

The EU and the Philippines: Harmonising Food Safety Regulation in Trade – The Sustainable Route?

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The prioritisation of food safety in international trade has become more pronounced than ever. With the EU and the Philippines having launched negotiations for a free trade agreement in 2015, this paper aims to analyse the implications of the expanding relations between the two parties on food safety and sustainability. Acknowledging that there remains a gap between the EU and the Philippines in relation to harmonising food safety regulation, this paper argues that a re-conceptualisation of the global food system must be established to eliminate trade-offs in policymaking and further address how to feed the world's rapidly growing population and limit environmental deterioration.

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Introduction

With inter-regional trade agreements between the EU and ASEAN currently on hold in order to prioritise bilateral negotiations, the EU and the Philippines find themselves in a position to forge a stronger partnership. Recently, both parties launched negotiations for a free trade agreement (FTA) that deals with matters including, inter alia, facilitating trade flows and reducing, if not eliminating, barriers in agricultural products and manufactured goods². Coincidentally, since the turn of the twenty-first century, the EU has been adhering to stricter food safety measures, especially with its trading partners. However, as compliance to regulations remains a factor in food safety which, for reasons outlined in this paper, developing countries usually struggle with and attempt to curb, the promotion for a more integrated approach on food safety has stagnated. In the case of the Philippines, concerns of non-compliance and de-certifications have been increasing³. This implicit contention in food safety regulation between developed and developing countries – in this paper, the EU and the Philippines – is often taken for granted, especially in addressing how to feed the world with a burgeoning population and a declining environment.

This paper aims to analyse the implications of the expanding trade relations between the EU and the Philippines on food safety and sustainability. The next section presents an overview of food safety regulation and how this has changed the fundamentals upon which the EU's food safety policy rests. Subsequently, it will assess the EU's attitude towards its ongoing FTA with the Philippines. The third section discusses food safety in the Philippines, outlining the challenges that the country is facing in addressing the issue, and highlighting the link between (non-)compliance to regulations and the double burden of malnutrition. Lastly, this paper argues that while there exists a gap between the EU and the Philippines in relation to food safety, the growing partnership between both parties may result in trade-offs wherein adherence to food safety regulations will be made stronger at the cost of sustainable development. Hence, a re-conceptualisation must be put in place to eliminate these trade-offs and move towards a more sustainable food system.

Food safety regulation in international trade

Despite being frequently overlooked – with most studies concerning food being focused around tackling availability and accessibility – food safety has become an increasingly important factor in the global food market. Over the years, the world has seen an emergence of foodborne outbreaks that have highly impacted the food supply chain on both sides of the continuum. On the one side, producers have grown more cautious when complying with food safety regulations to ensure competitiveness in the market, while on the other, consumers have become much more proactive and aware of the products they purchase and consume⁴. This has strengthened the proliferation of food safety mechanisms, and resultantly changed the international food trade environment.

² European Commission. (2018). Sustainability Impact Assessment (SIA) in support of Free Trade Agreement (FTA) negotiations between the European Union and the Philippines: Draft Interim Report. European Commission: Brussels.

³ King, T., Cole, M., Farber, J., Eisenbrand, G., Zabarar, D., Fox, E., and Hill, J. (2017). Food safety for food security: Relationship between global megatrends and developments in food safety. *Trends in Food Science and Technology* 68, pp. 160-175.

⁴ Bazzan, G. (2017). Effective governance of food safety regulation across EU member states: Towards operationalization. *European Journal of Risk Regulation* 8(3), pp. 565-572.

Among the most widely known mechanisms to ensure food safety in trade is standard compliance. As the global food system has become increasingly integrated, the regulation of food safety through means of standardisation has emerged as the basis of maintaining trust and transparency in international trade⁵. International organisations, particularly the FAO, WHO and the WTO, have worked to harmonise food safety through the Codex Alimentarius, which has then served as the international reference point for food standards⁶. Moreover, the adoption of certifications introduced by different public and private bodies has increased exponentially as it serves as a tangible commitment to standard compliance. This has influenced food industries to abide by different mechanisms such as the Hazard Analysis and Critical Control Points (HACCP), a management scheme for food safety and quality⁷, and the Global G.A.P., which certifies industries that exhibit proper food safety and sustainability⁸. Indeed, the expansion of these mechanisms bodes well for the future of food safety.

Following various food scares and health crises including outbreaks of the mad cow disease and the dioxin contamination, the EU has paid more attention to its food safety framework, benefitting widely from the development of standards. The EU has made significant progress in integrating its food safety law through, among other things, protecting consumers and reinforcing production schemes⁹. It has also been stricter when imposing international mechanisms such as the sanitary and phytosanitary (SPS) measures established by the WTO, as well as complying to principles of the aforementioned HACCP and promoting the Global G.A.P. certification. This kind of approach has formed the basis of the EU's relations with its trading partners, with FTAs identified as a platform to harmonise food safety regulations¹⁰. However, key challenges exist in ensuring compliance to standards, especially given how norms and laws concerning food safety have evolved from a predominantly western perspective¹¹. This entails a complex challenge for developing countries, resulting in most of them finding compliance to standards to be a process that "[...] fragments national markets"¹².

Building upon the Partnership and Cooperation Agreement which was signed in 2012 and which came in effect in early 2018, both the EU and the Philippines reaffirmed a more collaborative approach in addressing sustainable development in various sectors including - amongst others - agriculture, fisheries and rural development¹³. Thus, in December 2015, the parties started talks for an FTA to enhance trade relations. This was envisioned through the reduction of tariff and non-tariff barriers on, inter alia, agricultural products and manufactured goods. As food safety mechanisms have for a long time been criticised for being used as a disguise for protectionist measures, the purpose of the FTA was to guarantee that there would not be any hindrance to formulating an integrated food safety policy. Despite this, not much attention has been given to food safety regulation,

⁵ Ansell, C. and Vogel, D. (2006). *What's the Beef? The Contested Governance of European Food Safety*. Cambridge, Massachusetts: The MIT Press.

⁶ FAO and WHO. (2016). *Understanding the Codex Alimentarius*. FAO: Rome.

⁷ Safe Food Alliance. (n.d.). *The Essential Guide to HACCP*. Retrieved from <https://safefoodalliance.com/food-safety-resources/haccp-overview/>

⁸ GlobalG.A.P. (n.d.). *What We Do*. Retrieved from https://www.globalgap.org/uk_en/what-we-do/

⁹ Van der Meulen, B. (2015). *Is current EU food safety law geared up for fighting food fraud?* *Journal für Verbraucherschutz und Lebensmittelsicherheit* 10(Suppl. 1), pp. 19-23.

¹⁰ Ibid.

¹¹ Schillhorn van Veen, T. (2005). *International trade and food safety in developing countries*. *Food Control* 16(6), pp. 491-496.

¹² Ibid.

¹³ Council of the European Union. (2011). *Framework Agreement on partnership and cooperation between the European Union and its member states, of the one part, and the Republic of the Philippines of the other part*.

particularly in complying to food standards. If anything, the most that was done in the ongoing FTA negotiations was to lay out plans for adhering to the SPS measures. This brings much more emphasis on the Philippines as its main exports include agri-oil products, processed meat, fish, vegetables, fruits and nuts¹⁴ – the monitoring of which is deemed critical in all stages of the food safety process. This exclusion of food safety regulation within the ongoing negotiations, while remaining indirect, has its origins in the differing views of both parties with regards to tackling food safety.

The expanding relations of the EU and the Philippines provides an illustration of the gap existing between developed and developing countries in addressing compliance to food safety regulation in trade. In acknowledgment that the foundation in which it rests is primarily western-centred, the requirements to food safety being asked of developing countries are disproportionate¹⁵. This was echoed in organisations at the grassroots level, which see trade liberalisation as an issue that presents underlying consequences to developing countries. An article published by the Belgian development NGO, SOS FAIM reaffirmed¹⁶:

The various liberalisation timetables, the existence of more favourable treatment clauses, the complexity of European levies or rules of origin are so many reasons, among others, why the completion of bilateral FTAs is slowing down or prevents regional cooperation.

In the case of the FTA between the EU and the Philippines, the rules imposed by the former are deemed difficult to implement for the latter¹⁷. Hence, the issue of whether or not policies will be translated into practice is one with which the Philippines is constantly struggling. This is not to say, however, that the relations between both parties is becoming counterproductive – on the contrary. The more policies are being proactively engaged with, the more room there is for food safety regulation to be adhered to in the Philippines. While nothing is yet conclusive, the FTA can serve as a guide for the EU and the Philippines to tailor food safety policies in line with their respective conditions while at the same time, complying to international standards which would allow for wider access to export markets. Having said that, there is still a long way to go for the Philippines, which as a developing country, encounters a plethora of challenges that receive priority over compliance to food safety regulations.

Issues of (non-)compliance: The case of the Philippines

Nonetheless, food safety remains a crucial issue in the Philippines, with agriculture making up a large proportion of the national economy. With abundant agricultural resources and a suitable environment, the sector has contributed to much of the country's growth in the past. Despite this however, agriculture in the Philippines has witnessed a relative decline in recent years. Whereas some of its neighbouring countries have flourished in this field, the Philippines' productivity in agriculture has stagnated. It has gone from becoming a net exporter to a net importer of food, has witnessed slowing growth in its agricultural sector,

¹⁴ The Delegation of European Union to the Philippines. (2018). EU-Philippines Trade and Investment 2017/2018. EU Delegation: Makati City

¹⁵ SOS FAIM. (2015). The impact of E.U. free trade agreements on food security. Retrieved from http://www.momagri.org/UK/focus-on-issues/The-impact-of-E-U-free-trade-agreements-on-food-security_1551.html

¹⁶ Ibid.

¹⁷ Delegation of the European Commission to the Philippines. (2009). The EU integrated approach to food safety. *EU News* 7(1), pp. 1-3.

and has further lost its comparative advantage over other countries in the Southeast Asian region¹⁸. To this day, the country suffers from a lack of technology, strategy and labour for improving the agricultural sector. This is pronounced by the government's outdated policies and growing negative perceptions towards agriculture work, as well as the impacts the country is facing due to climate change and the seemingly incompatible international food standards. Hence, the interplay between internal issues and exogenous factors has made it harder for the Philippines to have an effective food safety policy, let alone comply to standards.

As in many other developing countries, the Philippines has struggled to develop a food safety programme that strikes the balance between conforming to national agencies and aligning with food safety regulations imposed by international bodies¹⁹. This has led many food industries in the Philippines, particularly the manufacturing sector, to curb compliance to standards. Acknowledging that forty per cent of the total manufacturing output is in food and beverage processing²⁰, adherence to food safety regulations is vital in order for this output to reach international markets. Despite this, the country has been subject to various concerns of non-compliance and de-certifications²¹.

Issues of non-compliance with food safety standards in the Philippines are not new. In fact, regulatory processes in the Philippines have become so inefficient that industries have opted to do away with them²². In cases where industries do comply, much of the process is halted in the long run due to costs being much higher than benefits. For those industries that are willing to continue through the processes of food safety regulation, the delay caused by national regulatory agencies puts them off due to losses incurred while awaiting certifications or permits²³. This stems from the inefficiency of several food safety regulatory agencies. Not only are there complicated steps to go through in numerous agencies, there is also a lack of funds and human resources, making the whole system fragmented.

The problem of inefficiency in food safety regulations has also emerged as a factor impacting the double burden of malnutrition prevailing in the Philippines – where on the one hand, the problem of undernutrition continues to be rampant and on the other, over-nutrition, more notably the 'obesity epidemic', has recently become prevalent. Because consumers are likely to lack awareness of food safety regulation impacting the products they purchase and consume, health concerns arise and pose a further risk to food security in the country. Issues such as the sale of 'double dead' meat in wet markets in Metro Manila, unregulated street food, the lack of information concerning the origins of the food and food waste, among others, have taken a toll on the population, with foodborne illnesses becoming a major health problem in the country. What is interesting to take into consideration here is the fact that these foodborne outbreaks are taken for granted and are often forgotten until another incident happens²⁴. In this respect, it comes as no surprise

¹⁸ David, C. (1999). Constraints to food security: The Philippine case. *Journal of Philippine Development* 26(2), 1-46.

¹⁹ Collado L.S., Corke, H., and Dizon, E.I. (2015). Food safety in the Philippines: Problems and solutions. *Quality Assurance and Safety of Crops and Foods* 7(1), pp. 45-56.

²⁰ Ibid.

²¹ Ragasa, C. Thorsbury, S., and Joshi, S. (2017). Dynamics of EU food safety certification: A survival analysis of firm decisions. *Agricultural and Food Economics* 5(11), pp. 1-25.

²² Llanto, G. and Manalili, N. (2018). Regulatory issues in the Philippine food manufacturing industry. *Philippine Institute for Development Studies Policy Notes* 4, pp. 1-6.

²³ Ibid.

²⁴ Ibid.

that the Philippines continues to suffer from a large number of health and nutritional problems.

The timing of the ongoing FTA negotiations has proven beneficial in opening discussions around food safety regulation in the Philippines. Although relations between the EU and the Philippines predominantly focus around development aid and human rights, some issues of food safety are still being brought to light. Given how food as a policy issue transcends different fields deemed equally important for both parties, including health, nutrition and sustainable development, the growing relations between the EU and the Philippines may open political space for policies to be changed. Any resultant changes are likely to be implemented at the national level but may also cause international food safety standards to be adjusted in ways that increasingly compel developing countries into compliance.

Acknowledging that the issue of (non-)compliance is a challenge on its own, there remains a disconnect between food safety regulations and sustainable development in international trade. The liberalisation of trade and the integration of standards implies the increasing globalisation of food systems, which then runs counter to the narrative at the core of discussions surrounding food sustainability. This narrative advocates a more local approach to production and consumption with the aim of reducing the existing food system's contribution to climate change. Through the ongoing FTA negotiations, the link between trade and sustainable development is highlighted in one of its clauses²⁵, demonstrating how the EU and the Philippines find common ground when addressing issues concerning sustainability. Whether or not this part of the agreement goes far enough in addressing food safety will significantly impact the perspectives of both parties in complying to regulations and, at the same time, advancing sustainable development.

The way forward: Linking food safety and sustainability in trade

The multi-layered structure into which the global food system has transitioned has had a significant influence on the sustainable development agenda. Essentially, there has been increasing concern that industrial agricultural practices contribute negatively to climate change and compound other associated challenges including, inter alia, malnutrition, food waste and food disparities. This has brought forth an increase in policies, programmes and initiatives that counter the dominant narrative that mainstream food systems will be able to simultaneously feed the world while remaining sustainable. Included among these are food labels promoting organic agriculture and fair trade, certifications for industries to uphold sustainability, and food movements that advocate for shorter production schemes and the role of small-scale farmers and fisherfolk.

Trade liberalisation has also developed into a point at which many assert that it lies at the core of the sustainability agenda put forth by the United Nations²⁶. A number of studies show that agricultural trade helps reinforce global food systems and sustainable development through the process of comparative advantage²⁷. This neoliberal perspective sees trade as an essential factor in ensuring that, among other things, less areas are

²⁵ Ibid.

²⁶ Ibid.

²⁷ Clapp, J. (2016). The trade-ification of the food sustainability agenda. *The Journal of Peasant Studies* 44(2), pp. 335-353.

transformed into agricultural lands, more intense and efficient production leads to an increase in yield, and a wider range of products become available for consumers to enjoy. Especially within the realm of food security, trade has been instrumental in facilitating availability and accessibility around the world. This has led to greater market access and opportunities for product specialisation, thus entailing positive effects on economic growth, employment, prices, and household incomes²⁸.

There has however, been an emerging line of thought providing a more critical perspective of the relationship between trade and sustainability. Against the assertion that agricultural production serves as a multifunctional entity rather than solely an economic commodity²⁹, it is being increasingly acknowledged that the nexus between trade and sustainability is weaker than previously perceived. The externalities linked to the food trade have become complex in recent years, upholding the contention that trade may not be as sustainable as it seems. This has also been reiterated by food sovereignty movements which assert that more focus should be directed at local food systems and not on international trade³⁰. As most of today's food comes from large agribusiness industries, current trade practices have somewhat compounded unsustainability. Issues such as the proliferation of meat and dairy production as well as the increase in unhealthy lifestyles has led into an increased risk of non-communicable diseases. In the same way, trade has contributed significantly to several ecological challenges³¹. In fact, most of the food products being traded today are the same products heavily impacting, inter alia, land degradation, water pollution and biodiversity loss³². Given the global food system's numerous shortcomings, it is clear that the ideas at the very core of this system must be redefined in order to achieve sustainability.

In response to the sustainable development agenda gaining popularity in trade practices, the EU has introduced a clause in its agreements focused precisely on this connection. As stated previously, FTAs have become an instrument for facilitating better trade practices and linking developed and developing countries through the reduction of trade barriers and the alignment of international food standards, among other things. What this kind of agreement does not take into account, is the way in which trade, particularly in food, is conducted in a sustainable manner. In a clause provided in the report for the second round of negotiations between the EU and the Philippines, discussion of the relationship between food and sustainable development was relatively limited. The only mention of this relationship referenced strengthened cooperation on eco-labelling and 'green goods' production³³ – what this means is another issue to be discussed. Fundamentally, this is an intriguing case for the partnership of the aforementioned parties, as food makes up a significant proportion of the products being traded today.

Within the FTA negotiations, the EU and the Philippines are in mutual understanding over the ways in which food standards may be adjusted to their respective needs. Despite being beneficial in its attempt to consolidate international food standards into national markets, the lack of consideration paid to issues of sustainability may be counterproductive to the

²⁸ Dithmer, J. and Abdulai, A. (2017). Does trade openness contribute to food security? A dynamic panel analysis. *Food Policy* 69, pp. 218-230.

²⁹ Ibid.

³⁰ Ibid.

³¹ Ibid.

³² Ibid.

³³ European Commission. (2017). Report from the 2nd round of negotiations for a Free Trade Agreement between the European Union and the Philippines. European Commission: Brussels.

goals of the agreement. The improvement of environmental conditions, the increased role of small-scale farmers and fisherfolk, and the transition to healthier diets³⁴ are among the issues implicitly excluded in the agreement. This in turn makes the situation unfavourable not just for the two parties, but also for the food system as a whole. Hence, a more comprehensive focus on gearing towards sustainable food systems³⁵ must be established.

The example of the growing partnership between the EU and the Philippines provides proof of the need to scrutinise and reshape the relationship between production, consumption and policymaking³⁶. These are often divided into their own functions, where on the one hand, quantity (production) is prioritised, paying less attention to safety, health and nutrition, and on the other hand, quality (consumption) is patterned towards what is more nutritionally beneficial, taking for granted availability and access to food products. In this regard, policies turn out to be insufficient, or in more extreme cases, ineffective, in addressing the issue at hand. Thus, acknowledging their commonalities and working towards making them complementary with each other, instead of strengthening the dichotomy, would be the best way to lessen, if not eliminate, trade-offs. This may also be well-illustrated in the field of compliance to food safety regulation where this paper has presented may be achieved at the cost of sustainable development. Ultimately, in order to arrive at a win-win situation for food safety regulation and sustainable development, mechanisms on the production side and perceptions on the consumer side should be harmonised in a way that ensures issues of sustainability play a larger role in policymaking.

Conclusion

The EU and the Philippines are in two very different, yet often complementary regions in the area of food and agriculture. Whereas the former pays more attention to large-scale farming and the industry of agribusiness, the latter is more oriented around small-scale farming. This has been an obstacle in bilateral trade relations, particularly when it comes to complying to food safety standards, as the Philippines deems it rather difficult to adhere to rules that are not compatible with its national market. Nonetheless, through the FTA, this was made somewhat easier thanks to the rejection of the 'one size fits all' approach to agriculture, further opening discussions to reduce trade barriers, and working towards a more integrated approach to food safety regulation. The subsequent actions of the EU and the Philippines at the next session of negotiations should be closely monitored in order to identify whether or not proposals on food safety will be implemented effectively at the national level – if at all.

The ongoing FTA negotiations between the EU and the Philippines have, so far, been a useful case in determining the complex and evolving relationship between food safety and sustainable development. Although there has not been a common view on trade liberalisation, the conditions in which policies and programmes function on the basis of sustainable development are exponentially growing. This increase of proactivity in harmonising food safety and sustainability in international trade, albeit most of the time

³⁴ Venkataraman, S., Badar, U. and Hefferon, K. (2019). Agricultural innovation and the global politics of food trade. *Encyclopedia of Food Security and Sustainability 1*, pp. 114-121.

³⁵ A sustainable food system was defined by the FAO in 2018 as one which, "[...] delivers food security and nutrition for all in such a way that the economic, social and environmental bases to generate food security and nutrition for future generations are not compromised".

³⁶ Garnett, T. (2013). Food sustainability: Problems, perspectives and solutions. *Proceedings of the Nutrition Society 72*(1), pp. 29-39.

implicit rather explicit, has become vital in concretising solutions for the future of food and agriculture.

However, it is vital to note that the existing dichotomy between production and consumption must be eliminated. Although consumers have grown more aware of and invested in where their food comes from and how it is produced³⁷, there remains a disconnect between consumers and the processes of food production. This then contributes to agricultural industries continuing unsustainable practices and further contributing to issues such as those earlier stated in this paper. Ultimately, a re-conceptualisation of the relationship between production and consumption is required in order to produce effective and complementary measures which encourage more sustainable food systems and harmonise food safety regulation with sustainable development.

³⁷ Shindelar, R. and Pimbert, M. (2015). Introduction: The popularization of food localization. *RCC Perspectives 1*, pp. 5-6.

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