7 million people in the EU (23.7%) were at risk of poverty or social exclusion4,5 (Eurostat, 2016).

Unemployment, labour market segmentation and wage polarisation are the primary cyclical drivers of poverty in the EU. Poverty is also exacerbated by changing social drivers (e.g. single parenthood) and structural factors (e.g. inherited poverty) (EPRS, 2016b). New forms of poverty are also emerging. The ‘working poor’, whose numbers have increased following the 2008 crisis, refer to those working in precarious and low-paid jobs (e.g. temporary and part-time work). Those suffering from housing-related poverty and homelessness have expanded beyond the traditionally middle-aged male demographic to include families, young people, and migrants (FEANTSA, 2012). Recent reforms to national welfare and social security systems

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3 Due to a lack of appropriate indicators in the EU, some member states (e.g. France) have taken to using the USDA Food Security Module indicators as part of their own national surveys (Darmon et al., 2011). A further international indicator to measure food insecurity includes the Food Insecurity Experience Scale (FIES), a validated tool developed under the FAO’s Voices of the Hungry project. The 2014 survey confirmed the systematic nature of food insecurity, for example, finding incidence of some degree of food insecurity among adults in Belgium (7.8%), Italy (8.2%), and over 10% in United Kingdom (FAO, 2016).

4 The highest rates of poverty and social exclusion were identified in Bulgaria (41.3 %), Romania (37.3 %) and Greece (35.7 %). The lowest shares were recorded in the Netherlands (16.4 %), Sweden (16.0 %), and the Czech Republic (14.0 %) (Eurostat, 2016). The groups at greatest risk of poverty and social exclusion include women, children, young adult (18-25), people living in single parent households, the elderly, those with less education, and migrants (EPRS, 2016b).

5 Average poverty rates were found to be slightly higher in rural areas. While rural poverty has been less documented than urban poverty, it is attributed to the particular disadvantages of rural areas, including sparse population, a weaker labour market, limited access to education, remoteness and rural isolation (EPRS, 2017).
across the EU (e.g. decreased overall coverage, stricter eligibility criteria) as a result of post-crisis austerity policies have increased the risks to vulnerable groups (Arpe et al., 2015; Davis & Geiger, 2017).

Food insecurity, also called ‘food poverty’, seeks to capture the ways in which lack of economic means drives and reinforces poor access to healthy foods; food insecurity refers to the inability of an individual (or household) to obtain sufficient healthy, nutritious and culturally-appropriate food, in a context of economic poverty (Lambie-Mumford et al., 2014; Maslen et al., 2013).

**Major Determinants of Access to Healthy Foods**

Food poverty and access to food are multidimensional and multifactorial phenomena. The table below synthesizes the key determinants of access to healthy foods in Europe, and aims to serve as a starting point for discussion rather than to provide an exhaustive list of all relevant factors. The table draws on a review of scientific literature, reports prepared by civil society organizations and NGOs, as well as key national-level, European Commission and Parliament documents.
### Determinant | How does it influence access to healthy food?
--- | ---
**Price** | Price is frequently cited as the primary determinant of food access, particularly during economic downturns and for lower income groups. Price depends on a number of factors from production, processing, and retail, to the taxes levied on particular foods and beverages. The cost of healthy foods is often cited as an additional disincentive to accessing a healthy diet. How prices are determined and their influence on diets was discussed in IPES-Food’s Policy Labs 1 and 2 in June and December 2016.

**Household income** | In a context of low household income, inelastic/non-compressible expenses (e.g. housing, utilities) often take precedence over healthy foods (Bernard, 2005; Hébel, 2008). Low incomes generally direct individuals towards cheaper convenience foods of lower nutritional quality (Solidaris, 2017; EPHA, 2016). For example, a report published in the UK revealed that one in four low-income households did not eat regularly or healthily due to a lack of income in 2016 (UK Food Standards Agency, 2016). Studies conducted in Ireland showed that low income households would have to spend at least one third of their gross income to purchase a basket of healthy food; rural households would spend from €4-€14 more than urban households for the same weekly basket (SafeFood, 2016)\(^6\).

Despite reduction in wage gaps across Europe, women continue to experience inequality in the labour market (e.g. lower pay). They must also face the challenge of reconciling work and family life. Lower pay also translates into lower pensions over time, putting women above 65 at greater risk of poverty (European Commission, 2014). These effects are even more pronounced for certain groups, such as female migrants who are likely to work for lower pay (European Commission, 2006).

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\(^6\) National food baskets are calculated on the basis of monthly expenditure on food, and the kitchen equipment required to prepare, serve, consume and preserve that food. They also cover other functions around food (e.g. eating out of home as a social function). National food baskets are developed in accordance with national dietary guidelines, and account for the cultural specificities of national eating habits. For more information on national baskets for the EU-28: [http://ec.europa.eu/social/main.jsp?catId=1092&intPageId=2312&langId=en](http://ec.europa.eu/social/main.jsp?catId=1092&intPageId=2312&langId=en)
### Determinant | How does it influence access to healthy food?
--- | ---
Socio-economic mobility | The evolution of one’s socio-economic situation influences eating habits. Social mobility has been shown to translate into either positive or negative lifestyle behaviour changes (e.g. healthy eating, willingness to change and adapt to additional knowledge). In particular, eating habits are influenced by one’s perceived socio-economic situation; research suggests that those experiencing upward social mobility show more willingness and greater capacity to meet national dietary requirement than those fearing or undergoing downward social mobility (Poulain & Tibère, 2008).

Education | Formal and informal education levels play a major role in understanding and acceptance of diet and health information. Correlation has been observed between low levels of education and poor dietary habits (e.g. lower fruit and vegetable consumption, lower nutrient intake), regardless of social class. Low levels of education may create socio-psychological barriers regarding the ability to analyze and understand often complex and contradictory messaging around food (Bernard, 2005; Robinson et al., 2004; Harrington, 2009).

Household structure and lifestyle habits | Household and family structure shapes food access through the availability of financial resources (e.g. single vs. multiple revenue streams), expenses (e.g. number of children), and level of education of the parent(s). Households facing at higher risk of poverty include single parent families, families with three or more children, and single adult households, with single elderly individuals at the highest risk of poverty and social isolation (Eurostat, 2013). More recent trends such as higher divorce rates, having children at a later age, and cohabitation are also increasingly contributing to household-at-risk-of-poverty (EPRS, 2016b). Children in nontraditional family households (e.g. single parent, no parent) are more likely to display unhealthy eating habits than those in traditional households (e.g. two biological or adoptive parents) (Stewart & Menning, 2009). At the same time, women continue to play a determining role in a family’s dietary habits (Roos et al., 1998; Campbell et al., 2007). Family structure is also a major determinant of inherited poverty, manifesting itself in intergenerational food insecurity, persistent low levels of education, and precariousness of employment (Eurostat, 2013). It also determines the broader social circles that influence eating and lifestyle habits both inside and outside the home.
Social integration / exclusion

Social exclusion and food insecurity share a number of similar drivers and can be mutually reinforcing. Low levels of social integration may arise from unemployment, discrimination, income, inadequate housing, health or difficult family situations (Dowler & Tansey, 2003). Individuals living alone or in isolation – particularly the elderly – are at higher risk of food insecurity. Those living alone display poorer eating habits than those in larger households or leaving in communal spaces (e.g. retirement home, foster home) (Solidaris, 2017; Maslen et al., 2013). Higher levels of social integration promote greater compliance to social and dietary norms (Masullo & Régnier, 2009). Strong integration within one’s community has also been shown to mitigate the effects of poverty on eating behaviour (Solidaris, 2017).

Refugees and asylum seekers face greater levels of unemployment, low income, discrimination, social exclusion and lack of socio-economic mobility. Many have poor access to housing and kitchen equipment, and food assistance schemes may not account for appropriate cultural dietary options (Sellen et al., 2002). Living conditions in refugee camps or reception centres pose significant health risks for migrant groups, who suffer from lack of basic resources – including food and water (EPRS, 2016a). In 2015, non-EU citizens aged 20-64 living in the EU experienced levels of material deprivation including food (17.9%) more than twice as severely as EU nationals (7.9%) (Eurostat, 2017).

Further, children are by far at the greatest risk of poverty and social exclusion in the EU-28 (26.9 % in 2015). In certain EU states, the elderly also face high rates of poverty and social exclusion – up to 51.8% in Bulgaria, 42% in Latvia, and 37% in Estonia, with elderly women often facing even greater risk (Eurostat, 2016).

Working hours

Long, irregular, or late working hours – more often experienced by low-income groups – are associated with poor eating habits and reduced access to food (e.g. more irregular meals, higher reliance of convenience foods and fast food outlets, inability to access grocery stores during open hours) (Devine et al., 2009; Bohle et al., 2004; Kearny & McElhone, 1999).
**Determinant** | **How does it influence access to healthy food?**
---|---
Housing / location | Poor housing conditions and lack of kitchen equipment have an impact on food habits. The presence or absence of a kitchen, fridge, freezer, oven, or other basic equipment depend largely on household income. Healthy food access is also affected by the physical proximity to food retail outlets (e.g. grocery store, farmers’ markets, discount store, convenience store). Access to food retail outlets, in turn, is determined by the availability of transportation (e.g. public transport, access to vehicle and driver’s license), particularly for households without their own vehicles or for individuals with reduced mobility - factors tending to correlate with poverty.

In 2013, 30% of the adult population with some physical disability were at greater risk of poverty and social exclusion than those with no limitation (22%) in the EU-28 (Eurostat, 2015). Individuals with disabilities or reduced mobility experience higher levels of unemployment, and lower wages, in addition to the reduced ability to physically access food retail outlets.

‘Food Environment’ | Beyond housing and geographic location, the broader ‘food environment’ has a major impact on people’s diets. This refers to the “collective physical, economic, policy and sociocultural surroundings, opportunities and conditions that influence people’s food and beverage choices and nutritional status” (Food Foundation, 2016). From this perspective, the availability of specific types of food in specific settings (e.g., schools, neighbourhoods) and a range of socio-economic and lifestyle factors (e.g., the growth of out-of-home dining) are also drivers of dietary shifts, e.g., higher consumption of prepared foods high in sugars, sodium, and fats (Caraher & Coveney, 2004; Drewnowski et al., 2004; Lake & Townshend, 2006). Vicious cycles have been identified within unhealthy food environments. For example, increased consumption of highly processed foods contributes to — and is reinforced by — a gradual loss of food skills and food knowledge, reduced personal creativity and control over daily meals, and inhibited awareness of food ingredients and their health value (Engler-Stringer, 2010; Lang et al., 2001; Smith et al., 2013).

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**Tackling Poverty & Food Insecurity: Policy Responses & Initiatives**

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7 The ‘Food Environment’ was the theme of IPES-Food’s second policy lab on December 7, 2016.
While the EU is responsible for policies affecting the food supply (e.g. CAP, trade policies), responsibility for social policy and combatting poverty remains primarily at national level. National initiatives are monitored coordinated by the European Union through the Open Method of Coordination for social protection. The EU further provides support through:

- **The European Social Fund (ESF)** (DG EMPL): The ESF is the EU’s main tool to support employment, social inclusion, education and improving public services across the member states. With a budget of €10 billion per year, the ESF supports groups who may not otherwise access training, or obtain qualifications to find work. While strategy definition is done at EU level, ESF implementation and funding is allocated at the member state and regional level. At least 20% of the ESF budget must be used to help socially marginalised people into jobs (e.g., youth, women, migrants, disabled).

- **The Fund for European Aid to the Most Deprived (FEAD)** (DG EMPL): For the 2014 – 2020 period, €3.8 billion was allocated to FEAD and is allocated to member states, who must contribute at least 15% in national co-financing to their national program. Member states may choose what type of assistance (food or basic material assistance, or a combination of both) they wish to provide, depending on their own situation, and how the items are to be obtained and distributed (often through partnerships with NGOs). Complementing the ESF, FEAD supports the most deprived by addressing their most basic needs – a precondition to finding employment or following training or education supported by the ESF.

- **The Employment and Social Innovation Programme (EaSI)** (DG EMP): EaSI is an EU-level financing instrument to promote sustainable employment, guarantee adequate and decent social protection, combat social exclusion and poverty, and improve working conditions across the EU-28. With a budget of €919.5 million, its main axes include modernising employment and social policies (under the PROGRESS programme), increasing job mobility across the EU (under the EURES programme), and improving access to micro-financing and social entrepreneurship (under the Progress Microfinance programme).

- **The Rural Development Pillar of the Common Agricultural Policy** (DG Agri): The 2013 CAP reforms introduced Priority 6 of the Rural Development pillar, dedicated to the “promotion of social inclusion, poverty reduction and economic development in rural areas”. With a budget of €23.3 billion (almost one quarter of total CAP rural development spending), its three areas of focus include job creation and the development of small enterprises, fostering local development, and enhancing the
accessibility, use and quality of information and communication technologies in rural areas. In most member states, funding is administered via Local Action Groups (LAG)\textsuperscript{8}. Across the EU-28 the large majority of Priority 6 funding is currently going into the LEADER program (see footnote 8) as well as basic services and village renewal.

- **EU School Fruit, Vegetable and Milk Scheme:** Previously two separate programmes for milk, and fruit and vegetables, the new joint scheme came into force on August 2017. Funded through the CAP, the program supports the distribution of fruit and vegetables and milk to schools across the EU as part of a wider educational programme on healthy eating. Its budget of € 250 million per school year will dedicate €150 million for fruit and vegetables and €100 million for milk, including the food education costs. Budget allocation for individual member states is based on the number of school children and, for milk, on the take-up of previous schemes. The choice of products to be distributed in each member state must be based on health and environmental criteria, seasonality, variety and availability, with priority given to European products. National authorities are encouraged to support local or regional purchasing, organic products, short supply chains, environmental benefits and agricultural quality schemes as part of their overall programme. In France, funding was used in part to support the “Un fruit pour la récré” programme since 2014, during which free fruits are distributed to children in primary school and high school.

- **European Food and Nutrition Action Plan 2015–2020:** The plan aims to reduce the burden of preventable diet-related NCDs, obesity and all other forms of malnutrition in Europe, through inclusive access to affordable, balanced, healthy food. Its aims to reduce inequalities in accessing healthy food and create health enhancing environments, with particular consideration given to participatory approaches. National actions in line with the program include awareness campaigns (e.g. salt reduction campaign in Finland and UK, Danish trans-fat ban, nutrition counselling for patients in hospitals, reformulation of meals in schools).

- **EU Action Plan on Childhood Obesity 2014–2020:** For the current period, key objectives include: i) ‘Promoting healthier environments, especially in schools and preschools’; ii) ‘Making the healthy option the easier option’; and iii) ‘Restricting marketing

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\textsuperscript{8} From 2000-2006, the CAP’s LEADER+ program has enabled the creation of 893 local action groups over the EU, covering 1,577,386 km2 through 2.1 billion euros of funding. The LEADER programme (‘Liaison Entre Actions de Développement de l’Économie Rurale’ or ‘Links between rural economy development actions’) outlines a method for local actors to collaborate in the design and implementation of local development strategies, decision-making, and resource allocation in various forms since 1991. Over the 2007-2013 period, all rural development programmes had to dedicate a small portion of their funding to LEADER approach activities.
Implementation actions include the banning (e.g. Cyprus, Denmark, France) or restrictions (e.g. Slovakia, Slovenia, Bulgaria, Hungary) of vending machines in schools. The plan also seeks to inform and empower families to develop healthy food habits, with a priority given to disadvantaged communities (e.g. nutrition and cooking skills classes offered through cooperatives and food banks), and is made integral to the development of national school food programs.

Social policies at the national level are proving effective at cushioning the impacts of the post-2008 economic downturn. The recent rise of food insecurity in Europe is closely linked to rising unemployment and falling wages. However, member states with strong social protection tended to avoid a rise in food insecurity, while food insecurity rose substantially in countries with lower social expenditures (Loopstra et al., 2016). It is less clear, however, whether core social policies are currently helping to promote healthy diets among low-income groups, which respond to a wide range of social factors beyond price/affordability (see Table 1).

It is important in this regard to highlight the limitations of a “cheap calories” approach, in which combating food insecurity / food poverty primarily translates into policies that seek to lower the costs of food for families. All too often, this option – in addition to the negative impacts on farmers – leads to the increase of low quality diets, which are insufficiently diverse and balanced and end up putting people, the poor especially, at risk of non-communicable diseases linked to unhealthy diets. According to the latest data, more than half of adults in the EU are now either overweight or obese9 (53%), including one in three children aged 6-9 (WHO, 2015). It is estimated that obesity is the primary cause of 80% of all type 2 diabetes cases, 35% of heart disease, and 55% of hypertensive diseases in adults in the EU (Brandt & Erixon, 2013). Poor diets also contribute to cardiovascular diseases, type-2 diabetes and cancers through channels other than obesity. At least 27,000 children now suffer from type 2-diabetes in the EU (Lobstein & Jackson-Leach, 2006).

At the same time, micronutrient deficiencies remain a persistent problem in Europe. An estimated 33 million Europeans are at risk of some type of deficiency, usually as a result of poor diet (Ljungqvist & de Man, 2009; Eggerdorfer, 2014). The most common deficiencies amongst EU populations include low levels of vitamin D, vitamin B, vitamin E, iron, and iodine (WHO, 2007; Kaganov et al., 2015; Cashman et al., 2016).

The rise of obesity, NCDs and the persistence of nutritional deficiencies are all linked to the overconsumption of certain foods and the underconsumption of others. More specifically,

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9 In the EU-28, Obesity rates range from 8% in Romania to 25% in Hungary, Malta and the United Kingdom (WHO, 2015).
diet-related diseases have been attributed to a high intake of calorie-rich, nutrient-poor foods, foods high in trans fats, and a low consumption of fruit and vegetables (Birt, 2007; Dixon, 2015). It has been estimated that increasing consumption of fruits and vegetables by 400-600g per day could decrease the incidence of NCDs by up to 18% (Schäfer Elinder et al., 2006). However, some 22 EU Member States are currently below these recommended rates, with poorer households tending to be far below these thresholds (EPHA, 2016; EUFIC, 2012). What then can and should be done?

While most social policies are not food-specific, a range of more targeted national and local initiatives do focus on access to food for low-income groups, including specific food assistance programmes and particularly the provision of food banks. In 2016, food banks across Europe distributed over 2.9 million meals daily to 6.1 million people – representing 535,000 tons of food (FEBA, 2017). More recently, they have begun working to encourage greater social inclusion, employing people living in poverty, improving access to food (e.g. mobile kitchens), and hosting employment and skills building workshops. Similarly, long-running initiatives such as the Restaurants du Coeur in France, Belgium and Germany distribute food packages and hot meals to low and very low income groups, in addition to providing support to find housing and leading reinsertion programs. However, as donation-based programs, promoting healthy diets remains a challenge.

The growing reliance on food banks and food aid associations raises a variety of questions. Food banks are highly reliant on the recovery of wasted or surplus food. Some 88 million tons of food are wasted every year in the EU (European Commission, 2017), with food banks and associated redistribution systems recovering food at various points of the chain. Food is also received via European and national food aid programs and individual food donations. These systems have therefore been criticized for sustaining a system of over-production and waste. Support for food waste redistribution has attracted particularly attention by policy makers and retailers over recent years. Adopted in February 2016, A French law against food waste now provides a legal framework to redistributed surplus to food aid associations. The law obliges food distributors to donate free surplus to one or more approved food aid associations. The new law also prohibits food retailer over 400m² to dispose of or destroy any unsold food that is still fit for consumption, under penalty of fine.

Evidence published in the UK has demonstrated that while charitable approaches to food insecurity fill an immediate need, they do not offer a durable route out of poverty, and form part of the edifice of what are fundamentally unsustainable food systems (Caraher & Furey, 2017; Riches & Silvasti, 2014; Lorenz, 2012). Many have therefore argued for these charitable
schemes to be repositioned as a short-term ‘emergency’ component of broader, longer-term strategies to tackle poverty, food insecurity and poor diets.

It is clear, therefore, that ensuring access to healthy diets for all remains a major challenge in the EU - a challenge that continues to fall between the cracks of different policies at different levels of governance. In some cases, prevailing approaches may be addressing short-term needs while undermining the long-term basis for delivering healthy and sustainable food systems, and healthy and sustainable diets, for all. Ensuring a decent standard of living for all is clearly a prerequisite for delivering food security and healthy diets - but alone may not suffice alone, given the variety of complex social factors underpinning access to food. In the multi-level governance context of the EU, supporting access to healthy food for all clearly requires integration of policies across different levels and sectors to succeed. However, questions remain about the complementary roles the EU, member states, and sub-national authorities can play in supporting alternative food systems.

The following questions and considerations therefore arise, and can help to guide attempts to rebuild and realign various policies with a view to promoting access to healthy diets for all, as part of an integrated policy vision for delivering sustainable food systems in Europe:

- What are the long-term effects of providing cheap, subsidized or free food on the prospects for promoting healthy diets for all? How can we move beyond the ‘cheap food’ and ‘food charity’ model without undermining emergency provision?
- What are the most promising examples (at national/regional level) of integrating different anti-poverty and food access measures to promote healthy diets for all?
- What targeted food access measures can best complement strong social safety net measures (e.g. a living wage, affordable housing policies) to promote healthy diets for all?
- Where are the challenges and the leverage points to address the various forms of food poverty: urban food poverty, rural food poverty, child food poverty, food poverty among marginalized groups (e.g. migrants)?
- What should be the respective roles of the EU, national and local policy? Can local-level alternative food system initiatives provide answers, and can they be supported at national and EU levels? Can meaningful steps to improve access to food be taken under existing EU competence areas, e.g. the CAP?
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