

Preface

Ambitions and Reality of the Common Agricultural Policy: Historical and Interdisciplinary Perspectives

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It is a paradox that since its beginnings in the 1950s the European integration process has been closely tied to agriculture – a sector in decline. The Common Agricultural Policy (CAP) became the European Community's (EC) first common policy and it was and still is its most expensive single budget item. Due to the annual price negotiations and the important surpluses that emerged already in the mid-1960s – often caricatured as butter mountains and milk lakes – the CAP was by far the most visible and the most contested EC policy. Conversely, repeated attempts to reform the policy over a period of more than two decades failed to bring about the required corrections.¹

As the CAP has turned around billions of euro scholars have studied the policy and published expertises, analyses and studies since its inception. This engagement led to a number of valuable syntheses by economists, sociologists and political scientists.² Historians have only recently started to become interested in the CAP.

These historians usually do not have a background in agricultural history. It was rather the interest in the European integration process that brought the beginnings of the CAP into the focus of historical research. The importance some member states attributed to a common agricultural policy and the subsequent efforts by the European Commission of designing the policy may explain why studying the CAP became necessary when analysing the early phase of European integration. The ever-increasing expenditure for the CAP in the EC budget was another factor which meant that no serious history of the beginnings of the European integration process could evade agriculture.³ Hence, historical accounts have so far focused on the ‘Pool Vert’, a plan

1. The authors are grateful to the German Historical Institute Paris for generous financial support of their research.
2. See, for example, B.E. HILL, *The Common Agricultural Policy: Past, Present and Future*, Methuen, London, 1984; E. NEVILLE-ROLFE, *The Politics of Agriculture in the European Community*, Policy Studies Institute, London, 1984; R. FENNELL, *The Common Agricultural Policy: Continuity and Change*, Clarendon, Oxford, 1997; A. KAY, *The Reform of the Common Agricultural Policy: The Case of the MacSharry Reforms*, CABI Publ., Wallingford, 1998; E. FOUILLEUX, *La Politique agricole commune et ses réformes: une politique à l'épreuve de la globalisation*, L'Harmattan, Paris, 2003; I. GARZON, *Reforming the Common Agricultural Policy: History of a Paradigm Change*, Palgrave/Macmillan, Basingstoke, 2006.
3. See A.S. MILWARD, *The European Rescue of the Nation State*, Routledge, London, 1992, chapter 5; A. MORAVCSIK, *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht*, UCL Press, London, 1998, chapters 3 and 4; N.P. LUDLOW, *The European Community and the Crises of the 1960s: Negotiating the Gaullist Challenge*, Routledge, Abingdon, 2006; and most

for a European-wide agricultural market that never materialised,⁴ as well as the foundations and the formative years of the CAP.

Research on the beginnings of the CAP takes three perspectives, which are often interrelated. Using original archival material, one strand of the literature takes a mostly state-centric perspective but includes transnationally organised societal players such as farmers' lobby groups.⁵ The issues brought to the fore by this research have opened up other perspectives which have until recently only been taken up by political scientists. In the second perspective the history of the CAP is embedded in the larger issue of the emergence of the European welfare state.⁶ Finally, a third perspective has recently emerged with economic historians and agricultural economists analysing the long-term economic effects of the CAP.⁷ It is in addressing this long-term perspective of the CAP and in bringing together previously separated approaches and disciplines that this special issue breaks new ground.

The contributions to this volume were first presented in May 2009 at a conference at the German Historical Institute in Paris, convened by the three guest editors. The final versions of the papers were discussed further at a workshop organised at Maastricht University in April 2010. Driven by the puzzle why it took three decades to undertake a major reform of the CAP, the guest editors believe that it is pivotal to analyse this question from an interdisciplinary angle. So far, there has been little dialogue between political scientists, economists and historians on this subject. We

of the contributions in K.K. PATEL (ed.), *Fertile Ground for Europe? The History of European Integration and the Common Agricultural Policy since 1945*, Nomos, Baden-Baden, 2009.

4. G. NOËL, *Les tentatives de Communauté agricole européenne*, in: *Revue d'Histoire Moderne et Contemporaine*, 26(1979), pp.579-611; idem, *France, Allemagne et "Europe Verte"*, Lang, Berne, 1995; R.T. GRIFFITHS, A.S. MILWARD, *The European Agricultural Community 1948-1954* (EUI Working Paper, 86/254), EUI - Dep. of History and Civilization, Badia Fiesolana, 1986; G. THIEMEYER, *Vom "Pool Vert" zur Europäischen Wirtschaftsgemeinschaft: Europäische Integration, Kalter Krieg und die Anfänge der gemeinsamen europäischen Agrarpolitik 1950-1957*, Oldenbourg, Munich, 1999.
5. G. THIEMEYER, op.cit.; C. GERMOND, *Partenaires de raison? Le couple France-Allemagne et l'unification de l'Europe (1963-1969)*, unpublished PhD thesis, Université de Strasbourg, 2009; N.P. LUDLOW, *The making of the CAP: Towards a Historical Analysis of the EU's First Major Policy*, in: *Contemporary European History*, 14(2005), pp.347-371; K.K. PATEL, *Europäisierung wider Willen. Die Bundesrepublik Deutschland in der Agrarintegration der EWG 1955-1973*, Oldenbourg, Munich, 2009.
6. A.D. SHEINGATE, *The Rise of the Agricultural Welfare State: Institutions and Interest Group Power in the United States, France, and Japan*, Princeton University Press, Princeton, 2001; A.-C.L. KNUDSEN, *Farmers on Welfare: The Making of Europe's Common Agricultural Policy*, Cornell University Press, Ithaca, 2009.
7. G. FEDERICO, *Was the CAP the Worst Agricultural Policy of the 20th Century?*, in: K.K. PATEL (ed.), *Fertile Ground ...*, op.cit., pp.257-271; see also from the perspective of agricultural economists T. JOSLING, *Western Europe*, in: K. ANDERSON (ed.), *Distortions to Agricultural Incentives: A Global Perspective, 1955-2007*, Palgrave/Macmillan - World Bank, London/Washington DC, 2009, pp.115-176; M.F. HOFREITHER, *Origins and development of the Common Agricultural Policy*, in: M. GEHLER (ed.), *From Common Market to European Union Building. 50 years of the Rome Treaties 1957-2007*, Böhlau, Vienna, 2009, pp.333-348.

argue that it is vital to look at the temporal as well as the ideational, political and economic dimensions in order to understand the CAP and its (non-)reform.

To understand why the CAP proved to be resistant against any major reform – until the MacSharry reforms of 1992 – requires an in-depth analysis of the main actors. An often neglected driving force behind attempts to reform the CAP were the agricultural trade unions that have so far only been analysed from a national perspective. Rainer Fattmann (social historian) takes a European perspective and shows why the unions were in favour of CAP reform.

The article by Carine Germond (historian) focuses on the formative years of the CAP and explores how the conflicts of interest between France and Germany shaped the setting-up of the policy in the first half of the 1960s. Focusing on three key agricultural negotiations, the article brings to light the power relations within the Franco-German couple and assesses the impact of the intermediation of bilateral disagreements within the consultation framework of the Elysée treaty on European integration. It concludes that France and Germany, albeit for different reasons, contributed to shaping the CAP path protective of the farmers' interests.

Katja Seidel's (historian) piece analyses the Commission's first attempt of reforming the CAP, the so-called Mansholt-Plan of 1968. It sheds light on the preparation of the reform Memorandum, explores the policy and decision-making process leading to its adoption by the Commission, and discusses the different actors that were involved in the process. A far-reaching reform proposal, the Council rejected the Mansholt-Plan as an overall programme but adopted it in parts, thus marking the beginnings of a Community structural policy.

The following article by Robin Allers (historian) approaches the CAP from the perspective of an applicant country – Norway. He shows why the accession negotiations with this Nordic country in 1970-72, whose agricultural sector was quite different from those of the EC6, offered an opportunity to reform the CAP in the early 1970s. While the Community was willing to go a long way to accommodate Norwegian demands regarding a long transition period for this sector, any permanent exemption from the CAP and the Common Fisheries Policy, and thus from the *acquis communautaire*, was considered impossible as a matter of principle.

Explaining the institutional inertia displayed by the CAP is at the heart of Robert Ackrill (economist) and Adrian Kay's (political scientist) contribution. By analysing the key CAP reform milestones the article shows that in the case of the CAP policy change has more often been achieved through incremental changes in the policy means while the policy ends have changed less frequently.

Why, after more than 20 years, the CAP finally underwent a major reform is the subject of the contribution by Chris Elton (political scientist). Drawing on new institutionalist concepts, Elton shows that the ideas underpinning the original formulation of the CAP were challenged in the 1980s. The reforms of the CAP, this article argues, were thus also due to a paradigm change setting in in the 1980s.

Mark Spoerer (economic historian) provides an overall assessment of the fiscal and economic costs of not reforming the CAP. He argues that the protectionist effects of the CAP between the 1960s and the 1980s were larger than those of its national predecessors. Moreover, he finds evidence that already the piecemeal reforms of the 1980s reduced the level of protection and support in the EU – that is prior to the MacSharry reforms of 1992.

The last three articles, although looking at the CAP from different perspectives and with different research questions, thus come to similar conclusions: the CAP underwent incremental changes from the mid-1980s onwards. As Spoerer's piece shows, these incremental changes in policy means should not be underestimated with regard to their economic and trade effects.

The articles in this volume can only capture a fraction of the development of the CAP and the attempts of reforming the policy since the 1960s. With the opening of new archives historians will soon be able to study the CAP up until the reforms of the 1980s and even the MacSharry reforms of 1992. Political scientists, whose works have predominantly focused on the developments since the MacSharry reforms, may also benefit from these new historical insights. Conversely, cross-fertilization with social science research would help historians to theoretically underpin archive-based research. With regard to this evolving research the editors think that it is crucial that historians, economists, political scientists and sociologists take into account each others' research, if not develop genuinely interdisciplinary studies. The editors hope that the work of this group of scholars and the results of their research published in this thematic issue will contribute to this.

Introduction to the Special Issue on CAP Reform

Fernando GUIRAO

Any scholar dealing with the Common Agricultural Policy (CAP) today, no matter in which field the scholar is working, has to take into consideration a multiplicity of questions and, above all, the *longue durée* which is involved in this subject. Any mono-disciplinary approach to the subject or one which isolates decisions made at any specific juncture from their subsequent cumulative impact is bound to fail in the attempt to improve our collective understanding of one of the most complex existing public policies. This complexity is not intrinsic to but imposed on the sector. Agriculture was the third economic sector to receive the particular regulatory attention of policy makers within the European Communities. The first was coal and steel under the aegis of the Treaty establishing the European Coal and Steel Community. The second was trade in industrial commodities through the customs union provisions of the European Economic Community (EEC). After the competition policy central to the common coal and steel market and the commercial policy built into the customs union provisions, the CAP was the third successful attempt at a common policy among the Six. Since its inception though, the CAP has been the most significant among the set of existing common policies in terms of the Community's budget, administration, legislative and judicial action. And, for these very same reasons, the most contested one.

The amount of resources devoted to the CAP should not be taken as an indication of how essential this policy is for the population of the European Community. The non-agricultural activity, as well as non-agricultural commodity and service trade within the EEC area and between the latter and the rest of the world, have always been, and will continue to be in the future, much more important for the citizens of the member States of the European Community (EC) / Union (EU) than agriculture. The high amounts of collective resources traditionally devoted to the CAP only show that protectionism is expensive and cumbersome to handle.

Despite the fact that agriculture represented, in 2009, 1.7 % of the combined gross added value of the 27 member States of the European Union (EU27) and 5.6 % of EU27 total active population, CAP expenditure amounted to 41.9 % of the EU budget.¹ Thus, in spite of agriculture's limited weight in gross domestic product and

1. Gross value added of agriculture, hunting and fishing, at current basic prices and current exchange rates, as a percentage of all branches, and agriculture as a percentage of total employment in 2009, both values according to the European Commission's Eurostat National Accounts and employment (LFS adjusted series) data (http://epp.eurostat.ec.europa.eu/portal/page/portal/national_accounts/data/main_tables and http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database respectively - last accessed on 8 September 2010). The budget figure is that given under the heading 'Natural resources' (including: market related expenditure and direct aids, as well as rural development, environment and fisheries) as reported in EUROPEAN COMMISSION, *General Budget*