



European LEADER Association for Rural Development – AISBL

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## **PRESS RELEASE**

### **No to EU budget cuts at the expense of Rural Development!**

**Brussels, 10/12/12** - In view of the concluding negotiations of the next Multi Annual Financial Framework (MMF) in early 2013 and following the worrisome compromise for the EU budget 2014-2020 put forward by Council President Herman van Rompuy, the European LEADER Association for Rural Development – ELARD aisbl urges the negotiating parties to consider the negative impacts that further cuts on Pillar II of the CAP will have upon rural areas and the livelihoods of millions of European citizens.

In a period characterized by deep economic recession, the alarming increase of unemployment and stagnating levels of growth, cutting the budget of Rural Development by 9.3% is viewed by ELARD as a major strategic mistake which may derail the EU even further away from its 2020 Strategy objectives.

Rural areas cover 91% of the EU's territory, while a staggering 56% of the Union's population lives in these areas. ELARD maintains that in light of the present grim financial reality, rural areas have the potential to act as hubs for sustainable economic growth, innovation and job creation. Over the past 20 years the hard work of LEADER Local Action Groups in rural areas has demonstrated that this can indeed be the case.

While Pillar I and direct payments seem to be coming out of the cuts relatively unscathed (4.8% cut) Pillar II is set to decrease twice as much. If one also takes into account the reverse modulation from Pillar II to Pillar I, the cut for Rural Development may even double! This clearly demonstrates a rather stubborn attachment to the outdated "old rural policy paradigm". This paradigm looks at the countryside solely through the lens of agriculture, even though the latter's role in the economy has been steadily decreasing. We acknowledge that agriculture still remains one of the cornerstones of rural economy and recognize its importance in maintaining the production throughout the European Union; however ELARD believes that at the same time we must work towards diversifying the rural economy and equally supporting other industries which can often be more important for the local economy and job creation than agriculture.

ELARD would therefore like to call on the EU's heads of states not to endorse the proposal of the President of the European Council and to recognize the paramount importance of Rural Development as a tool capable of alleviating EU citizens from the heavy burdens of the financial crisis through sustainable and integrated local development.