

23

The Common Agricultural Policy

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Reader's Guide

This chapter examines one of the first European policies, the Common Agricultural Policy (CAP). It does so by focusing on the policy's objectives, instruments, actors, and debates. It looks at the way in which the CAP has evolved since the 1960s, and attempts to explain this evolution by asking and answering a number of important questions: why has the CAP been so problematic for European policy-makers? Why has it proven so resistant to change? Given the constraints identified, how has reform come about? This chapter also looks at some of the challenges facing agricultural policy, as new debates emerge among citizens on the place and the functions performed by agriculture. The chapter grants particular attention to the way the CAP tackles issues such as rural development, relations between agriculture, food and the environment, transparency, and social equity.

23.1 Introduction

The Common Agricultural Policy (CAP) has long been of symbolic importance to the European integration process and has been subject to calls for

reform since the 1960s. This chapter begins with a brief introduction to the principles underpinning the CAP and then provides an explanation of why it has taken (or is taking) so long to reform this policy. In Section 23.3, attention turns to the long reform

process that has taken place step by step since 1992. Understanding the original policy and how it has progressively changed over time helps us to better understand the contemporary debates on the CAP that are explained in Section 23.4.

23.2 The early days of the Common Agricultural Policy and the issue of CAP reform

This section presents the main principles and instruments of the early Common Agricultural Policy and provides an overview of the CAP's brake mechanisms at national and European levels.

23.2.1 The early days of the policy

The objectives of the CAP, which came into force from 1962, were laid down in the *Treaty of Rome* in 1957 (Article 39) and subsequently at the *Stresa Conference* in July 1958. Three general principles underpinned the policy: **market unity**; **Community preference**; and **financial solidarity**. The initial move in establishing a European agricultural market (applying the so-called market unity principle) was the setting up of **common market organizations (CMOs)** for all agricultural products, most notably for wheat, barley, rye, corn, rice, sugar, dairy products, beef, pork, lamb, wine, and some fruits and vegetables. The idea was to allow free trade internally within the Community, but also to erect barriers to the outside world, to protect the income of European farmers.

The CMOs usually operated on the basis of three complementary policy tools: a **guaranteed price**; a public intervention system; and some **variable levies** at the Community's border. First, the notion of a guaranteed price is crucial to understanding how the CAP operated. The idea was that the specificities of the farming sector (dependence on climatic conditions and vulnerability to natural disasters) and the consequent structural instabilities of agricultural markets made some public intervention necessary to guarantee decent living conditions for farmers. This is why, instead of allowing the market to determine price levels, the prices that farmers received for their produce were administrative prices—that is, they were fixed centrally by Community civil servants and politicians. Such a system had the objective of

both supporting farmers' incomes and boosting agricultural production: the more farmers produced, the more money they earned. Indeed, with the food shortages of the post-1945 period and the security concerns of the Cold War in mind, the aim of self-sufficiency in foodstuffs was presented as one of the major objectives of the policy. In practice, the level of guaranteed prices was initially set on the basis of a political compromise between France and Germany. In the early 1960s, the Germans had a very inefficient cereal sector, but numerous politically powerful farmers, who asked for a high level of support for cereals. Although the French were more efficient and had a lower national price for cereals, they did not mind setting guaranteed prices higher under the CAP, as long as they did not have to pay for them. It is for this reason that Germany has ended up as the primary contributor to the CAP since 1962, while France has always been among the main financial beneficiaries.

Second, if the price began to fall due, for example, to an excessive internal supply, which would have had the effect of depressing farmers' incomes, intervention agencies would step in when the price reached a certain level (the **intervention price**) to buy up the surplus and store it until the market was balanced again, thus keeping prices high.

Third, if the price fixed inside the Community was to be high enough to support farmers' incomes, it was imperative to prevent cheap imports from flooding the **common market**. Therefore, to achieve the second CAP principle (community preference), a system of variable levies was set up for each product. Produce could generally only enter the common market if it was priced at or above the internal price; if not, the importer had to pay a tariff equalling the difference to the European Budget and thus had to sell their product at the European price. Moreover, a system of 'reimbursements' (refunds), similar to export subsidies, was also put in place, enabling European producers to sell their products on the world market at world prices without losing income. These subsidies covered the difference in cost between the world and the higher European prices.

Finally, to promote the principle of financial solidarity, a common fund was set up to cover the financing of the CAP. This fund, the **European Agricultural Guidance and Guarantee Fund (EAGGF)**, comprised two parts: guidance and guarantee. While the guarantee section covered costs attached to the operation of

the market system, such as the costs of intervention and export refunds, the much smaller guidance section was responsible for funding structural policies. The EAGGF originally comprised almost the entire European Community (EC) Budget.

23.2.2 Problems arising and the first incremental reforms

Initially, the policy was very successful in that it very quickly met its initial objectives of increasing productivity, supporting farmers' revenues, and achieving European self-sufficiency. However, by the 1970s, overproduction had become a political issue, with the first surpluses having appeared in the form of the famous 'butter mountains' and 'wine lakes' of this period. These problems of overproduction, caused when the supply of agricultural produce outstrips demand, increased throughout the 1980s. As an ever-increasing volume of products surplus to internal requirements was being paid for at the guaranteed price, stored at high cost, and exported out of the Community, and with support from the agricultural budget compensating for lower prices on the world market, the CAP was becoming ever more costly to operate. It is far from surprising, therefore, that the CAP was frequently criticized during this time for being too expensive and for taking up too many EC resources, thereby preventing the development of other potentially important political priorities. From the late 1980s onwards, the CAP also began to be criticized internationally for depreciating and destabilizing world market prices with negative consequences for farmers in the rest of the world. As a consequence, agricultural policy began to be a major concern for European policy-makers and the issue of CAP reform appeared on the European political agenda.

Some reforms took place from the late 1970s to the end of the 1980s, but these were marginal and incremental. The economic policy tools that were used during this first period of reform were mainly directed towards controlling the supply of produce by imposing quantitative restrictions on production. These took the form of 'guaranteed ceilings' for crops in 1981, milk quotas in 1984, and a regime imposing maximum guaranteed quantities (MGQs) for cereals in 1987-88, generalized to other commodities in 1988-89. Despite these changes, the principle of guaranteed prices for agricultural products remained the core element of the CAP.

23.2.3 Why is it so difficult to reform the CAP?

The modest changes made to the policy at this time can be explained by institutional factors rooted in the workings of CAP decision-making, which still apply today. Beyond the formal rules of the process (see Box 23.1), decision-taking in this policy area is based on what might be termed an 'inflationist bargaining dynamic'. Because the CAP is a **redistributive** policy, each member state's minister of agriculture is under pressure to bring home the maximum that they can get from that part of the EU budget dedicated to agriculture. As a consequence of the number of member states involved in the negotiations (all of them trying to increase their CAP budgetary return), the range of products involved, and the rules that have long governed the CAP, there is an inbuilt inflationary tendency. For example, each minister in the Council would agree to price increases in his or her neighbour's favoured products in order to get the increases that they want. As a consequence, decisions that would lead to a reduction in agricultural costs, or that would change the redistributive effects of the policy, are more than likely to be rejected by the Agricultural Council. This makes it very difficult for a body such as the Commission to propose reforms that cut costs. The CAP is also an excellent example of what happens when there is no real link between the EU authorities and EU citizens. In such circumstances, it is easy for governments to use the European Commission as a scapegoat for decisions that they really do not want to take or that they have taken collectively in the Council but do not want to be held accountable for. The Commission is restricted in what it can do when this happens and often ends up taking the blame for a policy that it would like to see reformed.

Second, the incremental character of CAP reform can also be explained by national political pressures, which are exported to the European level through the agriculture ministers of each member state in the Agricultural Council. Owing to their ability to mobilize support in many European countries, farmers' organizations are able to exert pressure on governments to support their line on the CAP. Political influence of this kind was particularly intense in France and Germany in the 1970s, 1980s, and 1990s (and it is still quite important despite the ever-decreasing number of farmers). In both countries, farmers were important in electoral terms because public opinion, influenced



BOX 23.1 BACKGROUND: THE FORMAL CAP DECISION-MAKING PROCESS

For much of the CAP's history, the main actors in the CAP decision-making process have been the European Commission, responsible for drafting legislation, and the EU Council, more specifically, the Agricultural Council, responsible for taking decisions. The European Parliament (EP) has had only a very limited consultative role. CAP decision-making usually began with a proposal from the Commission, most often in response to a broadly defined request from the European Council. Since 1991, the Commission got used to launching reform proposals on its own decision, as the Treaties allow. Once formulated, the Commission's proposal is then submitted to the EP for consultation and the Agricultural Council for decision. It is also transmitted to the Committee of Professional Agricultural Organizations (COPA), the main interest group representing European farmers, and to other institutions as appropriate, such as the Committee of the Regions (CoR). The Agricultural Council might reject the Commission's proposal or ask for modifications. Alternatively, it might begin to negotiate on the

basis of what the Commission has proposed, resulting ultimately in a decision. Although the formal rule was **qualified majority voting (QMV)** within the Agricultural Council, it was not applied. More often than not a consensus was sought across all member states. This meant de facto that each member could veto any decision. Decision rules such as this have had important consequences for the CAP, especially with regard to the pace of reforms and their incremental nature.

In the last two decades, two major changes have taken place with regard to CAP decision-making. First, after the Nice Treaty came into force in 2003, the Agricultural Council began to take decisions as a matter of course using the qualified majority rule. Second, since 2009, the EP has used the ordinary legislative procedure (OLP) in agricultural policy-making under the Lisbon Treaty. Although the former has certainly fuelled a more vigorous reform process, the consequences of the latter are still uncertain.

by a deep-rooted affinity for rural life, viewed farmers' interests favourably. In the French case, close links were established from the late 1950s between the government and the main farmers' representative organizations, the *Fédération Nationale des Syndicats d'Exploitants Agricoles* (FNSEA, or 'National Federation of Farmers' Unions') and the *Centre National des Jeunes Agriculteurs* (CNJA, or 'Young Farmers' Association'). Thanks to their capacity for collective action and the threat of public disorder, these organizations were able to impose their views on both right-wing governments (their traditional allies) and, after 1981, on successive socialist incumbents. Although the left-supporting farmers managed to get organized during the 1980s with the establishment of the farming union *Confédération Paysanne* in 1987, which had a rather different position, they were still too weak to challenge the power of the right-leaning FNSEA. Consequently, despite an increased pluralism in the representation of farmers since the 1980s, the French position on the CAP still remains very close to that of the FNSEA.

Farmers' opposition to CAP reform is usually explained simply with reference to their economic interests. However, the conservatism of farmers' associations has also had much to do with deep-rooted symbolic issues linked to the identity of the farming community. In the French case, for example, the FNSEA has vehemently refused to replace the

guaranteed price system with direct payments, even if the latter were calculated to provide a higher income than the former for farmers. Such a position can be explained by certain ethical and professional values that have been inherited by CNJA and FNSEA leaders, arising out of their early experiences in the 1950s with the *Jeunesse Agricole Chrétienne* (JAC, or 'Young Christian Movement'). Farmers were considered to be individual entrepreneurs, actively working the land and selling the products that they had grown in order to earn their living. It is for this reason that they could not tolerate the idea of living and supporting their families on the back of direct income payments, which were viewed either as salaries or, even worse, as a form of social security/welfare payment. Another explanation relates directly to the nature of CAP instruments at that time. In upholding the idea that all farmers should get the same rewards, guaranteed prices had been feeding the myth of farmer unity. This was something of a paradox, because in practice they provided very different levels of support across the EU, across farmers, and across products. For example, the bigger the farm, the more financial support available for the farmer. However, as it was hidden by the guaranteed price system, such inequity did not disrupt farmers' unity. Indeed, after three decades of successive reforms, the CAP remains profoundly marked by these historic disparities.

KEY POINTS

- The Common Agricultural Policy was based on three fundamental principles: market unity; Community preference; and financial solidarity.
- The original CAP comprised the administrative guaranteed price, a public intervention system, and variable levies at EU borders.
- The CAP began to pose problems in the 1970s: agricultural surpluses began to grow and the cost of the CAP increased dramatically, but an inflationary bias in decision-making prevented major reform.
- Farmers' reluctance to change is not only rooted in economic interests, but also reflects identity and symbolic dimensions.

23.3 After 1992: the long reform process

An important shift in the instruments of the Common Agricultural Policy took place in 1992, which opened the way for a long reform process.

23.3.1 External pressures and the MacSharry reform of 1992

World agricultural markets in the early 1980s were affected by massive instabilities. In 1982, member countries invited the **Organization for Economic Co-operation and Development (OECD)** Secretariat-General to undertake a review of agricultural policies to analyse their effects on international trade. With the help of academic economists working in the paradigm of welfare economics, the officials in charge constructed an economic model and tools that enabled estimates to be made of the impact of domestic policies on world prices and trade. These studies were initially used to classify the trade-distorting effects of national policies, and later to rank policies, demonstrating which of them were in most serious need of reform. This process engendered a learning process within the international agricultural policy community and induced a profound change in the way in which agricultural policy issues were defined and discussed. Most notably, it was concluded that, to be less trade distorting, instruments used within an agricultural policy had to be 'decoupled' from agricultural

production so that they would have no direct impact on the type and quantity of commodity produced by the farmer. This conclusion spoke directly to the CAP's **price support system**.

A very important concrete decision followed this international ideational shift. This was the end of the so-called 'agricultural exception' in international trade negotiations. In 1986, the **Uruguay Round of the General Agreement on Tariffs and Trade (GATT)** opened. For the first time, the negotiations included agriculture. As is often the case in GATT rounds, the main players were the USA and its allies, the Cairns Group (a group of 14 net exporters of agricultural produce, notably including Argentina, Australia, New Zealand, Uruguay, and Thailand). They were on the offensive from the start, denouncing the CAP as a system that allowed European farmers to eschew competition with the rest of the world, and calling for an end to all trade-distorting domestic subsidies and tariff barriers on agricultural products. The EU, with traditionally more protectionist countries such as Norway and Japan, found itself on the defensive. At the Heysel Ministerial Conference in December 1990, the USA and EU positions were still at odds, leading to a stalemate in the negotiations and threatening the entire process. To put additional pressure on the Europeans, the Americans and their allies took the decision not to negotiate on any other aspect of the round until the agricultural issue was resolved.

Such a crisis in the GATT arena provided a window of opportunity for European reformers. A radical CAP reform was seen as the only solution. At this point, the Commission launched a project that it had been preparing secretly for some months. Using its right of initiative (for the first time in the history of the CAP), the Commission delivered its radical CAP reform proposal to the Agricultural Council in February 1991. The spirit of the reform was in line with international requirements, in that it would partly replace the system of agricultural price support with a system of **individual direct payments** to farmers aimed at compensating their loss of income.

The political decision to implement such a radical shift in policy instruments, agreed by the Council in May 1992, was taken initially by Helmut Kohl and François Mitterrand, the then leaders of Germany and France. Both were very keen to conclude the Uruguay Round. Germany had important interests in the non-agricultural part of the negotiations and the German industrial policy community put intense pressure on

the German government to resolve the impasse. In France, the pressures came—secretly—from the biggest cereal growers, who had a direct interest in the reform. Thanks to the agreed price decreases, they would be able to gain an upper hand in the European animal food market over US cereal substitutes. Such **freeriding** behaviour by the—very influential—cereal lobby explains why the idea of reform was immediately accepted by the French government (although not officially), against the advice of the *Fédération Nationale des Syndicats d'Exploitants Agricoles* (FNSEA), which was totally opposed to it. The French government immediately decided to accept the reform (in part due to the cereal growers' influence) but they kept their decision secret almost until the end of the decision process (due to their fear of the FNSEA which was able to threaten public order by putting farmers in the streets and paralyse the country by blocking main roads etc.). In addition, in order to benefit from the reform at two levels, cereal growers together with large landowners—who were organized and powerful in the UK for example, lobbied actively for full compensation of the price decreases for all (contrary to the Commission proposal of a sliding scale compensatory scheme making individual direct payments dependent on the size of the farm).

The negotiations on the Commission's proposal took place in the Agricultural Council over a period of 18 months, resulting in the rewriting of the Commission's original proposal. At the end of this process, the outcome of the 1992 reform was not quite as innovative as it might have been. The deal that was finally concluded on 21 May 1992 (known as the 'MacSharry reform', deriving from the name of the agriculture commissioner at that time) was still regarded, however, as historic (see *Financial Times*, 22 May 1992).

23.3.2 An ongoing reform process

The MacSharry reform marked the start of a new trend for CAP reform which continues to this day. Reforms since the early 1990s have been structured around a central motto: '**decoupling**' public support from the market—which increasingly has gone hand in hand with discursive innovations attempting to reconnect (or recouple) CAP payments with societal concerns, such as environmental protection and social equity.

The first post-MacSharry reform was agreed in March 1999 at the Berlin European Council and was incorporated into the Commission's **Agenda 2000** plans.

It was prepared and issued in the broader context of the Eastern **enlargement** of the EU (see Box 23.2). Alongside a number of **subsidiarity**/decentralization initiatives, the 1999 reform was remarkable in that it placed a new emphasis on the environment. Three possible options were presented to the member states, to be implemented on a voluntary basis. This was also the case for a proposal allowing maximum levels of direct aid received by farmers to be set. But these optional social and environmental measures were rarely implemented.

The Agenda 2000 reform also endorsed two important discursive innovations. First, the term '**multifunctionality**' was introduced to signal that agriculture is not only about production, but also incorporated 'non-production' aspects of farming—that is, its social, cultural, territorial, and environmental dimensions. With this concept, European policy-makers were not only seeking new ways in which to legitimize the CAP within the EU, but also had the forthcoming **World Trade Organization (WTO)** Round in mind. When the Uruguay Round was concluded in 1994, the Agreement on Agriculture (AoA) defined three 'boxes' used to distinguish between support for agricultural policy programmes that directly stimulated production and consequently distorted trade, and those that were considered to have no **direct effect** on production and trade.

- Domestic measures with a direct effect on production were placed in the 'amber box': they had to be cut.
- Measures considered to be 'decoupled from production', with no linkage between the amount of payment and the production process, agricultural prices, or factors of production, were placed in the 'green box' and could be freely used.
- Payments linked to programmes aiming at limiting production went into the 'blue box' and did not need to be reduced, as long as certain conditions were met.

In the AoA, the post-1992 CAP compensatory payments were classified in the blue box—but, in view of the forthcoming WTO negotiations, their future was seen as uncertain. In that context, the strategy decided by the Agricultural Council in October 1999 involved 'securing' CAP payments in the blue box by arguing that the CAP could not be challenged because it pursued multifunctionality, meaning non-production, as well as production, goals.

The second discursive innovation of the Agenda 2000 reform was to distinguish between two 'pillars' of the CAP. In addition to a first pillar dedicated to market support, rural development became the 'second pillar' of the CAP. This was presented as a way of enhancing the 'multifunctionality' of European agriculture in line with a subsidiarity-based approach. However, Agenda 2000 was, in fact, only one small step in this direction, with a small percentage of total CAP expenditure allocated to the second pillar. Thirty years later, actors involved in the policy still talk about the 'two pillars' of the CAP; however, the concept of multifunctionality has almost disappeared from their discourse, to be replaced progressively by the concept of 'public good'.

A new CAP reform plan was issued by the European Commission in July 2002, one year after the opening of a new WTO Round, the so-called **Doha Development Round** (see Box 23.3). This plan was largely driven by these new WTO negotiations, within which the fate of the blue box became more and more uncertain, making it clear that the EU could not secure CAP payments to European farmers only by transferring them to the green box, requiring further 'decoupling' from production. While initially supported by the UK, Germany, and other 'northern' governments, the new CAP reform proposal faced very strong French opposition. The French government refused to see the support to its larger cereal growers reduced and wanted the reform to be postponed until 2006.

BOX 23.2 CASE STUDY: EASTERN ENLARGEMENT AND THE CAP

A first crucial issue regarding EU enlargement and agriculture at the end of the 1990s was the extent to which the CAP was to be applied to the ten member states that were to join the EU in 2004, and whether the CAP instruments would have to be adapted. This raised questions about the economic consequences of applying CAP to the new members in respect of the general structure of farming. In addition, there were serious concerns about how the CAP would be financed in the future.

The European Commission presented its strategy for dealing with these questions at the beginning of 2002. Its proposal involved offering direct payments to farmers and introducing production quotas for new member countries after they joined. To ease transitional problems in rural areas and to encourage the restructuring of agricultural sectors, the Commission also proposed complementing its financial support with an enhanced rural development policy. Given that the immediate introduction of 100 per cent direct payments would have bankrupted the EU, the Commission favoured its gradual introduction over a transition period of ten years, covering 25 per cent in 2004, 30 per cent in 2005, and 35 per cent in 2006, ultimately reaching 100 per cent in 2013.

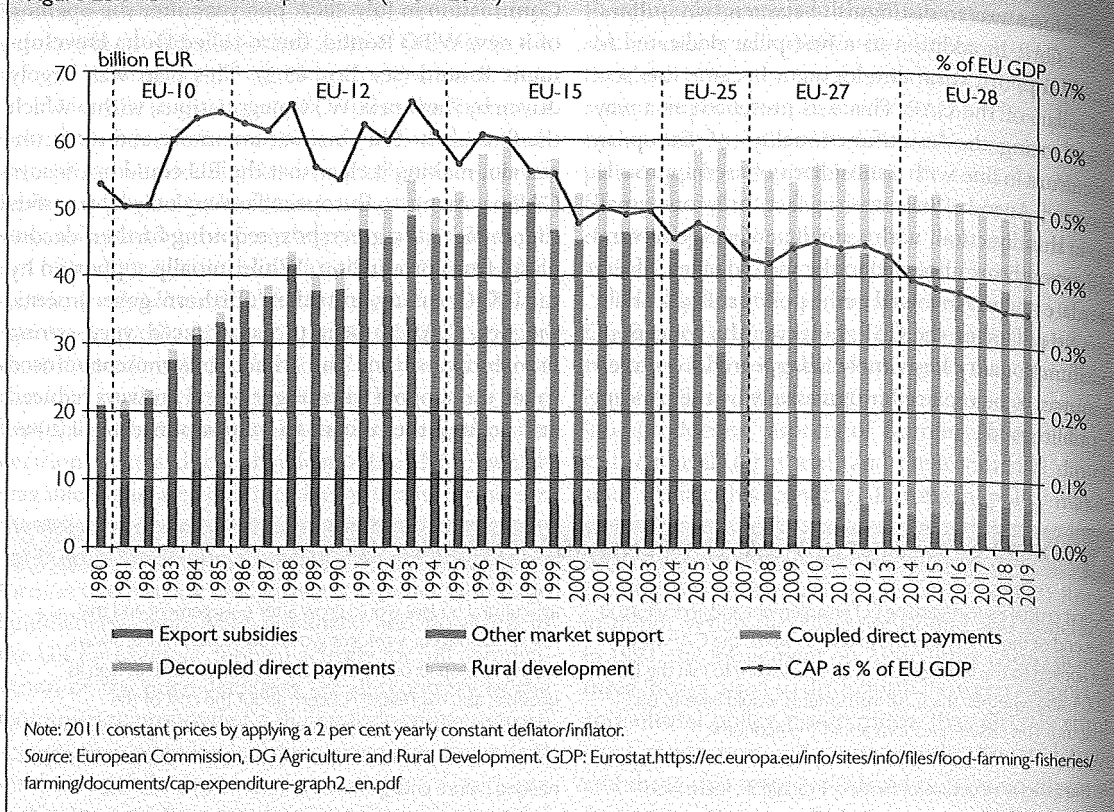
For existing member states, the northern Europeans argued that the proposal was too costly, and that there should be no direct aid to the Central and East European (CEE) countries in the first few years after accession. The Dutch government pointed out that no direct aid for new members was assumed in the Agenda 2000 agreement in 1997. The Swedes argued that direct aid for the new member states would actually discourage much-needed agricultural restructuring. Germany was more concerned about predictions that its net contribution to the

agricultural budget would grow after enlargement and that, as a result, its budgetary returns would decrease. France, always aiming to keep its own budgetary returns on CAP as high as possible, also expressed concern about the cost of the Commission's strategy, but firmly opposed the suggestion by some members that a more profound reform of the CAP was needed before enlargement. For their part, most of the candidate countries reacted by saying that the Commission's proposal did not offer them enough and that they needed 100 per cent of direct aid paid from year one. This was not only for sectoral, but also for political reasons, in order to convince their publics to agree to EU membership in the first place.

At the Brussels European Council on 25 October 2002, the EU heads of state and government finally adopted the main lines of the Commission's proposal. To address some national concerns (from Germany in particular), they placed their decision in a framework of financial stability from 2007 to 2013. This meant that total annual expenditure on CAP direct payments and market-related expenditure for a Union of—at that time—25 members would not exceed the corresponding combined ceilings for 2006.

One important aspect of the 'CAP and EU enlargement' debate was the concern that CEE countries would not have the capacity to implement CAP legislation and control expenditures. Bulgaria and Romania were at the core of especially important debates in this respect in the years before their accession in 2007. In addition to more general concerns about their judicial systems and high-level corruption, the control of agricultural funds and food safety issues (animal disease control and bovine spongiform encephalopathy, or BSE, regulations, in particular) were seen as major areas of concern.

Figure 23.1 CAP annual expenditure (1980–2019)



The Agricultural Council finally reached a compromise in June 2003. The 2003 'mid-term review' (MTR) of the CAP (so-called because it was foreseen in the 1999 Berlin Agreement as a simple reviewing exercise) is considered by some commentators as a second revolution in CAP reform after the 'historic' 1992 reform. It introduced a new element, the **Single Farm Payment (SFP)**, a unique CAP direct payment aimed at achieving a complete decoupling of support from production (see Figure 23.1). Under this system, even a farmer who decides to grow nothing is eligible to receive the SFP, as long as they comply with EU environmental, food safety, animal welfare, and occupational safety standards. Finally, another important measure called '**modulation**' was set up to transfer funds from the first CAP pillar (market support) to the second (rural development).

With no direct international pressure this time, a further reform (the so-called **health check**) was approved in November 2008. This was primarily concerned with budgets, further decoupling and

efficiency. As usual, the Commission made ambitious initial proposals, which were considerably eroded in the negotiation process. For example, in the field of modulation, in order to increase both fairness in the distribution of CAP support among farmers and available budgets for rural development, the Commission had proposed a basic rate of 13 per cent transfer from the first to the second pillar by 2013, rising to 23 per cent on individual payments over €100,000, 38 per cent above €200,000, and 58 per cent above €300,000. Owing to (among others) German pressure in the Council—since reunification, Germany has had some very big farms—the final agreement included a much lower modulation scheme, with a basic rate of 10 per cent in 2013 and only an additional 4 per cent for individual payments above €300,000. This reform also led to the end of the quota system for milk in 2015.

Another CAP reform was adopted in June 2013. The reform process was launched in April 2010 with an innovative wide-ranging public consultation

BOX 23.3 KEY DEBATE: THE CAP AND DEVELOPING COUNTRIES

Since the 1980s, the CAP has often been criticized for its effects on developing countries. Through its system of export refunds (payments given to the exporter to compensate for the difference between the European guaranteed price and the much lower world price), the EU was exporting agricultural products at prices much below their costs of production, contributing to the ruin of producers in the global South. For example, cans of Italian concentrated tomatoes, and millions of tons of frozen chicken and wheat from Northern Europe, regularly arrived on African markets at very low prices and caused local production to collapse.

Step by step, the various CAP reforms have reduced the level of internal prices and consequently phased out most export refunds (which now represent only 1 per cent of the CAP budget, see Figure 23.1). This has reduced trade distortions considerably. However, although they are quantitatively much less important, some actors claim that the CAP continues to produce negative effects on developing countries. Although most CAP payments have been shifted to the 'green' box of the WTO, many development non-governmental organizations (NGOs) argue that European products are highly subsidized and are thus exported below their costs of production. As such, they potentially compete unfairly with domestic products in less-developed countries. Others argue, however, that EU agricultural exports mainly target developed and emerging countries rather than less developed ones, and that, under the present circumstances, the problem is not whether to support

European agriculture or not, but whether to support less-developed countries' agriculture (through developing countries' national budgets or through cooperation policies, or even through tariffs that protect internal markets).

Another issue is formulated in terms of 'market access'. Some actors criticize the European Union for being too protectionist owing to its 'non-trade barriers' (such as EU environmental rules, animal welfare standards, and labelling legislation). However, these arguments tend to come from the minority of countries with large producers who export, or who would like to export, their products to the EU with fewer constraints.

By contrast, the European food system is highly dependent upon a number of imports from the global South. This is the case for soybeans, a major input used in industrial animal production processes. Due to the implementation of a zero import tariff on soybeans since 1967, the EU's production of poultry and pig meat, milk, and eggs has developed based on massive imports of soybeans from the USA and, later on, Brazil, Argentina, and Uruguay. In these regions, the intensive industrial production of soybeans causes major social and environmental damage. In order to decrease this problematic dependency, many actors have called on the Commission to support actively the production of protein crops in the EU. Palm oil, which is massively imported from South East Asia to be used in the food industry, raises similar social and environmental issues highlighting how EU agri-food systems continue to fuel deforestation in the global South.

aimed at assessing the opinions of European citizens and stakeholders regarding the CAP. The result showed a clear desire by the public for a fairer and a greener CAP (European Commission, 2010a). To a large extent echoing these views, the Commission presented its first formal reform proposal in November 2011, with the aim of building 'a new partnership between the CAP and the society and achieving three long-term goals: viable food production, sustainable management of natural resources and climate action, and balanced territorial development' (Cioloş, 2011). The proposal proposed the introduction of a new architecture of direct payments based on a green payment scheme: at least 30 per cent of each national direct payment envelope should reward good environmental practice by farmers. The Commission also suggested the removal of all production constraints (the remaining quotas in wine for example) and the introduction

of new market mechanisms (that is, an enhanced safety net), as well as some measures aimed at strengthening rural development. Once again, the initial Commission proposal was significantly diluted in the three years of intense negotiations. The **co-decision** procedure, which included the European Parliament (EP) as a co-legislator in a large agricultural policy reform for the first time, seems to have weakened the Commission and favoured the Council, which traditionally voices dominant agricultural interests (Greer, 2017). The EP and the Council's positions converged on many issues and particularly on the core issue of direct payments, and greening measures were considerably watered down (Hart, 2015). Modulation was maintained, but a reverse modality was introduced authorizing member states to transfer funds from pillar 2 to pillar 1. Consequently, and to a certain extent paradoxically, despite a more democratic decision-process,

the outcome of the 2013 CAP reform failed to match public expectations as expressed in the initial public consultation. A report by the European Court of Auditors found that the 2013 CAP flagship **green payment** only changed farming practices in 5 per cent of all EU farmland and was, overall, not environmentally effective (ECA, 2017).

Facing a systematic watering down of its proposals in the negotiation process while being accused of being responsible for all of CAP's failures (the so-called scapegoat syndrome), the European Commission has adopted a strategy of progressive strategic disengagement, with the idea of defining a common frame and giving to the member states responsibility for defining their own political priorities and preferences. This strategy was explicit in the new CAP reform that was proposed in the summer 2018 and agreed in June 2021, which aimed for 'simpler rules and a more flexible approach'. The proposal was built around national CAP Strategic Plans to allow national and regional authorities to design agricultural policies better fitting to local circumstances. For many commentators, this opened the way for the most radical renationalization that has ever taken place in the history of the CAP (with member states allowed to decide how and to whom to allocate CAP support). Many feared that the divergent policies that would result could impede fair competition among European producers, and lead to an uneven playing field for environmental rules to be met by farmers. Once more, the level of environmental ambition was one of the most debated parts of the reform. Green payments were discontinued, replaced by **eco-schemes**—compulsory for member states to offer as part of direct payments, but voluntary for farmers. As with green payments before them, both Council and Parliament were intent on widening the number of practices that could qualify for these new payments—but the Commission's intent was for these to be focused on delivering environment and climate objectives.

While only a small number of stakeholders engaged with the CAP reform process historically, the 2021 CAP reform occurred under much more intense scrutiny, as environmental groups and climate campaigner Greta Thunberg argued that the CAP proposal, inherited from the Juncker Commission, undermined the von der Leyen Commission's flagship proposal for a European Green Deal (EGD). Commission Vice-President,

Frans Timmermans, assured environmentalists that the CAP could still deliver on the EGD, if and only if the two legislators increased the proposal's ambition during trilogues—which did not happen. The EU institutions were divided on both ambition and priorities for reform, but so were stakeholders, as the CAP reform process revealed once more the heterogeneity of the EU farming community. For COPA-COGECA, farmers are 'climakers', and 'climate and biodiversity are very much at the heart of [their] action'. The new CAP and EGD should simply support existing farmer-led efforts: 'we are already on the move across Europe' (COPA-COGECA, 2020). Conversely, European Coordination Via Campesina, the organization which represents small agriculture and 'family farming' is critical of the reform for underdelivering on the environment and letting down small farms: 'the focus of eco-schemes on environmentally friendly "practices" (rather than environmentally friendly "systems") may mean that large farms with strong financial resources will be able to comply with these practices via investment, while excluding small and medium farmers who can make a move towards sustainability and agroecology in this period'. They are cautiously optimistic however that the European Parliament is starting to take social conditionality seriously, that is, the idea of considering good social conditions on farms, such as farm workers' conditions, as pre-requisite for receiving CAP funding, similar to the role of cross-compliance for environmental standards (ECVC, 2020).

After decades of reform, the core of the CAP remains productivist, prioritizing production and productivity over other objectives. Over time, new instruments have been layered upon pre-existing instruments, retaining broadly the same distributive policy effects (which favour larger farms and older member states). The way the CAP is justified has changed—with a growing importance of public goods and ecosystem services—but this has not gone hand in hand with a profound greening of the CAP, and agriculture remains one of the main drivers of biodiversity loss and air and water pollution in Europe (European Environment Agency, 2019). The recent 2021 reform marks a step change in the governance of the CAP; with renationalization at its heart, it risks further undermining the level playing field between farmers from different member states, and leading to growing divergence in meeting the CAP's environmental and social aims.

KEY POINTS

- The inclusion of agriculture in the Uruguay Round of the GATT in 1986 placed an important political constraint on the Agricultural Council, which led to a radical CAP reform in 1992.
- Successive reforms took place: in 1999 in light of forthcoming enlargements; in 2003 to avoid a clash within the WTO; in 2008 for budgetary reasons; and in 2013 and 2019 to respond to public demands for a fairer and a greener CAP.
- In addition to the progressive replacement of administrative prices by direct payments to farmers ('decoupling') and to the planned end of quota systems, these successive reforms have introduced various innovations, such as the two pillars of the CAP, the direct payment system, the modulation tool, and the concepts of ecosystemic services and public good.
- The latest reform was agreed in June 2021. It marked a step change in public visibility of CAP reform and related debates—but whether it will help deliver rather than undermine the European Green Deal is far from certain.

23.4 Past and present debates on the CAP and EU agriculture

For decades the agricultural reform debate has been focused mainly on the budgetary, economic, and trade distortive effects of Common Agricultural Policy instruments conducive to a progressive liberalization of the policy. However, although they have not been the main engine for change, other important issues have emerged and have progressively found their way into discussions about the future of the CAP; rural development, environment protection, food quality, and equity fall into this category.

23.4.1 The long road to rural development

Since the early years of the CAP, the lack of a socio-economic dimension in the policy has been criticized. This is why in the late 1960s (European Economic Community, 1969), Dutch Agricultural Commissioner, Sicco Mansholt, proposed a radical revision of the CAP's market measures, together with an active structural agricultural policy. Strongly rejected by the

Council, the proposal gave birth to a very timid **structural policy** in 1972, providing funds for such things as new techniques and equipment as means to foster the modernization of farms. Differing from other CAP measures, these structural measures were co-financed by member states through fixed, multi-annual budgetary 'envelopes'. Despite an increase in allocations since the mid-1980s, only an extremely small part of the European agricultural budget has ever been devoted to structural measures. In the following decades, structural measures were merged with social, forestry, and agri-environment measures to create a rural development policy within the framework of the CAP.

The European Commission has made various attempts to promote rural development as a parallel approach to agricultural policy since the beginning of the 1990s. Its Directorate-General for Agriculture was renamed 'Agriculture and Rural Development' at that time, and it published numerous documents promoting its 'sustainable rural development' strategy. An important event organized in this perspective was the European Conference on Rural Development (in Cork, Ireland, November 1996), initially planned as a way of building an ambitious approach to the countryside within the CAP. The Cork Declaration invited European policy-makers to switch their public support from financing market measures to assisting rural development programmes (including agro-environmental measures). Again, however, the member states were very reluctant to adopt such an approach. Consequently, the Commission decided to separate the issue of rural development policy from the overall reform of the CAP, which is how the second pillar of the CAP was born in 1999.

Since its earlier incarnation, rural development policy has attracted two main sets of critics. First, for many, this new 'pillar' remains too marginal both from a budgetary point of view (see Figure 23.1) and from a political perspective, considering that the measures in the second pillar must be co-financed by the member states (whereas the first pillar is entirely funded by the EU). Second, rural development policy is criticized as being too 'farming'-orientated, the measures of the second pillar being essentially designed for farmers rather than other members of the rural community. As a consequence, while agriculture is no longer the sole engine for rural development, it still consumes almost all available funds, with rural development actors outside the farming sector benefiting from only

very scarce resources. In order to address these issues better, commentators have argued for a shift in rural development from the CAP to regional policy, a proposal strongly resisted by the agricultural policy community. In response, the 'modulation' measure was decided in 2003 and reinforced in 2008. A new regulatory framework was adopted for the period 2007–13 which notably reinforced innovative policy tools such as so-called LEADER programmes (highly specific projects designed and implemented through local partnerships). Subsequent CAP reforms have confirmed this fragility of Rural Development funding: for the 2014–20 period and the 2021–27 period, pillar two suffered greater cuts compared to pillar one, and 'reverse modulation' allowed member states with low levels of direct payments to top these up from the rural development budget (see Henke et al., 2017).

23.4.2 Beyond agriculture? Environment and food

The environment and, more broadly, issues of **sustainable development** have progressively found their way into the agricultural policy debate since the 1980s. The negative effects of modern farming were initially denounced by environmental groups. Problems identified included soil degradation in areas of intensive crop production, pollution by pesticides, water pollution caused by nitrate fertilizers in areas of intensive livestock production, and the homogenization of the rural landscape. Until the 1990s, however, due to the opacity of the guaranteed price mechanism, it was not easy to appreciate how the CAP affected the environment in rural areas by prompting farmers to intensify their practices, thereby exacerbating environmental degradation. With CAP support becoming gradually more transparent through the introduction of direct payments, the situation became clearer and environmentalists could enter the agricultural policy debate more directly.

Among the various environmental organizations in Brussels, one has gained an increasing influence on the debate in the last decades: Birdlife International. Since the early 1990s, this organization has emerged as the main representative of the 'CAP and the environment'. Strongly influenced by the UK's Royal Society for the Protection of Birds (RSPB), Birdlife International has diffused a market-orientated vision of the relationship between agriculture and the environment in the CAP. They call for the dismantling of traditional market regulations, seen as most harmful for the environment, and they argue that the CAP should

limit its scope to market failures, that is, the provision of environmental public goods by agriculture (Birdlife International, 2008). They ask for a 'new contract' between society and farmers drawing on a land-based approach: 'appropriate land management is crucial for the conservation of a range of ecosystem services, a critical one of which is food production for the human population and underpinning this, the long-term capacity of land for food production' (Birdlife International/European Landowners' Organization, 2010). They require that 'all payments . . . be based on a clear contract between the contractor and society, spelling out the public goods that the contractor is expected to deliver in exchange for the payments'.

Contrasting Birdlife's market-based vision of the relationship between agriculture policy and the environment, other actors put the environment at the core of their agriculture model. Organic farmers, for example, reject the use of chemicals in farming and support the use of ecological processes instead. However, their organization (the European branch of the International Federation of Organic Agriculture Movement) completely failed to push their more holistic vision of agriculture and the environment within the CAP debate (Gibbon, 2008). The European organic sector thus remains subject to EU regulation (since 1992) based only on market-based mechanisms (Fouilleux and Loconto, 2017), and quite separately from the CAP, although the newly proposed eco-schemes could see support for organic farming at the heart of pillar one. Other actors are calling for radical changes in the CAP on both environmental and social grounds. This is the case of ARC2020, a multi-stakeholder platform that has involved over 150 civil society networks and organizations from 22 EU member states since its creation in 2010 and claims for a 'paradigm shift in agriculture and a rural renaissance' through radical CAP reforms. New actors have also entered the CAP debate in relation to animals and animal production models. Organizations opposing cruelty to animals and/or defending animal welfare are increasingly active, as well as actors warning against the role of livestock in global warming and climate change, and those advocating lower meat consumption levels and less intensive animal production methods.

Finally, voices calling for the better integration of food and diets in CAP related debates are becoming louder. They have even argued for a Common Food Policy (IPES, 2019). Agricultural production as supported by the CAP has underpinned the development of an industrial food system, which is currently facing

multiple challenges. In addition to European-wide sanitary crises, massive waste in the food chain, food culture loss, and increasing anxiety of the consumers, it also results in massive consumption of junk food, with important effects on diets and consequently on health (De Schutter et al., 2020). Most of these actors, whose positions contrast with an exclusively market-based approach to environmental issues, converge in the defence of agroecology as an alternative model that should underpin the CAP. Using the recent framework proposed by the Food and Agriculture Organization (FAO) in that field (Loconto and Fouilleux, 2019), they propose mainstreaming agroecology into all policies governing EU food systems, including the CAP (ARC2020 et al., 2021).

Research projects have tried to test the feasibility of such approaches, such as the *Ten Years for Agroecology* forecasting exercise (Poux and Aubert, 2018). This exercise shows that a fully agroecological Europe, free from synthetic inputs and favouring natural grasslands and agroecological infrastructures (hedges, trees, ponds, stony habitats) could sustainably feed 530 million Europeans by 2050. Despite an induced decline in production of 35 per cent compared to 2010 (in kcal), this scenario feeds Europeans healthily (with less meat) while maintaining export capacity; reduces Europe's global food footprint; results in a 40 per cent reduction in agricultural GHG emissions; and helps to restore biodiversity and to protect natural resources.

Will agroecology succeed where 'Public money for public goods' failed? Environmental public goods, central to the 'green-liberal' pact for CAP reform (Lumbruso and Gravey, 2013), have been hegemonic in CAP related discussions and decision-making regarding the environment in the last decades. However, this principle was hollowed out and only a few changes occurred in practice, resulting in a greenwashing of the CAP (Pe'er et al., 2020). The growing evidence base of the need for urgent action to tackle the twin climate and biodiversity emergencies (European Environment Agency, 2019) seems to have been taken more seriously by the von der Leyen Commission's proposal for a European Green Deal, which appears as doubly important for European agriculture. First, contrary to previous European Commission flagship projects (see for example, the *Lisbon Strategy*) it has a clear agriculture component. Second, the agricultural component, the Farm to Fork Strategy, challenges the CAP by prioritizing food, setting an objective of at least 25 per cent of the EU's agricultural land under organic farming by 2030 and by taking clear and ambitious commitments

to reduce the risk and use of pesticides by 50 per cent, mineral fertilizers by 20 per cent, and antibiotics use by 50 per cent in 2030, and mentioning agroecology as one of the rationales for eco-schemes. Yet once more the 2021 reform saw the Commission proposal weakened by the co-legislators. This makes it likely agroecology will also be hollowed out and that the CAP will undermine, not support delivery of the EGD.

23.4.3 On budgets and equity: where does the money go?

The debate on CAP expenditure has always been very lively. Beyond the general issue of the share of expenditure on the Common Agricultural Policy (CAP) in the total EU budget (which has dropped from 74 per cent in 1985 to 37.4 per cent in 2019), critics have traditionally pointed to the inequitable distribution of support across member states and, more recently, among types of farmers.

A first feature of the debate set countries such as the UK, Sweden, and Denmark against countries such as France, Spain, and most of the Eastern member states. The former three supported cuts in CAP budgetary expenditure, if not the dismantling of the overall policy. The latter have defended a significant CAP budget. The debate was very lively during the 2013 CAP reform, with countries such as the UK claiming that the EU must secure more funds for 'growth' policies (research, education, innovation), rather than agricultural policy (seemingly viewed as a backward policy area). Behind these arguments for and against the CAP is a debate among member states about 'budgetary return'—namely, the benefits gained by a given country from the CAP less the contribution of that country to the EU budget. This issue, which recalls Margaret Thatcher's demands for a **budget rebate** for the UK back in 1984, continues to be present in all Agriculture Council negotiations. This was also raised in the context of the Eastern enlargement (see Box 23.2) and since they joined the EU, East and Central European member states have continued to ask for a more equitable distribution of the CAP budget. The departure of the UK re-opened the CAP budget debate, with concerns it would lead to major gaps in the budget unless the remaining member states agreed to pay more (see Box 23.4).

The distribution of support among types of farmers is a second feature of the CAP equity debate. This is an old issue, which has been much less formally and publicly discussed than the latter, due to the reluctance

of the most influential member states involved in CAP decision-making. Since the 2013 reform, this issue has been re-qualified by the Commission in terms of the 'internal' convergence issue (among farmers), as contrasting with the 'external' convergence issue (among member states) (Cioloş, 2011).

Since the early 1980s, 'small farmers', championed by European Coordination Via Campesina, were arguing for 'differentiated prices'—that is, a guaranteed price system based on both production and social parameters. With the direct payment system, CAP support became more transparent, as did its inherent inequities, and the debate opened up to a larger public. Although data on individual payments were initially kept secret, some lists of the main beneficiaries of the CAP were published after 2004. It came as a surprise when citizens discovered that huge CAP payments were made to the late Queen Mother in the UK, to Prince Rainier of Monaco, to big companies and food industries, and political figures (including the Agriculture Commissioner, Mariann Fischer Boel). Following an intense lobbying campaign by transparency activists (in particular those of farmsubsidy.org), the Council agreed in October 2007 to the full disclosure of all recipients of financial support under the CAP. However, since 2011, after farmers' organizations argued

against it on privacy grounds, data on legal persons (individual farmers) are no longer published.

Since any potential change in CAP instruments can substantially modify the distribution of EU budgetary support among the member states, external convergence is back on the agenda each time a new CAP reform is discussed, and strongly constrains the decision-making process. Internal convergence is a more fundamental issue, which directly talks to the political objectives of the policy. The distribution of CAP support is still very unequally spread. For example, on average, 80 per cent of CAP beneficiaries (88 per cent in Bulgaria and Romania) received around 20 per cent of the payments in 2015. In the UK, prior to Brexit, 42.1 per cent of the UK farmers were sharing 4.5 per cent of total UK CAP payments (and were paid less than €5,000 each), while 8 per cent of them (paid between €50,000 and €200,000 each) were sharing 37 per cent of the total amount of CAP payments allocated to the UK. How this imbalance is addressed varies widely between, and sometimes within, member states. The 2013 CAP reform offered states the ability to cap payments for the highest beneficiaries, redistributing this funding to small farmers. Some countries opted to cap, others did not. At the other end of the spectrum, some countries have minimum claim size, others do not. For example,



BOX 23.4 KEY DEBATE: THE CAP AND BREXIT

Although farming unions across the UK—especially the National Farmers' Union (NFU)—advocated for a 'Remain' position at the time of the 2016 referendum (British agriculture gets around £3 bn subsidies a year from the CAP), a majority of their members voted 'Leave'.

Although negotiations are still in progress as of mid-2021, it is likely that Brexit will have some major impacts on the CAP. First, it might reshuffle power relationships among actors. In the 1990s, UK-rooted Brussels-based interest groups such as RSPB/Birdlife and the Country Landowners Association (CLA)/European Landowners Organization (ELO) had built alliances with reformists in the European Commission, forming a 'green-liberal' pact, to liberalize the CAP and reduce its negative environmental outcomes (Lumbroso and Gravey, 2013). Brexit, which weakens the standing of these powerful actors in the EU arena, leaves the floor to, on the one hand, the traditional sector-based productivist farming unions and, on the other, more radical critics of the CAP, in the small farmer's movement (Via Campesina) and proponents of agroecology and system change. Second, the loss of the UK budgetary contribution raised concerns about

CAP funding. The adoption of a COVID recovery fund (Next Generation EU) (see Chapter 26), in addition to the new Multiannual Financial Framework offset these cuts in part—while the CAP will make do with 40 billion euro less during 2021–28, at 344 it is still 20 more than what the Commission originally offered in 2018.

On the UK side, Brexit implies replacing the CAP by domestic policy, an endeavour further complicated by the devolved nature of agriculture in the UK. England, Wales, Scotland, and Northern Ireland are each developing their own national policies, with few common rules. For some, this creates unique opportunities to trial new agri-environment instruments and focus on public goods to improve the environmental impact of farming (Hart and Baldock, 2019), for others it opens the door to divergence in use of chemicals, gene editing, or genetically modified organisms. Intra-UK differentiation is further increased by the terms of the UK–EU agreements. While Northern Ireland remains aligned with the EU sanitary and phytosanitary rules and can freely export its agri-food goods to the EU, GB producers are facing new barriers making trade with the EU difficult, especially for small companies.

before it left the EU, within the UK during the 2014–21 CAP; England had no cap but Northern Ireland, Wales, and Scotland did, at a maximum of €150,000, €300,000, and €500,000 respectively. England and Wales had minimum claim sizes of 5 ha, Northern Ireland and Scotland only 3 ha, while neighbouring Ireland elected to have no minimum claim sizes.

The last CAP reform has been overshadowed by two still unfolding scandals. The first, one of political corruption, and how CAP funding is used to support the political allies of some EU leaders—if not EU leaders themselves. The second concerns the working conditions of farm workers. In a series of articles in 2019, the *New York Times* exposed how in the Czech Republic, where in 2015 2.7 per cent of Czech farmers shared 46.8 per cent of the country's CAP budget and were paid more than €200,000 each, the highest recipient was actually the Prime Minister, Andrej Babis. This led the European Parliament to demand that Babis abstain from voting on the EU budget deal when it was agreed in July 2020. The *New York Times* further revealed how Babis' Hungarian counterpart, Viktor Orbán, used CAP subsidies to fuel a system of patronage, enriching friends and family, while punishing his rivals. But conflict of interests go well beyond EU leaders, and many Members of the European Parliament (MEPs) on the influential EP Agriculture Committee themselves come from a farming background, and are either recipients of CAP funding themselves, or have family members and business partners receiving funding. The second scandal is one of working

conditions on farms and in the agri-food sector. Investigative journalists from *Euronews*, *Der Spiegel*, and *Mediapart* revealed during Summer 2020 how the rights of seasonal workers, often migrants, were routinely abused on European farms (Borges and Huet, 2020). The COVID-19 pandemic further shed a spotlight on working conditions as outbreaks happened repeatedly in meat factories across the EU. This has fuelled calls for social conditionality of CAP payments, with an open letter signed by more than 300 international and national organizations and individuals (EFFAT et al., 2021), and the European Parliament voting an amendment to include social conditionality in the future CAP.

KEY POINTS

- Although arising early in the Common Agricultural Policy debate, the issue of rural development has experienced a number of difficulties. The second pillar of the CAP now makes rural development policy within the CAP more legitimate, but the budget allocated to it remains small.
- With the shift to direct payments, the distribution of CAP support suddenly became more visible. This turned transparency into a core element of the debate in the 2000s.
- More transparency in the CAP does not mean more equity and social justice in the distribution of CAP support among different type of farmers; huge disparities still remain.
- The environmental issue is becoming a key element of the CAP debate.

23.5 Conclusion

Originally intended to make Western Europe self-sufficient in food, the Common Agricultural Policy was equipped with 'productivist' instruments that led to an overproduction of agricultural produce, serious budgetary problems for the European Community and important environmental and social issues on the ground. In the 1980s, the first reforms introduced supply control measures, such as quotas. At the beginning of the 1990s, as a consequence of international developments, neo-liberal policy beliefs inspired the 'decoupling' of farm support from production. A first reform of the CAP was launched in 1992, which shifted policy instruments from market or price support to direct income support. A series of further reforms followed during the 1990s and 2000s adopting a process of

policy-layering (Daugbjerg and Swinbank, 2016), with further 'decoupling' and increasing attention paid to new dimensions of the policy. However, changes were very slow to be implemented, and although these items have been under discussion for decades, the CAP still suffers from major environmental gaps, poor links to rural development, unequal distribution of support among farmers, and no clear consideration of the food and health issues related to agriculture.

The evolution of the CAP is an excellent illustration of the complexity of the links that exist between national, European, and international political arenas. Inter-sectoral deals that are not easily understood at national level become even more complicated when various governments, coalitions of interests, and European

and international institutions enter the game. Caught in the crossfire between national interests and international bargains, the EU's political system is complex, intricate, and competitive. The growing involvement of local government in the implementation of the CAP further increases this complexity. The CAP also illustrates another type of contemporary complexity, which points to the sociotechnical models that are

favoured explicitly or implicitly by a policy and its instruments and related controversies. The only way in which to deconstruct this complexity is to examine the actors involved in the policy process, the visions of agriculture and agricultural policy that they support, the nature of the political exchanges that take place among them, and the resources that they are able to invest to defend their position and influence the policy process.



QUESTIONS

1. Why did the Common Agricultural Policy originally seek to maintain high prices for agricultural produce?
2. What were the negative consequences of the CAP's price support mechanism?
3. Why did the 1992 reform take place?
4. What do the 1992, 1999, 2003, 2008, and 2013 CAP reforms have in common?
5. Which new issues entered the agricultural policy debate from the late 1990s and why?
6. Why do some actors consider that the greening of the CAP has been a failure?
7. To what extent are developing countries affected by the CAP?
8. What are the three main contrasting discourses regarding the future of agriculture in the EU, especially in relation to the environmental issue?



GUIDE TO FURTHER READING

Daugbjerg, C. and Feindt, P. (2018) *Transforming Food and Agricultural Policy: Post-exceptionalism in Public Policy* (London: Routledge). This book gives an overview of current trends in the field of food and agricultural policy, and engages with contemporary debates on related issues.

Greer, A. (2005) *Agricultural Policy in Europe* (Manchester: Manchester University Press). This book provides a unique comparative analysis of agricultural policies, and shows that, despite the existence of the CAP, substantial agricultural policy variation exists across the EU.

Patel, K. K. (2009) *Fertile Ground for Europe? The History of European Integration and the Common Agricultural Policy since 1945* (Baden-Baden: Nomos). An overview of the historic development of the Common Agricultural Policy and its implications for European integration.

Skogstad, G. and Verdun A. (eds) (2012) *The Common Agricultural Policy: Policy Dynamics in a Changing Context* (London: Routledge). This book gathers contributions by some of the best specialists of agricultural policy analysis worldwide, and provides an excellent overview of a number of CAP-related issues and debates.

Swinen, J. (ed.) (2015) *The Political Economy of the 2014–2020 Reforms of the Common Agricultural Policy: an Imperfect Storm* (Brussels & London: Centre for European Policy Studies/Rowman & Littlefield International). This book discusses the outcome of the 2013 CAP reform and the factors that influenced the policy choices and decisions made at that time.



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