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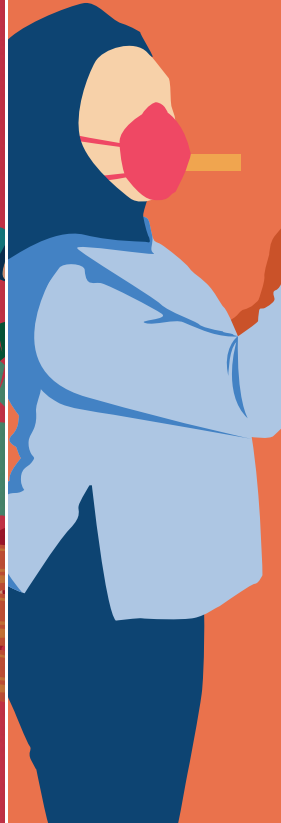
A Call for sustainable food and hospitality systems against Corporate Greed



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EFFAT

EU Elections 2024

EFFAT calls for a Fairer Europe for Workers #CallingEU

A Call for sustainable food and hospitality systems against Corporate Greed



What are we talking about?

Approximately one-third of all human-caused greenhouse gas emissions are associated with the current agro-food system. Inequality underpins its functioning with clear winners and losers. While retailer chains, big agrochemical companies, and food giants' shareholders make record profits every year, farm and food workers struggle to put food on their tables.

Despite we have never produced more food in human history, 828 million people in the world still go to bed hungry every night, according to FAO. At the same time, 13% of the world's population is obese.

The food system is vulnerable, unsustainable, and unequal.

This paradox reveals the connection between obesity and malnutrition, two facets of the same coin, and a direct consequence of poverty and food insecurity resulting in millions of people unable to afford a healthy diet.

In this context, the promotion of junk foods, compared with the resources allocated to a nutritious diet, exposes the unsustainable and dysfunctional nature of our food system. Evidence shows that cheap food is tied to labour exploitation and environmental degradation. This is because its hidden cost doesn't disappear. Somebody pays for it, namely the planet, and a substantial portion of agro-food workers who endure poor wages and harsh working conditions.



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Why is EU action needed?

The impact of Covid-19, climate change, and increased geopolitical tensions showed all the weaknesses of our food system with major repercussions on food affordability, notably at the expense of vulnerable households and food-deficit countries.

An alternative way forward exists and Europe must choose and promote it globally. We need to rethink the way we grow, harvest, produce, sell and trade our food. We need a sustainable food system that puts people and the planet at its core. We want a model that solves hunger and diet-related diseases by offering a way of eating and growing food that is socially just and environmentally sustainable.

A sustainable food system worth its name must feed the world with healthy and affordable food for all, respecting our planet and those essential workers who make sure food is daily available.

How can the EU act?

Achieving a sustainable food system requires a holistic approach that works in the interest of people and the environment. A sustainable food system should underpin the creation of quality jobs and strengthened collective bargaining in agriculture, food production and hospitality. Any narrative around the sustainability of the food system should be centered on the people, not only as consumers, farmers or employers but foremost as agro-food workers deserving rights and protection.

Towards the end of the current mandate, the EU Commission has given up to its commitment to issue a Sustainable Food System initiative. A few weeks later, the European Parliament has ditched a law to curb the use of chemical pesticides. It is now time for the EU to relaunch these two initiatives and complete the implementation of the Farm to Fork Strategy.

At the same time, the reform of our fragile food system should encompass the need to address some of the key dysfunctional long-standing issues affecting the planet and vulnerable actors across the food chain.

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This include market speculation, an unsustainable approach to trade, shareholder value maximisation and the process of concentration of power at each step of the food value chain.

EFFAT vision and demands on trade and climate change can be found in our proposals on Just Transition. In this paper we highlight our demands to promote long term shareholder engagement and tackle the process of concentration across the food value chain:

1. Regulating Financial and Food commodities markets and promote long-term shareholder engagement:

The agriculture, food and hospitality sectors have not escaped the growing power of commercial and investment banks, insurance companies, hedge funds, or private equity funds that are dictating companies' strategy based on a short-term perspective geared toward maximizing the cash flow for their shareholders. Financial markets today directly reward companies for reducing payroll through closures, restructuring and outsourcing. Workers are paying a high price with job cuts, worsening working conditions and endless requests for flexibility.

This situation is distorting the main function of the agri-food sector, which is to provide nutritious and quality food to all in an environmentally and socially sustainable way.

Solutions to tackle the impact of short-termism on people, workers and planet are urgent and the EU must act including by:

- Regulating financial, food commodity and energy markets to fight speculation, limit fluctuations and discourage short-term capital influxes also through the introduction of an excess profit tax and a Financial Transaction Tax.
- Banning share buybacks as they prevent long-term investments in innovation, quality jobs and climate neutrality.
- Introducing "loyalty shares": Double voting rights for long term shareholders (after one year) and/or the possibility to get dividends only after one year.
- Linking CEO and high management payments to long term sustainability objectives (e.g. reducing greenhouse emissions, safeguarding employment, reducing accident rates).
- Linking social conditionalities to the provision of public subsidies/funds and public procurement contracts.
- Promoting Sustainable Corporate Governance by ensuring the fair implementation of the Corporate Sustainability Due Diligence Directive and the Corporate Sustainability Reporting Directive.

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2. Fighting the concentration of power across our food value chain:

The EU must finally confront the imbalances and distortions in the food chain by providing protection to its most vulnerable actors, namely agricultural, food processing and hospitality workers, as well as small farmers. If the pressure from retailers and food giants goes unchecked, and a viable income is not ensured for farmers and agricultural workers, rural areas will continue to be abandoned and farmers will continue to opt for unsustainable farming practices to increase their margins.

Key measures that the EU can take to limit this process of concentration are inter alia the improvement and fair implementation of the Unfair Trade Practices Directive, the inclusion of environmental and social criteria into EU competition law and the Merger Regulation 139/2004, and the lowering at EU level of the threshold of what constitutes a 'dominant market share'.



EFFAT

EFFAT is the European Federation of Food, Agriculture and Tourism Trade Unions, also representing domestic workers.

As a European Trade Union Federation representing 116 national trade unions from 37 European countries, EFFAT defends the interests of more than 25 million workers towards the European Institutions, European employers' associations, and transnational companies.

EFFAT is a member of the ETUC and the European regional organisation of the IUF.

The EU must shift back to the ambition of the Farm to Fork Strategy and propose a holistic way forward including by regulating food commodities markets and tackling the concentration of power across our food value chain.

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**European Federation of
Food, Agriculture and Tourism Trade Unions**

Avenue Louise 130a, 1050 Brussels, Belgium

www.effat.org